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S. HRG. 110–201, PT. 1

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

S. 1547

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2008 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

PART 1

MILITARY POSTURE
ARMY POSTURE
AIR FORCE POSTURE
COMBATANT COMMANDERS
NAVY POSTURE
WHETHER THE ARMY AND MARINE CORPS ARE PROPERLY SIZED, ORGANIZED, AND EQUIPPED
COMBATANT COMMANDERS
CENTRAL COMMAND
EUROPEAN COMMAND

FEBRUARY 6; MARCH 15, 20, 22, 29; APRIL 17, 24; MAY 3, 17, 2007

Printed for the use of the Committee on Armed Services

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008—Part 1

MILITARY POSTURE ● ARMY POSTURE ● AIR FORCE POSTURE ● COMBATANT COMMANDERS ● NAVY POSTURE ● WHETHER THE ARMY AND MARINE CORPS ARE PROPERLY SIZED, ORGANIZED, AND EQUIPPED ● COMBATANT COMMANDERS ● CENTRAL COMMAND ● EUROPEAN COMMAND

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DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, FEBRUARY 6, 2007

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

MILITARY POSTURE

The committee met, pursuant to notice, at 9:34 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Kennedy, Byrd, Lieberman, Reed, Bill Nelson, E. Benjamin Nelson, Bayh, Clinton, Pryor, Webb, McCaskill, McCain, Warner, Inhofe, Sessions, Collins, Ensign, Chambliss, Graham, Dole, Cornyn, Thune, and Martinez.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearing clerk.

Majority staff members present: Jonathan D. Clark, minority counsel; Daniel J. Cox, Jr., professional staff member; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Michael J. McCord, professional staff member; William G.P. Monahan, counsel; and Michael J. Noblet, research assistant.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Gregory T. Kiley, professional staff member; Derek J. Maurer, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Lynn F. Rusten, professional staff member; Sean G. Stackley, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: David G. Collins, Fletcher L. Cork, and Jessica L. Kingston.

Committee members' assistants present: Sharon L. Waxman, assistant to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Caroline Tess, assistant to Senator Bill Nelson; Eric Pierce and Benjamin Rinaker, assistants to Senator Ben Nelson; Todd Rosenblum, assistant to Senator Bayh; Andrew Shapiro, assistant to Senator Clinton; Lauren Henry, assistant to Senator Pryor; Gor-

don I. Peterson, assistant to Senator Webb; Nichole M. Distefano, assistant to Senator McCaskill; Sandra Luff, assistant to Senator Warner; Arch Galloway II, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; D'Arcy Grisier, assistant to Senator Ensign; Clyde A. Taylor IV, assistant to Senator Chambliss; Adam G. Brake, assistant to Senator Graham; Lindsey Neas, assistant to Senator Dole; Russell J. Thomasson, assistant to Senator Cornyn; and Stuart C. Mallory and Bob Taylor, assistants to Senator Thune.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to receive the testimony from Secretary of Defense, Robert Gates; Chairman of the Joint Chiefs of Staff, General Peter Pace; and the Comptroller of the Department of Defense, Tina Jonas.

The subject is the President's fiscal year 2008 budget request for the Department of Defense (DOD), including both the so-called base budget of $481 billion and the additional $141 billion requested for operations in Iraq and Afghanistan. In addition, our witnesses will present the $93 billion supplemental that is being submitted for the rest of fiscal year 2007 for operations in Iraq and Afghanistan, which is in addition to the $70 billion so-called bridge supplemental for fiscal year 2007 that Congress provided last fall.

I want to welcome all of our witnesses this morning. Secretary Gates, we know that most of the work of putting this budget together took place before you took office, and we understand if you turn to the Comptroller to answer, perhaps, more questions than usual this year. However, some of the most significant proposals contained in this budget and the supplemental reflect administration decisions that were made in the past month, such as the proposal to surge additional troops to Iraq this year and the proposal to seek a large permanent increase in the size of the Army and Marine Corps. These are key decisions which you, Mr. Secretary, were intimately involved.

I appreciate the effort that all of you made to submit a budget that includes the full year's cost of continuing operations in Iraq and Afghanistan. This was in compliance with a provision in last year's National Defense Authorization Act (NDAA). It is a step forward, in terms of both budget honesty and proper oversight, and I'm pleased that, through the leadership of Senators McCain and Byrd, and others, that we have gotten to this point.

I hope we're now moving to an era of real transparency of the financial costs of these operations. That still leaves us plenty of other work to do on the policy underlying these costs and, as the reports of the Special Inspector General for Iraq Reconstruction remind us, on the contracting and spending of these funds. Making it clear how much we spend and what we plan to spend it for is an essential part of congressional oversight and accountability to the taxpayer.

One of the benefits of seeing the full cost of the defense program proposed in this budget is that it brings home the enormous growth in defense spending we've seen in this administration. The fiscal year 2008 base budget is 30 percent larger than the defense budget

that President Bush inherited in 2001, and that's in constant dollars. When the cost of operations in Iraq and Afghanistan are included, the defense budget is now 60 percent larger than it was then, yet it is difficult to see how we, as a Nation, are more secure.

Nowhere are the costs of this administration's policies more vivid than in the budget request before us today for operations in Iraq. Our Nation has already made an investment of over $330 billion and a sacrifice of over 3,000 lives lost and 22,000 wounded in Iraq. But this has not brought us the secure and stable Iraq that we all wish to see.

This morning, the administration is presenting to Congress and the American people a request to invest an additional $174 billion in a more robust version of that same Iraq policy for the balance of 2007 and 2008. That would bring the total invested in military costs in Iraq to $505 billion by the end of fiscal year 2008.

The costs of our policy in Iraq are not limited to those enormous sums of money, all of which are borrowed, by the way. The heavy deployment of our forces to Iraq has increased the stress on our force and reduces the ability of our military to train for, and react to, challenges in other parts of the world, if need be. The proposed surge of at least 21,500 additional forces to Iraq will worsen that stress.

There are other aspects of this request for funds in Iraq and Afghanistan that are of concern. The request for over a billion dollars of military construction funds in Iraq and Afghanistan implies that a long-term presence may be envisioned.

Secretary Gates, a month ago Senator McCain and I wrote to you expressing our concern that the directive issued by Deputy Secretary England in late October meant that the rules for what would be allowed in future supplemental requests were being relaxed. We wrote to you, urging that "a supplemental should be limited to expenditures that are directly required in connection with ongoing military operations." It appears that our concerns were well-founded.

Last fall, we were told that reset requirements for fiscal year 2007 would reach about $23 billion, including a significant one-time catchup for costs the Army was not able to get the administration to request in 2006, but we were told that recurring costs would be lower after that. Instead, we now see those costs balloon up to $37 billion a year, including the purchase of large numbers of aircraft that do not appear to meet the definition of emergency spending and which won't be delivered for years.

Finally, in a rather marked change of position for this administration, the budget proposes to add 92,000 Active-Duty Army and Marine Corps personnel to the force over the next 5 years, an increase of almost 14 percent in the size of our ground forces. This proposed increase is substantially larger than increases proposed by Senator Jack Reed and others over the past several years, that the DOD had opposed. The Department estimates the 5-year cost of this increase at $95 billion from fiscal years 2008 to 2012, and there are additional costs in fiscal year 2007, as well. An increase of this size will require us to either permanently increase the size of the defense budget or cut back on weapons programs to offset the cost of these additional personnel. Once adopted, such increases

are not easily undone, especially once we invest in the equipment and facilities to support these new units.

We all understand the stress on our forces in Iraq, but only some of these additional people would be trained and ready to help relieve that stress in the next year or 2. Therefore, it is important that we understand exactly what these additional personnel are needed for in the long-term that was not foreseen in the Quadrennial Defense Review submitted a year ago that rejected such increases. Do we intend to stay in Iraq for years to come? Does the administration think the long war with terrorism is going to be won with large ground forces operating in foreign nations?

Our men and women in uniform are risking their lives representing our Nation around the world. All of us support them. We appreciate their hard work and the sacrifices that they and their families make. We owe it to them to give them the tools to succeed, but we also have a duty to them and all of America's taxpayers to approve only those funding requests that we believe are necessary and appropriate.

Let me call on Senator Warner. I know that Senator McCain is on his way, but—Senator Warner?

Senator WARNER. That's correct. Let's proceed with the testimony. At such time as he gets here, he'll make his opening remarks.

Chairman LEVIN. Thank you, Senator Warner.

Secretary Gates?

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

Secretary GATES. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, I thank the committee, first of all, for all you have done over the years to support our military for many years, and I appreciate the opportunity to provide an overview of the way ahead at the DOD through the budgets being proposed this week.

First, the President's fiscal year 2008 defense budget, which includes the base budget request and the fiscal year 2008 global war on terror request; and, second, the fiscal year 2007 emergency supplemental appropriation request to fund war-related costs for the remainder of the fiscal year. We have provided a more detailed statement—opening statement for the record, and I'll just be very brief here.

Joining me today is General Pete Pace, Chairman of the Joint Chiefs of Staff, and Tina Jonas, the Comptroller of the DOD.

In summary, the budget being requested by the President will make the strategic investments necessary to modernize and recapitalize key capabilities in the Armed Forces, sustain the All-Volunteer Military by reducing stress on the force and improving the quality of life for our troops and their families, improve readiness through additional training and maintenance and by resetting forces following their overseas deployment, and fund U.S. military operations in Iraq, Afghanistan, and elsewhere, in the ongoing campaign against violent jihadist networks around the globe.

I believe it is important to consider these budget requests in some historical context, as there has been, understandably, sticker shock at their combined price tags, more than $700 billion. But consider that at about 4 percent of America's gross domestic product (GDP), the amount of money the United States is projected to spend on defense this year is actually a smaller percentage of GDP than when I left government 14 years ago, following the end of the Cold War, and a significantly smaller percentage than during previous times of war, such as Vietnam and Korea.

Since 1993, with a defense budget that is a smaller relative share of our national wealth, the world has gotten more complicated and arguably more dangerous. In addition to fighting the global war on terror, we also face the danger posed by Iran and North Korea's nuclear ambitions and the threat they pose not only to their neighbors, but globally, because of their record of proliferation; the uncertain paths of Russia and China, which are both pursuing sophisticated military modernization programs; and a range of other potential flashpoints and challenges. In this strategic environment, the resources we devote to defense should be at the level to adequately meet those challenges.

Someone once said that experience is that marvelous thing that enables you to recognize a mistake when you make it again. Five times over the past 90 years, the United States has either slashed defense spending or disarmed outright in the mistaken belief that the nature of man or the behavior of nations had somehow changed, or that we would no longer need capable, well-funded military forces on hand to confront threats to our Nation's interests and security. Each time, we have paid a price.

The costs of defending the Nation undoubtedly are high. The only thing costlier, ultimately, would be to fail to commit the resources necessary to defend our interests around the world and failure—and to fail to prepare for the inevitable threats of the future.

Before closing, Mr. Chairman, I would like to take this opportunity to announce something that is not referenced in my statement that was submitted yesterday, but that I wanted to bring to the committee's attention.

The President has decided to stand up a new unified combatant command, Africa Command (AFRICOM), to oversee security cooperation, building partnership capability, defense support to nonmilitary missions, and, if directed, military operations on the African continent. This command will enable us to have a more effective and integrated approach than the current arrangement of dividing Africa between Central Command (CENTCOM) and European Command (EUCOM), an outdated arrangement left over from the Cold War. This Department will consult closely with Congress and work with our European and African allies to implement this effort.

We look forward to taking your questions.

Thank you, sir.

[The prepared statement of Secretary Gates follows:]

PREPARED STATEMENT BY HON. ROBERT M. GATES

Mr. Chairman, Senator McCain, and members of the committee: I thank the committee for all you have done to support our military these many years, and I appreciate the opportunity to provide an overview of the way ahead at the Department

of Defense (DOD) through the budgets being proposed this week: First, the President's fiscal year 2008 defense budget, which includes the base budget request and the fiscal year 2008 global war on terror request; and second, the fiscal year 2007 Emergency Supplemental Appropriation Request to fund war-related costs for the remainder of this fiscal year.

I believe it is important to consider these budget requests in some historical context as there has been, understandably, sticker shock at their combined price tags—more than $700 billion in total.

But, consider that at about 4 percent of America's Gross Domestic Product (GDP), the amount of money the United States is expected to spend on defense this year is actually a smaller percentage of GDP than when I left government 14 years ago following the end of the Cold War—and a significantly smaller percentage than during previous times of war, such as Vietnam and Korea.

Since 1993, with a defense budget that is a smaller relative share of our national wealth, the world has gotten more complicated, and arguably more dangerous. In addition to fighting the global war on terror, we also face:

- The danger posed by Iran and North Korea's nuclear ambitions, and the threat they pose not only to their neighbors, but globally, because of their record of proliferation.
- The uncertain paths of China and Russia, which are both pursuing sophisticated military modernization programs; and
- A range of other potential flashpoints and challenges. In this strategic environment, the resources we devote to defense should be at the level to adequately meet those challenges.

Someone once said that "Experience is that marvelous thing that enables you to recognize a mistake when you make it again."

Five times over the past 90 years the United States has either slashed defense spending or disarmed outright in the mistaken belief that the nature of man or behavior of nations had somehow changed, or that we would no longer need capable, well funded military forces on hand to confront threats to our Nation's interests and security. Each time we have paid a price.

The costs of defending our Nation are high. The only thing costlier, ultimately, would be to fail to commit the resources necessary to defend our interests around the world, and to fail to prepare for the inevitable threats of the future.

FISCAL YEAR 2008 BASE BUDGET

The President's fiscal year 2008 base budget request of $481.4 billion is an increase of 11.3 percent over the projected enacted level of fiscal year 2007, and provides the resources needed to man, organize, train, and equip the Armed Forces of the United States. This budget continues efforts to reform and transform our military establishment to be more agile, adaptive, and expeditionary to deal with a range of both conventional and irregular threats.

Some military leaders have argued that while our forces can support current operations in the war on terror, these operations are increasing risks associated with being called on to undertake a major conventional conflict elsewhere around the world. This budget provides additional resources to mitigate those risks.

The fiscal year 2008 base budget includes increases of about $16.8 billion over last year for investments in additional training, equipment repair and replacement, and intelligence and support. It provides increases in combat training rotations, sustains air crew training, and increases ship steaming days.

INCREASE GROUND FORCES

Despite significant improvements in the way our military is organized and operated, the ongoing conflicts in Iraq and Afghanistan have put stress on parts of our Nation's ground forces.

Last month, the President called for an increase in the permanent active end strength of the Army and Marine Corps of some 92,000 troops by fiscal year 2012. The base budget request adds $12.1 billion to increase ground forces in the next fiscal year, which will consist of 7,000 additional soldiers and 5,000 additional marines.

Special Operations Forces, who have come to play an essential and unique role in operations against terrorist networks, will also grow by 5,575 troops between fiscal year 2007 and fiscal year 2008.

STRATEGIC INVESTMENTS—MODERNIZATION

The base budget invests $177 billion in procurement and research and development that includes major investments in the next generation of technologies. The major weapons systems include:

- Future Combat System ($3.7 billion)—The first comprehensive modernization program for the Army in a generation.
- Joint Strike Fighter ($6.1 billion)—This next generation strike aircraft has variants for the Air Force, the Navy, and the Marine Corps. Eight international partners are contributing to the JSF's development and production.
- F–22A ($4.6 billion)—Twenty additional aircraft will be procured in fiscal year 2008.
- Shipbuilding ($14.4 billion)—The increase of $3.2 billion over last year is primarily for the next generation aircraft carrier, the CVN–21, and the LPD–17 amphibious transport ship. The long-term goal is a 313-ship Navy by 2020.

Missile Defense

I have believed since the Reagan administration that if we can develop a missile defense capability, it would be a mistake for us not to do so. There are many countries that either have or are developing ballistic missiles, and there are at least two or three others—including North Korea—that are developing longer-range systems. We also have an obligation to our allies, some of whom have signed on as partners in this effort. DOD is proceeding with formal negotiations with Poland and the Czech Republic on establishing a European missile site. The missile defense program funded by this request will continue to test our capability against more complex and realistic scenarios. I urge the committee to approve the full $9.9 billion requested for the missile defense and Patriot missile programs.

Space Capabilities

The recent test of an anti-satellite weapon by China underscored the need to continue to develop capabilities in space. The policy of the U.S. Government in this area remains consistent with the longstanding principles that were established during the Eisenhower administration, such as the right of free passage and the use of space for peaceful purposes. Space programs are essential to the U.S. military's communications, surveillance, and reconnaissance capabilities. The base budget requests about $6.0 billion to continue the development and fielding of systems that will maintain U.S. supremacy while ensuring unfettered, reliable, and secure access to space.

Recapitalization

A major challenge facing our military is that several key capabilities are aging and long overdue for being replaced. The prime example is the Air Force KC–135 tanker fleet, which averages 45 years per plane. It is becoming more expensive to maintain and less reliable to operate. The Air Force has resumed a transparent and competitive replacement program to recapitalize this fleet with the KC–X aircraft. The KC–X will be able to carry cargo and passengers and will be equipped with defensive systems. It is the U.S. Transportation Command's and the Air Force's top acquisition and recapitalization priority.

QUALITY OF LIFE—SUSTAINING THE ALL-VOLUNTEER FORCE

Our Nation is fortunate that so many talented and patriotic young people have stepped forward to serve, and that so many of them have chosen to continue to serve.

In December, all active branches of the U.S. military exceeded their recruiting goals, with particularly strong showings by the Army and Marine Corps. The fiscal year 2008 request includes $4.0 billion for recruiting and retention to ensure that the military continues to attract and retain the people we need to grow the ground forces and defend the interests of the United States.

We will continue to support the All-Volunteer Force and their families through a variety of programs and initiatives. The budget includes:

- $38.7 billion for health care for both Active-Duty and retired servicemembers;
- $15 billion for Basic Allowance for Housing to ensure that, on average, troops are not forced to incur out-of-pocket costs to pay for housing;
- $2.9 billion to improve barracks and family housing and privatize an additional 2,870 new family units; and

- $2.1 billion for a 3-percent pay increase for military members.

In addition, recently announced changes in the way the military uses and employs the Reserves and National Guard should allow for a less frequent and more predictable mobilization schedule for our citizen soldiers.

Combined with other initiatives to better organize, manage, and take care of the force, these recent changes should mean that in the future our troops should be deployed or mobilized less often, for shorter periods of time, and with more predictability and a better quality of life for themselves and their families.

TRAIN AND EQUIP AUTHORITIES

Operations in Iraq, Afghanistan, and elsewhere have shown the critical importance of building the capacity and capability of partners and allies to better secure and govern their own countries.

In recent years we have struggled to overcome the patchwork of authorities and regulations that were put in place during a very different era—the Cold War—to confront a notably different set of threats and challenges.

The administration has, with congressional support, taken some innovative steps to overcome these impediments. A significant breakthrough was the section 1206 authority that allows the DOD and State Department to more rapidly and effectively train and equip partner military forces. In the fiscal year 2008 base budget, we are seeking dedicated funding of $500 million to use this authority. I would ask for a serious, collaborative effort with Congress to develop the right interagency funding mechanisms and authorities to meet critical national security needs.

GLOBAL WAR ON TERROR REQUESTS

The President's two war-related requests are the fiscal year 2007 Emergency Supplemental request for $93.4 billion, and the fiscal year 2008 global war on terror request for $141.7 billion.

The fiscal year 2007 Supplemental Request is in addition to the $70 billion that has already been appropriated for war-related costs in this fiscal year. If these additional funds are delayed, the military will be forced to engage in costly and counterproductive reprogramming actions starting this spring to make up the shortfall. Timely enaction of the fiscal year 2007 supplemental is critical to ensuring our troops in the field have the resources they need.

The additional U.S. ground and naval forces being sent to the Iraq theater are projected to cost $5.6 billion. This total includes funding for personnel costs, supplies, spare parts, contractor support, and transportation.

The fiscal year 2008 global war on terror request complies with Congress's direction to include the costs of ongoing operations in Iraq and Afghanistan in the annual DOD budget. Given the uncertainty of projecting the cost of operations so far in the future, the funds sought for the fiscal year 2008 global war on terror request are generally based on a straight-line projection of current costs for Iraq and Afghanistan.

The war-related requests include $39.3 billion in the fiscal year 2007 supplemental and $70.6 billion in the fiscal year 2008 global war on terror request to provide the incremental pay, supplies, transportation, maintenance, and logistical support to conduct military operations.

Reconstitution

The fiscal year 2007 supplemental requests $13.9 billion—and the fiscal year 2008 global war on terror request $37.6 billion—to reconstitute our Nation's Armed Forces—in particular, to refit the ground forces, the Army and Marine Corps, who have borne the brunt of combat in both human and material terms. These funds will go to repair or replace equipment that has been destroyed, damaged, or stressed in the current conflict.

All Army units deployed, or about to deploy, for missions overseas are fully trained and equipped, often with additional gear for their particular mission. In an expeditionary, rotational force one can expect that units returning from their deployment will decline to a lower readiness level as personnel turn over and equipment is repaired or replaced. The $13.6 billion in reset funds in the fiscal year 2008 global war on terror request for the U.S. Army will go a long way towards raising the readiness levels across the force.

Force Protection

The war-related requests include $10.4 billion in the fiscal year 2007 Supplemental, and $15.2 billion in the fiscal year 2008 global war on terror request for investments in new technologies to better protect our troops from an agile and

adaptive enemy. Programs being funded would include a new generation of body armor, vehicles that can better withstand the blasts from improved explosive devises (IEDs), and electronic devices that interrupt the enemy's ability to attack U.S. forces. Within this force protection category, the fiscal year 2007 supplemental includes $2.4 billion and the fiscal year 2008 global war on terror includes $4.0 billion to counter and defeat the threat posed by IEDs.

Afghan/Iraqi Security Forces

The fiscal year 2007 supplemental requests $9.7 billion, and the fiscal year 2008 global war on terror requests $4.7 billion, to stand up capable military and police forces in Afghanistan and Iraq.

The bulk of these funds are going to train and equip Afghan National Security Forces (ANSF) to assume the lead in operations throughout Afghanistan. As of last month, some 88,000 have been trained and equipped, an increase of 31,000 from the previous year.

The $5.9 billion for the ANSF in the fiscal year 2007 Supplemental is a substantial increase over previous years' appropriations. It reflects the urgent priority of countering increased activity by the Taliban, al Qaeda, and narcotics traffickers to destabilize and undermine the new democracy in Afghanistan. These funds will significantly upgrade the capability of Afghan forces to conduct independent counter-insurgency operations.

In Iraq, more than 300,000 soldiers and police have been trained and equipped, and are in charge of more than 60 percent of Iraqi territory and more than 65 percent of that country's population. They have assumed full security responsibility for 3 out of Iraq's 18 provinces and are scheduled to take over more territory over the course of the year. These Iraqi troops, though far from perfect, have shown that they can perform with distinction when properly led and supported. Iraqi forces will be in the lead during operations to secure Baghdad's violent neighborhoods. By significantly increasing and improving the embedding program, Iraqi forces will operate with more and better coalition support than they had in the past.

Non-Military Assistance

Success in the kinds of conflicts our military finds itself in today—in Iraq, or elsewhere—cannot be achieved by military means alone. The President's strategy for Iraq hinges on key programs and additional resources to improve local governance, delivery of public services, and quality of life—to get angry young men off the street and into jobs where they will be less susceptible to the appeals of insurgents or militia groups.

Commanders Emergency Response Program (CERP) funds are a relatively small piece of the war-related budgets—$456 million in the fiscal year 2007 supplemental, and $977 million in the fiscal year 2008 global war on terror request. But because they can be dispensed quickly and applied directly to local needs, they have had a tremendous impact—far beyond the dollar value—on the ability of our troops to succeed in Iraq and Afghanistan. By building trust and confidence in coalition forces, these CERP projects increase the flow of intelligence to commanders in the field and help turn local Iraqis and Afghans against insurgents and terrorists.

CONCLUSION

With the assistance and the counsel of Congress, I believe we have the opportunity to do right by our troops and the sacrifices that they and their families have made these past few years. That means we must make the difficult choices and commit the necessary resources to not only prevail in the current conflicts in which they are engaged, but to be prepared to take on the threats that they, their children, and our Nation may face in the future.

Chairman LEVIN. General Pace?

STATEMENT OF GEN. PETER PACE, USMC, CHAIRMAN, JOINT CHIEFS OF STAFF

General PACE. Mr. Chairman and members of the committee, thank you very much, sir, for this opportunity to be with you today.

If I may ask, Mr. Chairman, that my written statement be made part of the record.

Chairman LEVIN. It will be.

General PACE. I would like to, on behalf of all of us in uniform, thank this committee and the Members of Congress for your strong

bipartisan support, and especially for the trips that you make to the region and to the hospitals. Your visits make a difference.

I'd like to thank our troops and their families. They are just magnificent, both when they serve overseas and with their families here at home. We owe them a great debt of gratitude, and I am proud to represent them in front of you this morning.

I'd also like to thank the employers of our National Guard and Reserve. We could not be doing what we're doing without the National Guard and Reserve. These military members are key parts of our team, and we recognize that they are also key parts of business teams from where they come, and we appreciate the employers' patience and support as they perform their duties for the Nation.

As you look out across the globe for the next 12 months or so, it's hard to see where the demand is going to diminish. Without predicting, you can take a lap around the globe, start with Pakistan, Afghanistan, Iran, Iraq, Syria, Lebanon, Yemen, Somalia, Sudan, Colombia, Venezuela, Philippines, Indonesia, Malaysia, North Korea, and back around to Pakistan. I'm sure I missed a few, but there are multiple challenges out there for our Armed Forces, which, to me, solidifies the need for more troops, as has already been mentioned, and the opportunity, in the mid-grade levels and mid-grade enlisted—to be able to expand those groups, because they're the ones we depend on heavily to help train and equip our partners. We need to look at how we have authorized our military and our Department of State (DOS) to work with our partners and find those impediments to effective and efficient assistance, and work with Congress to overcome them.

We should also look at the expeditionary capabilities of other parts of our Government, other than the U.S. military, to see what the impediments are there that we might be able to employ more efficiently all the powers of national government and not just your military.

Lastly, we should take a good hard look at our interagency effectiveness, take a look at, for example, the empowerment that the Goldwater-Nichols Act gave us in jointness in the military, and see which, if any, of those kinds of ideas would help us be more effective and efficient in the way we operate in interagency here in and across the planet.

With that, Mr. Chairman, I thank you, again, for this opportunity, and I'll look forward to your questions.

[The prepared statement of General Pace follows:]

PREPARED STATEMENT BY GEN. PETER PACE, USMC

Chairman Levin, Senator McCain, and distinguished members of the committee, it is my privilege to report to you on the posture of the U.S. Armed Forces. On behalf of 2.4 million Active-Duty, Guard, and Reserve soldiers, sailors, airmen, marines, and our families, thank you for your continued support. Your visits to troops in Iraq, Afghanistan, and beyond; comfort to the wounded; and funding for transformation, recapitalization, pay and benefits are deeply appreciated.

America's military is the world's finest, due in large measure to the patriotic sacrifices of our Nation's servicemembers. I want to thank them and their families for all they have done, and continue to do, to maintain our freedom. For the first time, America's All-Volunteer Force is fighting a long term war with a significant commitment of combat forces. Our troops are serving with extraordinary dedication and distinction. They are an inspiration to us all and I am honored to represent them here today.

Winning the war on terrorism is and will remain our number one priority. At the same time, we will continue to transform our Armed Forces, strengthen joint warfighting capabilities, and improve the quality-of-life of our servicemembers and their families.

STRATEGIC ENVIRONMENT

My biennial National Military Strategy Risk Assessment was recently submitted to Congress. That classified document and the Secretary of Defense's plan for mitigating risk depict the challenges we face around the globe and discuss how we will overcome them. Sustained deployments, equipment utilization, and operational tempo each impart risk from a military perspective. The current heavy demand for ground, sea, and air capabilities is not likely to dissipate in the immediate future.

As stated in my assessment, our Armed Forces stand ready to protect the homeland, prevent conflict, and prevail over adversaries. These missions present simultaneous and interrelated challenges of varying intensity, immediacy, and danger.

America's Armed Forces are in our sixth year of sustained combat operations. We are fighting sectarian violence, insurgency, and terrorism in Iraq and Afghanistan. Al Qaeda and its allies threaten the safety of our homeland and our overseas partners—threats made more alarming by the proliferation of weapons of mass destruction. We face other threats and challenges as well:

- Iran sponsors operations in Lebanon and Iraq that are destabilizing those governments. In addition, Iran's drive to enrich uranium highlights its desire to assert greater influence in a region of vital interest to our Nation.
- North Korea's pursuit of nuclear weapons and associated missile technologies poses another strategic challenge. The launch of multiple ballistic missiles on the Fourth of July 2006 coupled with the apparent successful detonation of a nuclear device in October 2006 undermines counterproliferation efforts, threatens many, and could provoke a regional arms race.
- China's military build-up continues unabated, to include offensive strike missiles, expanded sea and air control capabilities, antisatellite systems, cyberattack technologies, and an increasingly capable Navy and Air Force.
- Pakistan requires continued international support to maintain stability. Given its possession of nuclear weapons and pivotal location, a stable government in Pakistan is critical to guard against transnational terrorism and ease tensions with neighboring India.
- The Abu Sayaf Group in the southern Philippines and al Qaeda's partner Jemaah Islamiyah in Indonesia threaten international maritime security in strategic waterways.
- Narcoterrorists in Latin America destabilize societies, harm nations, and hold American citizens hostage.
- The governments of Venezuela and Cuba are openly anti-U.S. Together, they actively seek to create alignments to oppose us throughout the region.
- Succession questions in Cuba may lead to mass migration.
- Political and humanitarian challenges in Africa are myriad, including the specter of growing instability, genocide, civil war, and safe havens for terrorists.

Given the breadth of these challenges, their complexity, and their potential long duration, we must increase our overall capacity in order to reduce strategic risk. The proposed fiscal year 2008 budget, the fiscal year 2007 supplemental, and the fiscal year 2008 global war on terrorism request match resources to these tasks. These budget requests represent a significant investment, but that investment is approximately 3.9 percent of our gross national product—relatively modest in historic terms.

WIN THE WAR ON TERRORISM

We must prevail in the global war on terrorism. Sustaining operations in Iraq and Afghanistan, while maintaining readiness to respond to new contingencies around the globe, is a heavy burden for our current force structure. Nearly a million American men and women in uniform have deployed to Iraq and Afghanistan, and more than 400,000 have been deployed more than once. Presently, more than 200,000 troops are deployed to the Central Command area of responsibility; another 210,000 are elsewhere overseas. Most of our Army Brigade Combat Teams and their Marine Corps regiment equivalents receive only 1 year at their home station before deploying again—and that year is spent actively preparing to redeploy overseas to fight. We will have 20 Brigade/Regimental Combat Teams deployed to Iraq, with another 3 in Afghanistan, 1 in Korea, and 1 in Kosovo. This drives our units to operate at

about a 1:1 "deployed:at-home" ratio—which is about half the time we believe is necessary to sustain readiness for the long-term.

To accomplish our missions in Iraq and Afghanistan and remain prepared for other challenges, the President and Secretary of Defense have announced a number of personnel initiatives. These include the increase of force structure for the Army and Marine Corps, and policy changes to the way we mobilize our Reserve Component. The Army and Marine Corps are both focused on using this added troop strength to grow their operational forces. We are committed to building an active Army of 48 Brigade Combat Teams. That is an increase from a previous goal of 42. For the Marine Corps, we are adding one Regimental Combat Team. The Army is also civilianizing military positions, cutting its non-operational force structure, and reallocating those manpower savings to combat units. The Marine Corps is also implementing policy to ensure all marines have the opportunity to serve in a combat zone.

Approximately 38,000 individual augmentees have deployed to headquarters such as Multi-National Force-Iraq, the International Security Assistance Force in Afghanistan, and U.S. Central Command. Nearly 13,000 others have helped train Afghan and Iraqi forces. Most of these positions are filled by mid-grade leaders normally serving in operational units. Increased manning in these mid-grade ranks, to include the Army's request for an additional 2,852 field grade officers, will fill requirements without undermining combat units.

Our weapons, equipment, and supplies have been reduced by combat loss and consumption in Iraq and Afghanistan during the past 5½ years. We have also used significant resources in disaster relief operations responding to the Asian Tsunami, Hurricane Katrina, and Pakistan's earthquake. The fiscal year 2007 supplemental and fiscal year 2008 global war on terrorism request include a total of $51.5 billion to reconstitute our Joint Forces. While it will take some time for newly authorized troops to become available for deployment and for reconstitution of equipment to take effect, our men and women in uniform are grateful for the much needed additional manpower and resources that are on the way.

The challenges we face are not ours alone; they threaten many others. Working with partners improves our ability to defeat terrorist networks and increases regional stability and security. Our regional security cooperation efforts in Latin America, particularly in Colombia where great progress is occurring, help local militaries protect democratic governments and build partnership capacity to counter terrorist, narcotic, and other illicit activity. In the Far East, our support for Southeast Asia maritime security in the Strait of Malacca and the Sulu and Sulawesi Seas helps fight terrorist and criminal activity. Combined Joint Task Force-Horn of Africa and the Trans-Sahara Counterterrorism Initiative deter terrorist activity, provide humanitarian assistance, and improve the ability of African countries to foster security within their own borders. We are establishing a new unified command for Africa to better integrate U.S. interagency efforts and partner with other nations and international organizations.

Boosting the capability of other countries' forces and providing direct action support to commanders in the field requires that we expand our irregular warfare capabilities. Irregular warfare includes long duration unconventional warfare, counterterrorism, counterinsurgency, clandestine operations, and military support for stabilization and reconstruction. Our Special Operations units perform these missions in Iraq and Afghanistan, and deploy to approximately 40 other countries around the world. To answer these demands, we are expanding the size of our Special Operations Forces and we have established the Marine Special Operations Command. We are also moving forward with the Global Special Operations Force Posture plan that will maximize the number of Special Operations Units forward deployed.

In addition to physical battlefields, the global war on terrorism has a significant information component. Our enemies use propaganda to deliver their message and justify their actions. We counter the enemy's efforts most effectively when our actions and words reinforce America's strategic goals and national ideals. We deny our foes success in mobilizing sympathizers when local and global audiences understand the enemy's true intent. The Joint Staff, the combatant commands, and the Office of the Secretary of Defense are working together to ensure greater consistency and timeliness in our strategic communication efforts.

At its most basic level, winning the war on terrorism means defending our homeland. To better protect the United States from direct attack, our Armed Forces are working closely with civilian leadership in Federal, State, and local governments to provide an effective response in time of crisis. The Navy and Coast Guard are strengthening maritime domain awareness. The Air Force maintains surveillance and interceptor alerts to provide air sovereignty protection. The Army is investing in expanded biological weapons detection equipment and vaccines. We are con-

tinuing to increase the capability of our Chemical, Biological, Radiological, Nuclear, and High Yield Explosive Consequence Management Response Forces and seeking more resources to better respond to multiple events in different locations. Contingency plans are continually refined so that the Armed Forces are prepared to assist civil authorities in the event of another terrorist attack. We are creating additional weapons of mass destruction response teams. Moreover, we are working with coalition partners, through intelligence sharing, coordinated planning, and agreements such as the Proliferation Security Initiative to prevent the spread of weapons of mass destruction.

Additionally, your Armed Forces are prepared to assist in responding to natural disasters. In such events, we would provide support in the form of manpower, logistics, transportation, communications, and planning, just as we did following the devastation of Hurricane Katrina. Likewise, military planners are focused on the dangers of a possible global Pandemic Influenza, to ensure our readiness to execute military missions and support civil authorities.

ACCELERATE TRANSFORMATION

The evolving diverse threats to our Nation make it imperative that we adapt and innovate. Transformation is a continual effort to significantly increase our ability to deter and defeat America's foes. It is an ongoing process of rethinking our doctrine and operational concepts; fashioning professional education and training to meet new challenges; restructuring our organizations and business practices to be more agile; improving our personnel policies; adapting our planning systems to be more responsive; reforming our acquisition and budget processes; and harnessing advanced technology. It is not an end state. It is a mindset and a culture that encourages innovation and fresh thinking.

We need a dramatic leap forward in our relationship with interagency and international partners. Today's many challenges—conventional, insurgency, terrorism, and the proliferation of weapons of mass destruction—require that our Armed Forces work closely with our civilian government counterparts and multinational partners. Much like Goldwater-Nichols accomplished for our Armed Forces two decades ago, we should assess what new or revised authorities are needed to enhance interagency coordination, and build a more joint and integrated process. To increase our Government's overall effectiveness in the war on terrorism, we must improve three areas.

First, we must improve our ability to build partnership capacity. Our struggle against violent extremists requires that we fight people who hide in countries with whom we are not at war. In many cases, the best way to do this is by augmenting the capacity of those countries to defeat terrorism and increase stability—helping them overcome problems within their borders and eliminate terrorist safe havens. Legislation proposed by the Department of Defense and Department of State, the Building Global Partnerships Act, extends and expands past enacted 1206, 1207, and 1208 authorities for educating, training, and equipping foreign forces for counterterrorism and stability operations. In addition, an interagency National Security Initiative Fund, to better invest in countering terrorism with other countries is required. In a time when national security priorities require integrated action by multiple government agencies, resource sharing and coordination among departments is essential. Authorization for a National Security Initiative Fund, under congressional oversight and managed jointly by the Departments of State and Defense, will provide us with needed flexibility. Such a fund will be instrumental in harnessing resources across agencies to address changed circumstances and policies, and will complement congressionally granted transfer authority and emergency supplemental appropriations.

Second, we need greater expeditionary capabilities in U.S. Government civilian agencies for stabilization and reconstruction operations. Our civilian agencies are underresourced to meet the requirements of the 21 century. Greater investment in these agencies is required if they are to be more effective in the global war on terrorism. To increase their expeditionary capability, the President has proposed the creation of a Civilian Reserve Corps for the State Department. We strongly support this initiative to boost our Nation's capability to deploy civilian expertise in tandem with our military.

Third, we must enhance interagency effectiveness. Just as the Goldwater-Nichols Act established a system of incentives and requirements to foster jointness among military officers, we need to find ways inside of our Government to encourage interagency expertise. Rewarding interagency education, interagency experiences, interagency collaboration, and interagency planning will facilitate better synergy between departments. We can go beyond the education we provide our military and

civil servant professionals by transforming our National Defense University into a National Security University. We can build on the success of interagency centers such as the National Counterterrorism Center and Joint Interagency Coordination Groups at the combatant commands—which increase our operational effectiveness while providing personnel with interagency experience. We can increase planning capacity in civilian agencies. We can improve our planning, coordination, and operational execution through interagency exercises. Shared deliberate and crisis planning capacity among our interagency partners will improve our Nation's readiness for operations, and better integrate our Nation's diplomatic, military, intelligence, information, and economic instruments to forestall and address crises.

Strengthen Joint Warfighting

To win the war and continue the process of transformation, we are strengthening our joint warfighting capabilities. By employing our Service branches in a joint manner, we leverage their complementary capabilities. We can and should, however, go beyond our current level of jointness by moving from an interoperable force to an interdependent force. We have already had some successes. For instance, naval aviation is now responsible for all airborne electronic warfare. Air Force Unmanned Aircraft Systems provide key intelligence for all Services. Moreover, Navy and Air Force security, communications, and logistics elements fill joint requirements in Iraq and Afghanistan.

Combatant commanders have identified shortfalls in our persistent intelligence, surveillance, and reconnaissance capabilities, such as shortages of platforms, sensors, and processing infrastructure. To better support our intelligence, surveillance, and reconnaissance needs, we are budgeting for more capacity. We are also refining integration between our unmanned assets, human intelligence operations, and our analysis capabilities—improving all.

Warfighter demands for satellite platforms and related terminal programs continue to grow as we field more bandwidth-intensive systems, deploy to austere locations, and connect more tactical users to our Global Information Grid. To meet our requirements for beyond-line-of-sight and reachback communications, we must maintain military satellite communications launch schedules, leverage commercial capabilities, pursue efficiencies, and continue research and development initiatives.

America and our friends around the globe are increasingly dependent on networked communications systems to store, modify, and exchange data. Interruption of our access to cyberspace could significantly damage national defense and civil society. The Armed Forces' new cyber strategy sets a course that calls for the development of new organizations, intellectual capital, and greater interagency coordination. To ensure unity of effort, U.S. Strategic Command's Joint Task Force—Global Network Operations is working with the combatant commands, the Services, and the interagency to strengthen and integrate defensive and offensive cyber capabilities. We are reviewing the authorities and responsibilities required for dealing with cyberspace threats, particularly as they apply to our relationship with other U.S. Government agencies. Changes in authority and policy must ensure that the entire U.S. Government is able to meet current and emerging threats.

We must also enhance our capability to engage targets globally and rapidly to strengthen strategic deterrence and response. We are developing conventional long-range strike capability, improving missile defense, and modernizing our national command and control. These efforts will ensure our strategic deterrence capabilities remain relevant.

IMPROVE THE QUALITY OF LIFE OF OUR SERVICEMEMBERS AND OUR FAMILIES

Our men and women in uniform are our most precious resource. We must continue to ensure their welfare and that of their families. The most advanced ship, aircraft, or weapon system is useless without motivated and well-trained people. Every day, our soldiers, sailors, airmen, and marines serve our Nation with distinction. We do well to honor their service by providing for them and their loved ones.

As of the submission of this statement, the fiscal year 2007 military construction, quality of life, and veteran's affairs appropriation is being considered for funding by a House Joint Resolution. Congressional approval of the proposed resolution without amendment will cause a $3.1 billion shortfall in the Base Realignment and Closure (BRAC) appropriation. This shortfall will jeopardize our ability to complete BRAC actions within statutory deadlines and create negative effects on the movement of our troops and their families in support of our global defense posture restructuring.

Predictability of deployments for all servicemembers is a key factor to quality of life. Sustainable force rotation policies are needed to spread the burden across the Active and Reserve components. Greater mobilization predictability for Reserve component members, and their families and employers is required. To accomplish this,

the Secretary of Defense has established a new Total Force Policy. The mobilization of Reserve component forces will be managed on a unit, instead of an individual, basis—and with a goal of one year maximum mobilization, followed by 5 years at home. This predictability will improve the quality of life in our National Guard and Reserve while fostering greater unit cohesion. Stop Loss for both Active-Duty and Reserve Forces will be minimized.

To our families, protecting our troops in combat is the most important measure of quality of life. All DOD personnel in Iraq and Afghanistan have state-of-the-art body armor. As technology improves we are procuring the next generation of body armor. Likewise, thanks to your continued support, currently all of our tactical vehicles that operate off forward operating bases in Central Command's area of responsibility have armor protection. We are purchasing vehicles explicitly designed from the wheels up to limit Improvised Explosive Device damage. To further counter Improvised Explosive Devices, we established the Joint Improvised Explosive Device Defeat Organization. Teaming with private industry, we continue to make progress in this vital endeavor.

Providing for our troops and their families also means caring for our wounded. Our military medical system saves lives everyday—and helps them heal here at home. The efforts of our medical professionals and recent advances in medicine, technology, and rehabilitation techniques make a huge difference. Injury survivability rates are at a historic high—nearly 9 in 10 of all wounded troops survive, many of whom would have died in past conflicts. We are also working to address the effects of Post Traumatic Stress Disorder. Many injuries have a profound impact on troops and their families, and our health care system is dedicated to doing everything possible to bring them back to duty, if they wish—or, through our Military Severely Injured Center and the Services' wounded warrior programs, help our wounded return to society empowered to make a positive difference.

CONCLUSION

I testify before you today with tremendous pride in the performance of your Armed Forces. Some are in combat. Others stand guard. All are at war helping deter attacks on our Nation and allies.

Like World War II did for the Greatest Generation, this war will define this generation, and our troops are doing an extraordinary job. They serve this Nation superbly, willingly, and unflinchingly—volunteers all. The sacrifices they and their families bear for our entire Nation warrant our deepest gratitude. Like so many who have gone before them, their heroism is awe inspiring. It is an honor to serve alongside them.

Thank you for your support.

Chairman LEVIN. Thank you, General.

Ms. Jonas?

Ms. JONAS. I have nothing for the record, sir, and I'll be glad to answer questions.

Chairman LEVIN. Thank you.

Let's have a 8-minute round for our first round.

General, the Chief of Staff of the Army, General Schoomaker, has expressed some real concern about our readiness situation, particularly the readiness of our nondeployed ground forces. Are you concerned?

Secretary GATES. Sir, I am concerned. We have had this discussion with the Chiefs multiple times. I'm satisfied that the amount of money in the budget, about $51 billion, give or take a little bit over the Future Years Defense Program (FYDP), addresses the need for reconstitution of the force. We also are taking a look at the training time available, and that's why the increased size of the force would really help. Mr. Chairman, right now our Army units are about 1 year out and 1 year back, and then 1 year out again. In that 1 year that they're back, they get a little bit of leave, some family time, and then they retrain to go back to either Afghanistan or Iraq. Therefore, they do not have the opportunity that they would normally have on our 2-year cycle to train for the combined

arms that they may be required to execute elsewhere in the world. So, there's a collection of things out there that can be mitigated by the budget that's before us.

Chairman LEVIN. There recently was an article in the Washington Post that indicated that plans to surge additional U.S. forces into Iraq are placing an unacceptable strain on the Army's capability to provide deploying units with required equipment. The DOD Inspector General (IG) released a report on January 25 indicating that troops in the theater are already experiencing shortages of force-protection equipment, electronic countermeasure devices, crew-served weapons, and communications equipment.

There's also some anecdotal evidence of problems. The San Francisco Chronicle reported on Sunday that the 1st Brigade of the 3rd Infantry Division had so little time between deployments to Iraq that they had to cram more than a year's worth of training into 4 months.

Can you give us assurance that troops arriving in the theater are going to be fully equipped and trained before they enter combat in Iraq?

General PACE. Sir, the short answer to your question is, yes, sir. I had a discussion, as recently as yesterday, with General Conway, the Commandant of the Marine Corps, and General Schoomaker and General Cody, the Chief of Staff and the Vice Chief of the Army, and they are looking at the deployment plan to get the additional troops to Iraq. The timeline that our troops are on will allow us to fully man, train, and equip the units before they deploy to Iraq. There's one area that is not going to be 100-percent equipment, and that has to deal with the uparmored Humvees and some of the armored trucks. We have about 41,000-plus armored vehicles in theater. There's a small delta that that number will not be able to cover all of the troops that are deploying. But the mandate from General Casey is, and will remain, that no one will leave operating bases unless they are in properly uparmored Humvees. So, we do have a delta there. That will be closed by July of this year. But that's the only place, sir, where the troops will not have the equipment before they deploy.

Chairman LEVIN. Why should they be deployed before they have that equipment?

General PACE. Sir, they'll be able to have about 98 percent of the vehicles that are required. There's a small delta. The commanders on the ground have talked with the Chief of Staff of the Army and the Commandant of the Marine Corps, and have agreed that they will be able to share the assets on the ground so that no soldier or marine will leave the compound without proper protection.

Chairman LEVIN. I thank you.

Secretary Gates, although it's been suggested that we will be able to——

[Audience interruption.]

Ma'am, if you'd be seated, we would appreciate it.

Although it has been suggested, Secretary Gates, that we be able to measure Iraqi performance on their commitments, the new National Intelligence Estimate (NIE) on Iraq indicates that bringing down the level of violence in Baghdad could take more than a year and a half, and that's if things go better than expected. How long

are you planning for the increased number of U.S. troops to be deployed? How much funding are you requesting and planning to request for this increase? Very specifically, is it true that there are no dollars for the surge in the fiscal year 2008 request?

Secretary GATES. The answer to your last question is yes, Mr. Chairman, there is no money in there for the surge.

Chairman LEVIN. Starting October 1.

Secretary GATES. Yes, sir. As I testified earlier, I think those of us involved in the decisionmaking process anticipated that this reinforcement would take months, not 18 months to 2 years. As we've indicated, the fiscal year 2008 global war on terror request is basically a straight-line projection of our costs in fiscal year 2007, based on 140,000 troops in Iraq and 20,000 troops in Afghanistan.

Chairman LEVIN. But is the bottom line, because of the time limitation that you are assuming in your budget, that the surge will not last longer than September 30?

Secretary GATES. Well, we are——

Chairman LEVIN. In terms of budgeting.

Secretary GATES. We are basically—in the budget, there is no assumption to that effect, but we have allowed as——

Chairman LEVIN. There is no assumption to what effect?

Secretary GATES. That the reinforcement lasts beyond the end of this year.

Chairman LEVIN. The fiscal year.

Secretary GATES. This fiscal year. But we have allowed as how the fiscal year 2008 global war on terror request is a straight-line projection that probably will need to be adjusted, one way or the other, depending on events on the ground.

Chairman LEVIN. All right, thank you. General Casey, at his confirmation hearing, said that two of the three Iraqi brigade headquarters and four of the seven battalions which the Iraqis have promised have arrived in Baghdad. He said that they're in the range of only 55- to 65-percent strength. Is that acceptable?

Secretary GATES. When I was asked this at a press conference last Friday, I said no, that 55 percent wasn't good enough.

Chairman LEVIN. Now, we do have off-ramps, I understand, in the brigades as they arrive, so that each month we'll make a decision—in the next few months—as to whether the next month's arrival should continue. Is that accurate?

Secretary GATES. All of the brigades that are part of the reinforcement have orders to deploy. As I indicated in an earlier testimony, there will be the opportunity to evaluate the situation on the ground, and the commander on the ground will evaluate the situation, in terms of whether all those forces ultimately are needed or deploy.

Chairman LEVIN. Now, is one of the reasons they might not be utilized, although the current order exists, is because the Iraqis have not come through with their committed forces? Could that be a reason not to proceed with those—actual utilization of the forces? Could that be?

Secretary GATES. Yes, sir. I've testified several times that I believe that the performance of the Iraqis is absolutely critical to the success of this operation.

Chairman LEVIN. Now, is that going to be left to General Petraeus, that decision, or is that going to be ultimately yours and the President's?

Secretary GATES. That decision, sir, I think, would ultimately be the President's. It would clearly be informed by the recommendations of the commander in the field, the Chiefs, and myself.

Chairman LEVIN. I want to be really clear here that you are leaving open the possibility that troops, even though there is an order to deploy them, may not be, in fact, utilized, and that decision will be made month to month, and could be based on whether or not the Iraqis come through with their committed troops. I want to be real clear on that.

Secretary GATES. Trying to be equally clear, I would say that we will have a continuing evaluation going on, in terms of the Iraqis' performance, but the troops are, at this point, all under orders to deploy.

Chairman LEVIN. All right. In terms of Iraqi performance, I want to get the word "could" and "would" and "should" straight here—I think it "should" be—you're not testifying on a "should." I'm asking you on the "could" word. Could the failure, if it happens, of Iraq to provide the troops committed—could that be a factor as to whether or not troops—although currently ordered to deploy, are, in fact, utilized? Could that be a factor?

Secretary GATES. Yes, sir.

Chairman LEVIN. Thank you.

My time is up. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

We welcome our guests today. It's a very difficult task to try and do the budgetary calculations for the most uncertain future that faces our military. In my first view of it, you've done as well as you could under the circumstances.

I would like to follow on to the Chairman's question about the readiness of the Iraqi army. Three hundred and twenty thousand is the overall figure, of army and police, that the United States have been training. It's interesting, the quote is, "The Iraqi security forces are 2½ years into 3½-year development process." So, it takes us from 2½ to 3½ years to train these forces? I have never, in my recollection, heard those types of estimates given to this committee heretofore. Furthermore, the equipment that they will need—which of you witnesses—the general?—could respond—on the status of the equipment—because some months ago, when I was chairman of the committee, I think Senator Levin and I sent a series of letters urging that we expedite the equipping of the Iraqi forces so they could become a more viable partner in this conflict. What's your understanding of the status of that equipping?

General PACE. Sir, the original 328,000 Iraqi army and police that were due to be trained and equipped by the end of December 2006 have, in fact, been trained and equipped. What has been added to that is up to 362,000 in addition, by Prime Minister Maliki, to be trained during 2007 and what we had already planned to do, which was, in 2007, train their logistics elements. So, I'm not—I guess if you do the math, it's 2½ years plus 1 year—probably 2½ years of training to date plus 1 year of training in

2007, but the 328,000 that were supposed to be done has been done, and the new add for 2007 will be done in 2007.

Senator WARNER. So, generally speaking, can you make the statement that the Iraqi troops that are going to be engaged in the Baghdad campaign, as enunciated by the President on January 20, are trained and equipped adequately.

General PACE. Yes, sir, I can.

Senator WARNER. It's interesting that it takes 2½ years to train the Iraqi forces. If you look at the NIE that was just issued, ''nonetheless, the term 'civil war' accurately describes key elements of the Iraqi conflict, including hardening ethnosectarian identities, a sea of change in the character of the violence, ethnosectarian mobilization, and population displacements.'' Really, there's so many definitions of the different types of individuals striking at the coalition forces, and principally the United States, they haven't had 2½ years of training, yet they're fighting, I would say, somewhat effectively. So, I've just never been able to comprehend why we've put 2½ years into training an Iraqi force, when these people, almost overnight, train themselves, equip themselves, and are becoming formidable combatants.

General PACE. Sir, the 2½ years is done, as of December 2006, for the first 328,000. We had to recruit and form up into units, learned lessons along the way about some of the recruits not being loyal to the central government, but being loyal to sects, and having then to be brought offline and retrained. To properly man, train, and equip an army, sir, is different than training somebody to take an artillery shell and plant it on the side of the road and be effective.

Sir, there have been no effective attacks of enemy units on any coalition forces. Where they are effective is in the improvised explosive devices (IEDs), and it does not take 2½ years to train somebody how to build and deploy an IED.

Senator WARNER. Right, and the snipers have been very effective.

General PACE. Some of their snipers have been very effective, sir, and they've received weapons from outside the country that have helped in that effectiveness, that's true.

Senator WARNER. We witnessed here what was described as one of the largest explosions ever experienced in the history of this conflict, when that marketplace was hit and some 150 killed and some several hundred seriously wounded. Give us your own feeling about the progression by which this polyglot of enemies that are coming against us—whether it's sectarian violence or all of these phrases I've never seen before—ethnosectarian mobilization, so forth—what is the status of their weaponry? Is it not improving? Are our forces now subject to similar risk associated with this bombing that took 150 lives? It seems to me that was a truck loaded with some type of explosives. Can you give us a degree of the increasing risk due to the weaponry that is now facing—or in the hands of these polyglot of people coming after us?

General PACE. Sure. Let me give you some information about the IEDs, if I may, sir, and I'll see if that answers your question.

First of all, the number of IEDs that has been emplaced has doubled over the course of the last year. The equipment that we have provided, thanks to Congress, to our troops, plus, the tactics, tech-

niques, and procedures that we use against them, plus the jammers and the like that we provide, technology wise, have resulted in much fewer of those explosions and having less casualties against our troops. But, the increase in the number, despite the decrease in their effectiveness, has resulted in about a sustained level of casualties from IEDs.

The basic material for an IED is ammunition. So far, we have cleared 430,000 tons of ammunition from over 15,000 sites in Iraq. The amount of ammunition available is incredible. You add that to the new explosively formed projectiles, which are a much more deadly form, that are coming into Iraq from Iran, and the combination has maintained the level of casualties, despite the fact that we have been more effective against each explosion.

Senator WARNER. Secretary Gates, I've supported the President in his conclusion that we cannot let the Iraq sovereign nation, which we have had so much of our sacrifice to achieve, be lost, and that it must be this government and any successive government, supported so that that country can continue to exercise, as best it can, the reins of sovereignty.

Yet recently, people have described the surge operation—and I quote are, ''the last chance,'' or ''the last best chance.'' To me, that type of rhetoric is inviting almost—it's a timetable for the Baghdad operation, ''If it doesn't succeed, it was our last chance.'' I have to believe that we're thinking beyond the Baghdad operation, and if it doesn't meet all of its goals, we still have to, if we're going to stick with the President, say that we have to come up with some formulation to see that we can continue to try and help this government and the people of Iraq maintain their sovereignty. Am I correct?

[Audience interruption.]

Chairman LEVIN. Excuse me. Excuse me, ma'am. Please sit down.

Senator WARNER. Is this our last chance in your judgment?

Secretary GATES. It is not the last chance. I think everyone agrees that—or most people agree that it would be a serious consequence for this country and for the region were we to leave Iraq in chaos. Clearly, part of the debate, if I understand it correctly, that is going on, is, how best do you incentivize the Iraqi Government to take responsibility for the future of their own country, and in a way that allows us, over some period of time, to draw down our forces, because they have performed and have accepted responsibility for their country? I think that if this operation were not to succeed—and we clearly are hoping it will succeed, planning for it to succeed, allocating the resources for it to succeed—but I would tell you that I think I would be irresponsible if I weren't thinking about what the alternatives might be if that didn't happen. But we are planning for its success.

Senator WARNER. I certainly hope it is successful. I just have my thoughts about this operation, as we stated in the resolution I've drawn up, to put greater and greater emphasis on the Iraqis taking the lead. We've trained 300,000-plus of these individuals, and now is the time for them to show that that training can enable them to take the brunt, the major portion, of this Iraqi Baghdad operation, and perhaps we don't need to reach the level of troops that

are forecast by the President, some 20,000 additional. Then, there's a subsidiary question raised by various budget authorities, If the 21,500 is all, are there not other supplemental troops that have to accompany those troops, and, therefore, the figure is bigger than 21,500?

Secretary GATES. The——

Chairman LEVIN. The gentleman's time has expired, and we also have a quorum, if we could just, before we call on Senator Kennedy.

[Recess.]

Senator Kennedy.

Senator WARNER. Mr. Chairman, the witness was about to answer the question I posed as to whether or not the 21,500 needs to be increased by an additional group of soldiers, sailors, airmen, and marines, to provide the infrastructure.

Secretary GATES. Each of the brigades that is included in the 21,500 has inherent in it combat support elements that the number of 21,500 might go up modestly or go down modestly, depending on the requirements on the ground.

General Pace, do you want to add anything to that?

General PACE. Yes, sir. The bulk of the combat support—combat service support will be provided by the units that are already there or inherent in the units that are going. There may be some unmanned aerial vehicle (UAV) support needed and some military police support needed. But, as the Secretary said, it would be a modest amount, perhaps within 10 percent, plus or minus, of that number.

Chairman LEVIN. Thank you.

Senator Kennedy.

Senator KENNEDY. Thank you very much.

Thank you for your service.

Just to go back to this issue about the number of troops, because it seems to me we have the President's surge and then sort of a hidden surge. The President said, "We'll have a little over 20,000 more troops." Then, the next day, DOD said, "Other combat support may be deployed." Then, we have the Congressional Budget Office (CBO) that talks about the additional troops indicating that it could go as high as 48,000. It could go from 35,000 to 48,000. So, that is the question we're having. The American people want to know, honestly, what the numbers are going to be. We can have our differences of whether we're for surge or against the surge, but we ought to know what are going to be the numbers that we're talking about. The President mentions one figure; CBO has figures that go double that if they're going to be deployed; the DOD itself said "other combat support may be deployed." Obviously, they understand whether they're going to be deployed. This is the concern that the American people have. Are they getting the facts? Are they getting the true numbers on this? What can you do to help them out so that they will understand what will be the total numbers?

Secretary GATES. Yes, sir. Very fair question.

First of all, one of the reasons for the cost difference between the CBO and our own cost is that they project the cost through the end

of fiscal year 2009. Our cost projection is through the end of fiscal year 2007.

Second, as we've just been discussing, we think that the figure—the five brigades that are being put forward as part of this reinforcement are comprised approximately of 21,500. Most of them have the combat support. Frankly, I don't know what CBO's assumptions were that would allow them to more than double that number, where you would have more than one combat support person for each person being deployed. But, as the Chairman and I were just saying, we think that the number is going to be around 21,500. It could be a little more, it could be a little less, but it would not be more than 10 percent more than the 21,500—10 to 15 percent.

Senator KENNEDY. I'd rather keep moving along, but they say over the past few years the DOD's practices has been to deploy about 9,500 personnel per combat brigade to arrive, including about 4,000 combat troops and 5,500 support troops. So, they're looking at the past deployment schedules. I'm less interested in just the figures, the costs for the purposes of this discussion, but the total number of troops, because I think we ought to understand whether it's going to be at the 20,000 that the President said or whether, as CBO has estimated, in the past, could be considerably higher. So, what should we conclude now, finally, would be if we could get the numbers so that we all understand what we're dealing it with?

General PACE. Sir, if I may.

Senator KENNEDY. Sure.

General PACE. If you do the pure math today, and they talk about 9,500, that's probably a fair number to point to based on the troops on the ground; however, the folks that are in that 9,500 are—have additional capacity to handle the additional support needed for the troops that are coming in. So, when you add the 21,500 additional troops, which may or may not be that exact number, you're going to need no more than another 2,000, 2,500 troops on the ground to do the additional wrench-turning, food delivery, and UAVs, military police, and the like. But within 10 to 15 percent, sir, at max.

Senator KENNEDY. All right. So, we're looking at somewhat—approximately 25,000.

Senator Levin went through this article in the San Francisco Chronicle. I hope you'll have an opportunity to look through it, because it's rather particular in the areas of training. But it talks about—"this is talking about the 1st Brigade, 3rd Infantry Division had only a few days to learn how to fire new rifles. They are deployed to Iraq for the third time. They had no access to the heavily armored vehicles they'll be using in Iraq, so they're trained in a handful of old military trucks instead. Some soldiers were assigned to the brigade so late, they had no time to train in the United States at all. Instead of the year-long training recommended prior to deployment, they prepared for war during the 2 weeks they spend in Kuwait en route to Anbar, Iraq's deadliest province."

Then, towards the end, it talks about the—"it also leaves the troops in the United States to train on equipment that is often completely different from the gear they'll use in Iraq. The 2–7 bat-

talion had to train on obsolete models of Humvees that are no longer used in Iraq," said Chrissman, the battalion commander. "We trained with a smaller set of equipment. I'll admit, that presented some challenges," Chrissman told the Chronicle before his unit for Iraq. "The 2–7 had no time to train at Fort Irwin, California's Mojave Desert, where Arabic-speaking roleplayers and trainers simulate conditions and battle Iraqi insurgents. Instead, they conducted a 3-week exercise in a forest of towering pines and oaks hung with Spanish moss outside the division base at Fort Stewart, Georgia. Such deficiencies decrease the level of troop readiness."

So, perhaps you can—if you'd give us at least your chance to—review that article, General Pace, and give us a response?

General PACE. Certainly, sir.

[The information referred to follows:]

The unit was placed on a condensed timeline in order to meet surge requirements. The training pace was accelerated but soldiers were not deployed unless they were ready. The commander makes the determination as to whether his/her unit is ready to deploy. The Chief of Staff of the Army will not allow troops to deploy unless they are properly trained, manned, and equipped. As far as training locations that were addressed in the article, it was a conscious decision not to send the brigade to the National Training Center (NTC) at Fort Irwin, California. The command determined training at home station would allow more time to train/focus on specific mission essential tasks versus using valuable time deploying the unit to and from the NTC. Everything was done to set the conditions during home station training to prepare for deployment to Iraq.

The unit did not have the uparmored M1114 high mobility multipurpose wheeled vehicles (HMMWVs) to train-on at home station; instead, they used a different version of the HMMWV (or Humvee). The unit will fall-in on the uparmored version of the Humvee once they arrive in theater. The uparmored vehicles are left in theater because of the real world mission need, so the access to these vehicles is very limited for units to train on at their home station. Training accomplished at home station fully enabled personnel to rapidly adjust to the uparmored Humvee in theater before operational employment.

General PACE. If I may, sir, just because those families need to know.

Senator KENNEDY. Yes, sure, please.

General PACE. The Chief of Staff of the Army, the Commandant of the Marine Corps, and the Joint Chiefs are steadfast that we are not going to deploy troops until they are properly trained, manned, and equipped. The timeline that these brigades are on allows us to do just that. It is true that the best armed vehicles we have are currently in Iraq, and that's what the troops will fall in on. Therefore, some of the vehicles that they are training up here in the States are not the exact model of Humvee that they'll be falling in on. So, they'll be falling in on better equipment, but that does not preclude them from training properly, sir.

Senator KENNEDY. Now, just on the training equipment and the fact that you have some deficit that's going to be finished in the next few months, are you talking about those V-shaped hulls, the Mine-Resistant Ambush (MRAP) vehicle, which is V-shaped underneath, for practical purposes, which has been more effective in reducing casualties? There have been other articles about whether all of the military personnel that are going out on patrol are going to have that equipment. Is this the vehicle that you were describing earlier, when you were talking about the shortages of equipment?

General PACE. That is not the vehicle, sir. Senator, as we go along, we learn what works and what does not work. The V-shaped

bottom is more effective and is now in the request for the supplemental budget, and in the main budget to be able to buy into the future. The vehicles I'm talking about are the vehicles, right now, that are providing protection for our troops on the ground. The uparmored Humvees that are factory-made, have been very effective against the roadside bombs. It is those current vehicles, of which there will be a small shortage, that will be covered by not letting our troops go anyplace without them.

Senator KENNEDY. General, my time is going to be up. On the V-shaped hull, which, as you just mentioned, are by far the most effective. By your own testimony, how long will it be before the troops in the field are going to have really the very best in terms of equipment and the V-shaped hull? How long will it take for them to have that equipment?

General PACE. Sir, I need to take that for the record, because I do not know the industrial line, how quickly it can produce.

[The information referred to follows:]

Mine Resistant Ambush Protected (MRAP) vehicles are currently in use in the U.S. Central Command area of responsibility. MRAPs are primarily being used in theater for clearing vehicle routes of improvised explosive devices to ensure other armored vehicles are less likely to encounter them. MRAP vehicles are moving to theater as fast as the assembly line can produce them.

Senator KENNEDY. But you're going to do it as fast as possible, and that you've given the green light to go ahead and produce as many as they can as quick as they can and get them over there as fast as they can?

General PACE. Well——

Senator KENNEDY. Would that be an overstatement?

General PACE.—sir, I need to get back to you for the record.

Senator KENNEDY. All right.

General PACE. I do not know what the requirement is. I don't have that in my head.

[The information referred to follows:]

The ability to get these vehicles to the troops is limited by the current manufacturers' ability to produce the vehicles. The Army and Marine Corps are working together to alleviate the manufacturing bottleneck by initiating a larger open competition for new mine resistant ambush protected type vehicle contracts. An evaluation of nine different vehicles, including some currently in use, is underway and is scheduled for completion in May 2007. At that time, based on the performance and the capability to meet accelerated fielding timelines, contracts will be awarded. Multiple vehicles may be chosen to get more of this level of protection to the troops as quick as possible.

Senator KENNEDY. All right.

General PACE. I don't know how long it will take industry. But I can tell you, sir, that just like the small-arms protective inserts for our body armor, as our industry produces new and better equipment, this Congress has provided the funding to allow us to procure it as quickly as possible. I will get you the specific answer on the vehicle.

Senator KENNEDY. Thank you very much.

Secretary GATES. Senator, I might just add, on this MRAP vehicle that you referred to, which I've been told is the best of these new vehicles, it is my understanding that the plant in South Carolina that produces these is operating at full capacity, and we have put out bids for eight additional companies to provide demonstra-

tion models of a similar vehicle, to see if we can increase the production as we go along.

Senator KENNEDY. Thank you.

Thank you, Senator.

Chairman LEVIN. Thank you, Senator Kennedy.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Secretary Gates, I would like to say I appreciate the fact that this budget that has been sent over is far more realistic than those in the past, as this committee has urged over the course of this war, rather than by emergency supplementals. I think it gives us a chance to more carefully scrutinize the requests for the funding of our obligations, both in Iraq and Afghanistan. So, I would like to say thank you for this new revised process.

Senator BYRD. Me, too.

Senator MCCAIN. Whenever Senator Byrd agrees, it is a good thing. [Laughter.]

Recent reports, Secretary Gates, indicate that Iraqi army units are showing up in Baghdad significantly under strength. Is that accurate? If so, is it of concern to you?

Secretary GATES. I received a report the end of last week that one of the Iraqi brigades had showed up at 55-percent strength, and I told reporters at a press roundtable at the Pentagon that that wasn't good enough. I learned in a report from General Casey yesterday that, in fact, they have showed up at 60 percent, and that 25 percent were on leave to either take their pay back home or to protect their home base. So, he felt that the level of turnout for the brigade, in his opinion, and I don't think I'm misquoting him—was better than expected.

Senator MCCAIN. Senator Levin and I requested the so-called benchmarks that were laid out a long time ago, which we were unable to obtain. Some of those benchmarks were achieved, as we noted, but a number of those were not. Are you seeing any signs now that the Iraqi Government is taking the necessary measures that we have all sought for the last several years: revenue-sharing, provincial elections, and sufficient commitment of the Iraqi military? Have you gotten an assessment of how you regard the performance of the Iraqi Government and military here in the last several weeks?

Secretary GATES. Yesterday was to be the start of the Baghdad operation, and it's probably going to slip a few days, and it's probably going to be a rolling implementation. What I have asked for, and I have learned is already being addressed—is to put together a more sophisticated checklist or matrix of these benchmarks and what our expectations are and what the performance is, so that in the weeks to come, we can evaluate this. My hope is that the detailed approach will be available to us literally within a matter of days so that we can begin measuring against our expectations and the Iraqi Government's commitments.

As we've talked before, the military commitments are going to be the ones where we can evaluate performance first. Are they showing up? What numbers are they showing up in? Are they going into all neighborhoods? and so on. The political and economic benchmarks, in terms of the Iraqis paying—putting up their own money,

getting elections, authorizing a provincial elections law, a hydrocarbons law, and so on, will probably take a little longer—but, in my opinion, we ought to be in a position to provide regular briefings to you all on that, beginning fairly soon.

Senator MCCAIN. I think it would be very helpful if you would keep us up to speed on that matrix that you are setting up. It has been somewhat frustrating to us in the past that we have not been able to have access to specific benchmarks or specific progress, or lack of. So, I thank you for that.

Do we have enough troops going into Afghanistan? Everybody says it is going to be a very hot spring, Mr. Secretary.

Secretary GATES. Yes, sir, I've extended a brigade of the 10th Mountain Division by 120 days. We will be surging in another brigade from the 82nd Airborne, which was scheduled to be in there, is coming in. So, we will be up about 3,200 troops. We have met the request of the North Atlantic Treaty Organization (NATO) commander, and the need for additional forces. There is a requirement outstanding for additional trainers, and I will be going to a NATO ministerial tomorrow afternoon, and one of my requests of those folks, and one of the issues that I'll be pressing very hard, is that they meet the commitments that they made at Riga, and help us out in this.

Senator MCCAIN. I think if you talk to General Jones, which a lot of us do, the former head of NATO, who we have the greatest respect for, our allies are not only not sufficiently assisting us in troops, but in rules of engagement, helping in setting up the judicial system, and the training of police. I hope that in this meeting that we can talk in a straightforward manner to our NATO allies, that we need a lot more from them than we're getting, not only rules of engagement for the troops, but also in various commitments they have made, such as assistance in setting up a judiciary, et cetera.

General Pace, in his testimony, General Casey stated he requested two Army brigades to help quell the violence in Baghdad, versus the five brigades. He also said that the previous policy had not failed, that he thought it was succeeding. How do you explain the discrepancy between what General Casey requested and the President's plan?

General PACE. Sir, what General Casey requested was about 4,000 additional marines for al Anbar and 2 brigades for Baghdad, for a total of about 3 brigade equivalents. When we looked at that, back here amongst the Joint Chiefs, and we had a dialogue here in Washington and back down with General Casey and General Abizaid, we recommended an increase of the total number committed to ensure that the commanders on the ground had not only what they asked for immediately, but had additional troops to be able to take care of unforeseen problems. When we said that we thought we should put six brigades total into the pipeline instead of the three, both General Abizaid and General Casey were happy to have those additional troops, even though they did not ask for them up front.

Senator MCCAIN. How do you explain the testimony of General Casey, who said that the present strategy, which you said we are not winning and we are not losing, others have said the past strat-

egies have failed, that is why we are changing it. In General Casey's testimony, he said that he thought it was succeeding. How do you reconcile those two points of view, General Pace?

General PACE. Sir, I cannot speak for General Casey.

Senator MCCAIN. I am telling you what his testimony was.

General PACE. Yes, sir. I can tell you that General Casey, in July, was the person who came forward to the Joint Chiefs and said that he could not go down below 15 brigades, as he projected he would do at one time, and then that started us all—General Casey, the Joint Chiefs, and General Abizaid—into the review that led to his requesting to go up from 15 to 18, and us recommending going beyond that. Clearly, from my perspective, where we were, and where we were supposed to be, were not the same place. Continuing on the track that we were on was not going to provide success, and we needed to have a different plan to get there. That we did, collectively, with General Casey, General Abizaid, the Joint Chiefs, and with the group here in Washington.

Senator MCCAIN. I thank you, Mr. Chairman, but I still find it hard to reconcile General Casey's continued assertion that the previous strategy was working, this in contravention of the view of most any observer, and at the same time, we are now going to put him in charge of the training and equipping responsibilities, for this new strategy. All this, when obviously he believes the old one was just fine.

Mr. Chairman, thank you.

Chairman LEVIN. Thank you, Senator McCain.

Senator Byrd.

Senator BYRD. Mr. Chairman, Mr. Secretary, General Pace, I voted not to go into Iraq. Everybody knows it. I was against it. Everybody knows that. There's nothing new about that. But we're there.

General Pace, Secretary Gates, how much longer do you think the United States is going to be in Iraq before we begin to bring our people home? How much longer are you planning for?

Secretary GATES. Mr. Chairman, as you say, it's hard to make any kind of a real prediction, especially where our adversaries have a vote. But it seems to me that if the plan to quiet Baghdad is successful, and the Iraqis step up, as I was discussing with Senator Warner, accept their responsibilities and assume leadership and successfully assume the leadership in trying to establish order and then beginning their political—or further carrying out their political reconciliation process, I would hope that we would be able to begin drawing down our troops later this year. If we have to look at other alternative strategies, then that would depend on what those strategies might be. But as I say, and as you say, it's a very difficult question to answer with any precision, because it so depends on what's going on, on the ground.

[Audience interruption.]

Senator BYRD. Excuse me.

Chairman LEVIN. Ma'am, you're going to need to sit down. You're going to need to sit down and not interrupt. You're going to not be allowed to interrupt again. I'm afraid that we're going to have to ask you to leave or we're going to have to remove you now.

Senator BYRD. Right. Now, we mean business.

Now, Mr. Secretary, would you, again—I don't believe you answered my question. Perhaps you can't. When do you think we can, I guess, begin to bring our troops home?

Secretary GATES. If the circumstances on the ground permit, Senator, I would hope later this year.

Senator BYRD. I hope so. I don't believe we will, but I hope so. What is the cost of this war, thus far? Just if you can state within reason.

Ms. JONAS. Mr. Chairman, thank you, the cost so far that Congress has appropriated is $452 billion in supplementals and another $3 billion in the base budget, we include Operation Noble Eagle in those costs. As the Secretary has stated, we're asking for additional funds here today.

Senator BYRD. Those are supplementals?

Ms. JONAS. Yes, sir.

Senator BYRD. What is the cost, thus far?

Ms. JONAS. So far, what we refer to as ''obligations,'' sir, $372 billion, of which $276 billion is for Iraq.

Senator BYRD. Iraq.

Ms. JONAS. Operation Iraqi Freedom, sir.

Senator BYRD. Very well. Can you give us some idea as to how much longer we're going to have our men over there? Do you have some projected cost estimate of having our people there? The cost in dead and wounded, as of now? We can probably get that from the newspapers, but do you have it?

Ms. JONAS. Sir, I can only give you what we have in terms of our expenditures for DOD, which I just articulated, and what we're projecting for the remainder of this year, in terms of funding that will be required, approximately $93 billion for 2007, and then we're projecting, for fiscal year 2008, for the entire year, about $141.7 billion, sir.

Senator BYRD. That's 2007 and 2008.

Ms. JONAS. Yes, sir.

Senator BYRD. Mr. Secretary, do you want to add anything to that? This is going to go beyond that. Surely you're projecting some estimates for that eventuality.

Secretary GATES. I think the Office of Management and Budget (OMB), Mr. Chairman, has put $50 billion in the budget for fiscal year 2009 as part of their longer-term plan. I don't know of any allocations beyond fiscal year 2009.

Senator BYRD. No allocations. I don't know whether we're beginning to understand what we're talking about or not. What do you see, as far as the cost is concerned, what it is now for the military operations and so on there, and what it's anticipated to be over the foreseeable future? How long do you see this war going on?

Secretary GATES. Sir, I think that there's very likely to be at least some American presence in Iraq for a number of years. We obviously don't seek any permanent bases, but there's going to be some need for forces. But my hope would be that, over the longer-term, that it would be a fraction of what we have there now.

Senator BYRD. A fraction of what?

Secretary GATES. Of the force that we have there now, sir.

Senator BYRD. My time is up. But I don't think we ought to have gone into Iraq. I said that to begin with. We are there. I don't see

any end to it. So, I just anticipate that 5 years from now, or 10, my successor—I guess in 10 years there will be a successor—he won't be on this committee, because he'll be a new man. But somebody's going to be asking, "I see where Senator Byrd said thus and so, and asked thus and so. How much longer, Mr. Secretary"—you may not be Secretary—"how much longer are we going to be in Iraq?" This is a question that will be asked again, and it will reverberate down through the halls of Congress and the ages. How much longer do you think we'll be in Iraq? Number one. Number two, what is the cost now, and what's it going to be? I wouldn't want to be in your chair, but I would have some idea that Senator Byrd's going to ask questions like that. How much longer is this war going on in Iraq? Of course, you can't foresee every eventuality, but how much longer, at the present rate, do you think we'll be there?

Secretary GATES. I would hope that, if our operations are successful this year, that we would be able to begin drawing down our forces toward the end of the year.

Senator BYRD. Right. That's what you said earlier. My time's up?

Chairman LEVIN. Yes, thank you.

Senator BYRD. My time is up. I can understand why it takes him about 2 minutes to ask a question, the same question that I could ask in 6 minutes. [Gesturing towards Chairman Levin.]

Thank you.

Chairman LEVIN. Thank you, Senator Byrd.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First of all, Mr. Chairman, there are several members of this committee that are also on the Environment and Public Works Committee. We're having a very significant meeting right now at the same time in the same building, so we'll be coming in and out.

Mr. Secretary, you said, during your opening statement, there was something that was not in your printed statement, and it kind of went by me a little bit too fast, but I think it's good news. Are you saying that we're now making progress toward—well, Africa's been divided between EUCOM and CENTCOM now for—and I've been complaining about it for about 10 years. Are they talking about, now, a new AFRICOM that you think is working into the process?

Secretary GATES. Yes, sir. We're moving to stand it up.

Senator INHOFE. That's very, very good news now, I wanted to make sure everyone heard what you said.

You also said—and I looked it up in your opening statement; I kind of like this one—it said, "Experience is that marvelous thing that enables you to recognize a mistake when you make it again." It reminds me a little bit of going back to the 1990s, when there was this euphoric attitude that the Cold War is over and we no longer need a military, and we started drawing down. I went back and checked, and found that more than once every month during that entire period of time, I was on the Senate floor saying that we will regret that it happened.

So, I'd like to get into something that others haven't talked about yet, and it goes back to, many years ago, when the first confirmation hearing of Secretary Rumsfeld, when I made the observation that we all try to look into the future 10 years or so and determine, what are our needs going to be? The American people have always expected that we would be number one in all of our equipment, in our abilities, that, when we send our kids into battle, that we have the very best, whether it's an artillery piece, strike vehicles, lift capability, and all of that. So, we have these hearings. I go back to my days in the House, on the House Armed Services Committee. I can recall, in 1994, we had someone testify that in 10 years we would no longer need ground troops.

So, I guess what I'm saying, General Pace, is that you have a lot of smart generals around that are going to try to guess what in the lead time that we have right now for—preparing for 10 years from now—what are our needs going to be? As smart as the generals are, they're going to be wrong. The only answer to this, as I said to Secretary Rumsfeld during that confirmation hearing, is, What's the answer to this? He, from memory, drew upon some facts that I didn't know he had, because he didn't know I was going to ask it. He said, "If you'll take the entire 20th century for 100 years, the average amount spent on defense as related to GDP was 5.7 percent. That's in wartime, peacetime. That is the average. At that time—this is right after the drawdown of the 1990s, it was down to 2.9 percent." I said, where do you think it should be? He said, at that time, maybe around 5 percent.

In anticipating coming into this job, Secretary Gates—and you and I talked, the day before it was even announced that you were going to be in there; we talked about this—have you given thought as to where we should be? Right now, we are at 3.8 percent, which I think is totally inadequate, and where we should be looking into the future, in terms of the prioritization of military, you can express it anyway you want, percentage of GDP or any other way?

Secretary GATES. I think that the historical figure of about 5 percent probably is on an ongoing basis, I think, is a good one. I would tell you that, in my experience in government, from the mid-1960s to the early 1990s, if you were to graph American defense spending, it would look a little bit like the electrocardiogram on a fibrillating heart. I think what's as important as the amount is the predictability of it—being able to know that you can invest today, knowing that you will be able to maintain a level of investment over a period of a decade or more. So, you don't have to try and rush to get things done in a hurry because you're scared to death that the defense budget will be cut badly the next year or 2 years later. I was in the position of having invested almost $1 billion of the taxpayers' money in a very sensitive program before, and having to kill it because the money wasn't there to finish it.

Senator INHOFE. Well, and we understand we're here——

Secretary GATES. The reliability, I think, is as important as the amount.

Senator INHOFE. Yes. We're here today talking about the crisis we're currently in but I just want to get us thinking, in the future, as to where we should be. General Pace, you and I have talked about this. We talked about the fact that General Jumper came

down, in the late 1990s, and admitted that some of our strike vehicles weren't as good as the—I think it was SU–35s that were on the market by the Russians at that time, which is totally unacceptable to the American people. They don't know that this is the case.

Now, in this brief period of time, one of the major concerns I have—and it doesn't necessarily fit into this discussion of the 2008 budget, but in a way it does, because we're talking about the inadequacy of funding the military construction under the Base Realignment and Closure (BRAC). To go back—this last BRAC round, I remember that I was opposed to it, having one more BRAC round, and it was a very close vote, but we went ahead and had it. The comment that I made is, yes, we know we're going to save money in the future, but it's going to cost money for the next 5 or 6 years. It always costs more money when you go into closing bases and that type of thing. Well, we went ahead and had it, maybe we were right on projecting that $20 billion will be saved, in the long run, but right now we are $3.1 billion short in the 2007 budget. Now, I think this is a real crisis right now, and I'd like to get the response from both of you. Let's start with you, General Pace, as to what do you think is the consequence of not adequately funding our BRAC process for this last round?

General PACE. Sir, the continuing resolution has resulted in the money made available in fiscal year 2007 being $3.1 billion less than was projected. Therefore, absent that money, we will not be able to meet the statutory requirements to complete the BRAC process by the end of the period that was allowed. Immediately, it means that the kinds of things that we need to do for our families that we're trying to move back from Germany, for example, back to the United States, that the housing, the schools, the hospitals, all the infrastructure that needs to be built on the bases here isn't going to happen, so we are in jeopardy of not abiding by the law, which is, ''get it done within a certain time period,'' because we don't have the funding to be able to do that.

Senator INHOFE. What kind of an effect would this have on individuals out there considering whether or not to re-enlist, looking down the road, after the promises that have been made to them?

General PACE. Sir, I don't know that it would have a direct impact on that piece, because I don't know what they'd actually be able to——

Senator INHOFE. That may be true.

General PACE.—think through the BRAC part.

Senator INHOFE. Any comments on that, Secretary Gates?

Secretary GATES. I know that, if I recall correctly, one piece of that $3.1 billion is $300 million in housing allowances. So, as General Pace is indicating, to help the military pay for their housing. I will say that I paid a courtesy call on both the Republican and Democratic leadership of the Senate last week, and we discussed this, and they expressed concern, and indicated a willingness to try and do something about it.

Senator INHOFE. I really think we're going to need to do that. I looked, and it's not in the supplemental. So, I'd like to have your prioritizing that as much as you could.

Lastly, on the reset, we've talked about that a little bit. I had an occasion to go to Texas, in both Red River and Corpus Christi, and

look at the problems that we're having down there right now, and—where do you think we are on that, on our reset of the Army, General Pace?

General PACE. Sir, the funding that is proposed in this budget, and in the supplementals, will allow us to use the capacities of our depots, to the maximum extent possible. If you were to stop creating any more damage to any more vehicles right now, if the war stopped today——

Senator INHOFE. Yes.

General PACE.—we'd have about 2 more years of about $14 to $15 billion for the Army and about $3 billion per year for the Marine Corps, for them to work off their backload of repair of equipment that would then begin.

Senator INHOFE. Those lines are still long out there today, and it's very much of a concern.

Thank you very much.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Mr. Secretary, I want to ask you a question on the reliability of the Iraqi army. When you were in front of our committee last January, I asked you, "how long would it take you to make a determination that things were working out as in the President's plan so that you would know that this was the right thing to do?" At the time, you said, "about 2 months." I said, "well then, come March, I'm going to be asking you that question." In the meantime, a senior officer on the Joint Staff has testified in another committee—and this is a senior officer with significant military experience in Iraq, and I'm about to repeat is unclassified—and he said that, of about the 325,000 army and police in Iraq, that 130,000 are army that are trained and equipped, and, of them, about 65,000 are nationally recruited, as opposed to being recruited in areas that they would not want to move out of. So, you have 65,000. He said of those 65,000, he expected about 30,000 of them would be in Baghdad.

Now, I come back to my initial question that I've asked in every one of these hearings in three committees—Senate Select Committee on Intelligence, Armed Services Committee, and the Foreign Relations Committee—regarding the reliability of those troops. I would like your perspective now, as opposed to when we talked to you in January, on that reliability, particularly in light of what you said today, that you expect 60 percent of troops are reporting in Baghdad, and you also said today that 25 percent of those troops are going to be on leave. Bring us up-to-date.

Secretary GATES. That information was on one brigade that General Casey had reported to me on, in terms of accounting for 85 percent of their soldiers. At this early stage, it's still very impressionistic, and I would say that—I think that General Casey's words have been, "So far, so good." There have been some cases where the Iraqis have been very aggressive and out in front and doing exactly what we want them to do. There have been some cases where they haven't fought so well. They fought very well in this attack in the south, where they took out this Shiite group, with many hundreds of casualties on the part of the Shiite. It was an entrenched group,

and we brought in some air support and so on. It sounded to me like the kind of operation we were hoping would actually happen, where they do the ground fighting, the bulk of the ground fighting, and we provide some additional combat support.

So, I would say, based here, right at the very beginning, and really only as they are beginning to flow into Baghdad, on balance, they're probably doing okay. But you will always find instances where they aren't performing. There will always be a patrol or something, I think, where our soldiers will say they were disappointed. But maybe General Pace has a little broader perspective than I do.

General PACE. Just two things to add to that, sir, if I may, in addition to Najaf. One is the Ashura Holy Day, which was January 30, where millions of pilgrims visit the holy mosques, went off without any incidents at all, all of that being handled by the Iraqi army and the Iraqi police. In years gone by, there have been bombings and the like. So, they did a very, very credible job there. In addition, the Iraqi commander in Baghdad, Lieutenant General Aboud, has assembled his team together, and is showing very, very balanced approach to Sunni/Shiite neighborhoods. So, the initial indications—not to be giddy about, but the initial indications on the execution of the Iraqi piece of Baghdad, on the military part, are promising.

Senator BILL NELSON. So, he's screening to screen out the criminals? He's screening out those who would support the militia that's inside the Iraqi army? Is that what's happening with those Iraqi troops that are going in to Baghdad?

General PACE. Sir, what's happening right now is, they are flowing into Baghdad on the timeline that they're supposed to be flowing in. Two brigades are there now, the third brigade is arriving as we speak. So, it'll be a little while longer before full operations begin. But in those instances, so far, where we have had the opportunity to go against Shiite criminals and Sunni criminals, he has been very balanced in his approach to that.

Senator BILL NELSON. I'm asking this because this senior military official that testified on this unclassified material said, of those troops showing up in Baghdad, he expects 80 percent of them to be reliable. Therefore, 20 percent are going to be unreliable. If that's true—and I don't know what's true; I'm the one who keeps asking the questions about reliability—if the President's plan is predicated on the reliability of the Iraqi troops, when we go in to clear, before we hold, with more Iraqi troops than American troops, then they have to be reliable. I'm trying to get my hands around this question, are they reliable or not?

Secretary GATES. Senator, I think that's the question we all have, and I think that we've talked here a lot about. We're going to have to see how it actually plays out on the ground. People have their theories about how this is going to work and how many are reliable, and this, that, and the other thing, and we have a mutual interest in an honest evaluation of how these guys are doing, because it's our kids that are there at risk. I probably shouldn't say "kids," but it's our men and women out there——

Senator BILL NELSON. I understand.

Secretary GATES.—who are the front lines. As I was mentioning earlier to Senator McCain, we are trying to put together a fairly complete checklist, matrix, whatever you want to call it, of how to evaluate these guys as we go forward and how the Iraqis are doing, because so much depends on their performance in so many different areas. I think that, as I indicated, it's probably premature, but, in a certain period of time, when we have enough data to begin to be able to come up and brief you all and your House colleagues every couple of weeks on how we think they're doing.

Senator BILL NELSON. Mr. Chairman, I'll just say, in conclusion, that what bothers me is this, if the President's plan—and Senator Warner is nodding his head, because we've talked about this—is predicated on the reliability of the Iraqi troops, and yet no one has a handle as to whether or not they're reliable until we see them in action, that doesn't sound to me to be the good way to implement a plan.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Collins.

Senator COLLINS. Thank you.

General, just last week, at a hearing before the Commission on National Guard and Reserves, the National Guard Bureau Chief, Lieutenant General Steve Blum, stated that 88 percent of the National Guard forces that have returned from Iraq and Afghanistan are, ''very poorly equipped'' today in the Army National Guard. He also went on to say that the Air Guard, for the first time in 30 years, has 45 percent of its units with less than a C–2 readiness rating because of lack of equipment. He further testified that 9 out of every 10 Army National Guard units that are not serving in Iraq and Afghanistan have less than half the equipment that is needed to respond to domestic crises. The general went on to estimate that it would take $40 billion to bring the National Guard up to an acceptable level of readiness. As the ranking member of the Homeland Security and Governmental Affairs Committee, I'm very concerned about the ability of the National Guard to respond to a domestic crisis, whether it's a hurricane, an ice storm, or a terrorist attack on our homeland.

The budget does not appear to have anywhere close to the amount of money that General Blum has estimated is necessary to restore the equipment levels to an acceptable readiness level. Could you comment on the adequacy of the budget and also the impact on the National Guard's ability to respond to domestic missions?

General PACE. Yes, ma'am. It is absolutely true that, as both Active-Duty and National Guard and Reserve units go over to Iraq and Afghanistan, that the equipment they take over there with them that is not damaged is left behind for the units that are coming in. That just makes good management sense, so we're not shipping the same kinds of equipment back and forth by sea all the time. We have about 40 percent of our inventory of equipment either currently deployed or in the depots for repair. That means, almost by definition, then, that the units that are home are going to have about 60 percent or less of their equipment today.

The budget includes some $51 billion over the FYDP for reconstitution, and the Army specifically has focused $21 billion in their

budget to flesh out the needs of the National Guard and Reserve. The only number you used, ma'am, that I can't talk to is the $40 billion, because I do know, because I've talked to General Blum about this, that the Army National Guard leadership, including General Blum, is very comfortable with the $21 billion that have been allocated to flesh out the equipment that's missing in the National Guard, plus the money that's been allocated to refurbish the things that have been damaged. So, from the equipment standpoint, I believe that all of their concerns are addressed in this budget. With regard to responding, we were able to very quickly, in the response to Hurricane Katrina, have 70,000 troops into Louisiana and the Gulf region; about 50,000 of those were National Guard and Reserve, the other 20,000 were Active-Duty. The Governors have, amongst themselves, agreed on how to share troops and share equipment so that, as we approach things like the hurricane season, we have worked through the details of who would respond, what equipment they would have.

The other piece of this that is working right now, and is very important, is, the Department of Homeland Security, under Secretary Chertoff, is looking at natural disasters and manmade disasters. What capacities does the Nation need? Of those capacities that we need, what exists right now, and where are the gaps? Of the gaps, what should the Nation look to their military for, so that we can properly fund those?

The other piece that's very important is a new force-generation model that calls for 1-year deployed and 5 years at home, as a goal for our National Guard and Reserve, automatically puts those units into a system that ensures that their manning, their training, and their equipment are all properly addressed as they come up toward—as they get closer to their deployment window.

So, there are several things ongoing, ma'am, that I think mitigate the factors that you mentioned.

Senator COLLINS. Thank you.

Secretary GATES. Senator, I might just add, very quickly on this, that there is, in the fiscal year 2007 supplemental and fiscal year 2008 global war on terror, together, something like $8.8 billion for equipment for the National Guard, specifically. Between fiscal year 2005 and fiscal year 2013, we will invest $36 billion strictly in the National Guard for equipment. I've also been assured by both the Chief of Staff of the Army and the head of the National Guard Bureau that they have surveyed the National Guard units, the National Guard in the eight States that are susceptible to hurricanes, and those—and the National Guard in those States have 100 percent of the equipment they need in order to be able to respond in the event of a disaster.

Senator COLLINS. Thank you.

I would note that this testimony was given by General Blum just last week, and the $40 billion is a direct quote from his testimony. He breaks it down as $24 billion for the Army Guard and 13.8 billion for the Air National Guard. So, I would ask that you get back to me on that specific issue.

[The information referred to follows:]

The $40 billion figure mentioned by General Blum includes all shortfalls across the Army and Air Guard, to include operation and maintenance, personnel, and

equipping costs. According to General Blum, the Army shortfall is $24 billion and is fairly consistent with the Army's documented shortfall. At the time he released the information, the Army had programmed $21.1 billion against that shortfall. With the release of the fiscal year 2008 budget, the funding programmed from 2008–2013 is $36.7 billion, which addresses their shortfalls and continues to address modernization.

Senator COLLINS. I appreciate the explanation you both have given.

General, I'd now like to switch to the issue of shipbuilding. It would be very rare for me to go through a budget hearing without bringing up shipbuilding at least once. [Laughter.]

While I'm still concerned about the adequacy of the shipbuilding budget, I do commend you for continuing to progress toward the Chief of Naval Operations' goal. Development is progressing well, as you're aware, on the guided missile destroyer, or DDG–1000. We talk a lot about the advantages of the DDG–1000, in terms of increased firepower, the greatly reduced profile on radars, the electric propulsion system, but something that isn't discussed as often is the far smaller crew size that the ship is going to be operating with. Could you discuss the positive impact on the budget of being able to operate a destroyer of this size with a far smaller crew size than is required for the DDG today?

General PACE. Yes, ma'am. Just one ship will be manned at about half the crew that a current-day destroyer requires, so all that that implies, as far as training, family support, housing, medical, retirement, as you add all that up, that's an enormous savings over time, when you multiply it times the number of ships that are involved. So, I applaud the Navy, not only in the way that they have reduced the size of the ships, but in the way that they have redesigned the Navy's tempo so that we can surge when we need to and have many more of our ships readily available to the Nation when it's needed and when we don't know that they're going to be needed.

Senator COLLINS. Thank you.

Chairman LEVIN. Thank you—Senator Collins, thank you.

Senator COLLINS. Thank you.

Chairman LEVIN. Okay. Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service for our men and women at home and abroad.

Mr. Secretary, you've heard a lot about the surge and the concerns that have been raised. At your nomination hearing, I asked about the consequences if the Iraqis don't step forward as a result of the President's decision to surge the forces in Baghdad. It's one of the reasons I've been pushing benchmarks for more than 2 years, so that we have a way to measure progress. It appears that we're in the process now of being able to do that. If, in spite of all the best efforts, the Iraqis can't take the lead, they can't quell the violence in their neighborhoods, I think you've said it isn't necessarily the consequence that we're going to withdraw or leave Iraq, it just means that we'll have to make another plan. General Casey said, about that question, that it's a political judgment that we would work with the government. So, I guess what I'd like to ask you, because you're in a policymaking position, and you have to make political judgments as well, what are the consequences?

What are the consequences if the Iraqi military doesn't show up, if the Iraqi Government doesn't create an oil agreement, doesn't work to protect the rights of the minority, and fails to hold up their end of the bargain? What are the consequences to that? Because that's not simply a military plan that has to be readjusted. It goes way beyond the military. It is now a question of whether they are an adequate partner in this process. The question is, what do they want to do?

Secretary GATES. I think what we have to bear in mind is there has often been, at these hearings, a long list of broken promises by the Iraqi Government. I think it is useful to maintain some perspective that none of these guys were in government a year ago. Most of them were in opposition, some of them were in jail, some of them were in exile. They're trying to do something that's never been done in the history of their country before. So, frankly, I think sometimes their failure to fulfill their commitments is more a question of capacity than it is will. It is clear that Prime Minister Maliki intends to fulfill the commitments that he's made. It's clear he wants Iraq to be in charge of this operation. If the Iraqi——

Senator BEN NELSON. Well, excuse me——

Secretary GATES. If the——

Senator BEN NELSON. Is it really that clear? Because he, and some of his members of his government have raised questions about whether more U.S. troops were desirable or whether it was going to be an Iraqi military operation in Baghdad.

Secretary GATES. No, that's absolutely right. I think that his original hope had been that this would be an entirely Iraqi operation, and it was when his military people began talking with our military people, that they, in essence, persuaded him that the Iraqis perhaps weren't ready to do it all by themselves, just like we had to provide air support in this one other attack that just happened last week. So, he has, I think, grudgingly accepted having U.S. support, where he wanted to do it all by themselves. We don't want them to fail.

So, I think that they have the desire and the intent to make this work. I think what remains to be seen is whether they have the capacity to do it. If they can't make it work—we're planning on them fulfilling their commitments, and if they can't, then, as I have said, I think we have to revisit our strategy.

Senator BEN NELSON. Is it a military strategy or is it a political strategy?

Secretary GATES. I think it's both. The part that I feel that I have to take personal responsibility for is the military part of it.

Senator BEN NELSON. Could you see any set of circumstances under which you might suggest, if this fails and there is not the capability, that you might recommend we withdraw?

Secretary GATES. I think that a precipitous withdrawal by the United——

Senator BEN NELSON. I don't mean precipitous, I mean, would you recommend that we withdraw, not in a precipitous fashion, but in a structured withdrawal scenario?

Secretary GATES. I can see—I can envision—I hate to get into hypotheticals——

Senator BEN NELSON. I know.

Secretary GATES.—at this point, but I certainly see circumstances in which we would, first of all, reposition our forces, try and move them out of harm's way as much as possible, and then see where we go from there.

Senator BEN NELSON. Isn't it true that the President said something to the effect, to Prime Minister Maliki, that we're not there forever?

Secretary GATES. Absolutely.

Senator BEN NELSON. All right.

General Pace, I'm concerned about force protection, given what happened at Karbala. We happened to lose an Nebraskan in that effort, and I just received, while we were sitting here, notification that we just lost another Nebraskan whose sister's in the Army National Guard and brother is in Active-Duty. So, it's very personal, as it is for all of us, because we're all experiencing these losses. The question of force protection, really, doesn't that rise to a higher level if we're going to be positioned with the Iraqi forces in Baghdad to quell the violence? How will this work? Will there be one of ours out on point, as well as another Iraqi on point? What kind of unified command, or what kind of dual command, exists? It's true, we're not going to be just supporting behind the scenes, we're going to be out front. Isn't that correct?

General PACE. Sir, we will not be out front by plan. What's planned is for each of the nine districts in Baghdad to have a Iraqi brigade. Co-located with that Iraqi brigade, teamed up with that brigade, would be a U.S. battalion. The Iraqis would be the ones going door to door, knocking on doors, doing the census work, doing the kinds of work that would put them out in front for the first part of a, if it develops, firefight. Our troops would be available to backstop them and to bring in the kind of fire support we bring in. But it would not be one Iraqi and one U.S. soldier. In the Iraqi units that are forward, we have our embedded trainers, some 30 or 40 groups will be traveling with them, but they would not be walking point. The Iraqis would be.

Your point about the attack on Karbala is very important, Senator, and that is, that was a very sophisticated event. We are in the middle of investigating how that happened, where the equipment came from, how they got to be looking, as much as they did, like——

Senator BEN NELSON. There could be complicity with Iraqi government and/or military forces, couldn't that be the case, as well?

General PACE. It's possible, sir, but it doesn't look like that. It looks like this is a very well-designed operation by insurgents who had equipment that made them look like U.S. or coalition forces, that got them that close to that checkpoint. But that's still an ongoing investigation.

Senator BEN NELSON. There is a concern about force protection for our troops that would be embedded. If they came upon, I think, as Senator Levin said, in talking—in one of the other hearings—if they met up with thousands of people in the street, I think we would not want them to have to depend on whether 60 percent of the Iraqi forces stayed and 40 percent left or some other significant departure occurred, because it would put them in harm's way in a

way that we wouldn't expect it and we wouldn't want it. Is that correct?

General PACE. Sir, we have taken precautions to ensure that, regardless of what happens on the battlefield, our guys and gals are ready. Those folks who are embedded with the battalions, instead of being 10 to 12, are going to be about 30 to 40. A good number of those additional 30 to 40 are folks carrying rifles to ensure that our cell of U.S. folks can protect itself regardless of the event. Immediately behind them is the reinforcing unit of our U.S. battalion that's there to help the Iraqis, but is also there as a quick-reaction force to go help our folks. We have this thing lined up in a way that does not guarantee that U.S. troops will not get into harm's way, but it does guarantee that, if they are in harm's way, that they'll be properly armed, protected, and have lots of U.S. response available to them.

Senator BEN NELSON. So, we shouldn't expect another Karbala incident, is that fair?

General PACE. Two different things, sir. One is units in the attack, which is what I've been talking about; the other, in Karbala, was a stationary point to which insurgents, with vehicles that looked like coalition vehicles, with people inside wearing uniforms that looked like coalition uniforms, were able to approach that checkpoint. A totally different environment. But, again, that's under investigation to see what broke down, what are the lessons, so it doesn't reoccur.

Senator BEN NELSON. Okay, thank you.

Mr. Chairman, thank you.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Dole.

Senator DOLE. Secretary Gates, would you give us your views on the need for follow-on legislation similar in nature to the Goldwater-Nichols Act, building on that legislation, but involving all relevant departments and agencies? I'm assuming that you agree with the need for such legislation, but what steps could you initiate, what steps should Congress begin, in order to move this discussion forward? I'd appreciate both you and General Pace responding to this question.

Secretary GATES. I've spent a lot of time working these problems, including almost 9 years, under four different Presidents, on the National Security Council, and just, sort of, the predicate for your question is that there are a lot of folks in the DOD who wonder where the rest of the Government is in this war, and our DOS friends sometimes, I think, wonder the same thing.

There is clearly a need for greater interagency collaboration, and some of the legislation that we will be proposing for building the capacity of our partner nations that requires collaboration between the DOD and the DOS and other parts of the Government, their legislation can help us, where we can provide money from the DOD, perhaps to the DOS, to help train and equip some partner in Africa or someplace else, in terms of counterterrorism, that sort of thing.

The concern that I have—and I know that General Pace has referred to the need for Goldwater-Nichols for the rest of the executive branch, and I would never disagree with the chairman, except

that what made Goldwater-Nichols work for the DOD was, at the end of the day, there was one person making the decisions, and that was the Secretary of Defense. So, those who didn't want to play ball eventually all had to answer to the same person. That's much harder where you have a dozen or 15 Cabinet Secretaries. In effect, the President becomes the action officer, if you will.

I'm not quite sure what the right answer is, but what I know is that, as we look at these Provincial Reconstruction Teams (PRTs) in Afghanistan, Iraq, and where we're deploying elsewhere—where there's a need not just for State and Defense, but Agriculture, and so on, there is a need, somehow, for an interagency empowerment that requires these agencies to provide the personnel that are necessary to do the job. Whether that's something that the President does through an executive order or a directive, or whether there is some way legislation can enable that, I'm not sure. Frankly, I'm not optimistic that legislation is the answer. But there's clearly a need for there to be a greater ability to transfer funds and people and establish partnerships among the different parts of the Government, the executive branch, than now exists.

Senator DOLE. General Pace?

General PACE. Senator, the Secretary and I have not had a chance to have a discussion about this, but, as it turns out, we are not at all in disagreement. I am not at all certain that it requires enactment of some kind of legislation. What I am certain of is that there are lessons to be learned from the Goldwater-Nichols Act. The things that created joint tasks forces, might there be something there that gets at what the Secretary just said about some way to have someone below the President of the United States empowered in the interagency process to make things happen? Might we reward things like we have in the joint world, such as tours between departments or individuals who volunteer to go overseas and serve their country in more dangerous locations? Are there ways that we can train ourselves, interagencywise, for better planning efforts? You can take every piece of Goldwater-Nichols, and we should, and see whether or not it applies prospectively to the interagency process, and then, if it does, do we need a law or do we need just executive decision? What is it that would allow us to get on about doing that business? Goldwater-Nichols has been so empowering to the military that something like it would be enormously effective for the rest of our Government.

Secretary GATES. I would just lay down one marker. I would not give the National Security Council staff an operational role in managing the Government. Every time the President has done that, it's spelled trouble.

Senator DOLE. Thank you, both, for your answers, and I look forward to working with you in this respect.

Secretary Gates, we briefly discussed at your nomination hearing the need for further improvements in the DOD financial management systems. In the time that you have been there, have you had an opportunity to look at this further, in terms of increased transparency, the need for accountability of dollars spent? As you have looked at it, if you've had an opportunity to really get into this one, what do you think the next steps would be? It's a very serious issue.

Secretary GATES. Senator, in all honesty, I haven't had a chance to get into it, but I'm sure that Ms. Jonas would be in a position to answer your question.

Senator DOLE. Thank you.

Ms. JONAS. Senator, thank you for the question. As you may know, we've been pretty hard at work at trying to obtain a clean audit opinion on the DOD's books. We have implemented an extensive program, called the Financial Improvement and Audit Readiness Program. To date, we have our line items on the balance sheet, we have about 15 percent of our assets, about $215 billion, that receive a clean opinion, and close to a trillion in assets that would receive a clean opinion. So, that's one part of the equation. The other part of it, in getting toward our 11 material weaknesses, is really deploying systems, financial systems, that will help us be able to trace all those transactions. We're working very hard at that. We have an extensive plan on that, called the Enterprise Transition Plan, and we've testified before some of the subcommittees here on that.

So, we're working very hard at it. It's a very difficult problem, largely because of the systems. But we appreciate Congress's interest in it, and we hope we're making progress.

Senator DOLE. Thank you.

Secretary Gates, Afghanistan now accounts for more than 90 percent of the global opium supply. Since your confirmation hearing, let me ask, have you had the opportunity to look more closely at this issue? On the importance of undercutting the drug trade in Afghanistan, what must we do to effectively deny the Taliban the support of the population and the great revenue that they realize from the opium trade?

Secretary GATES. Senator, I raised this problem with President Karzai when I was in Afghanistan a couple of weeks ago. He admitted that they had made a terrible mistake, that, in the first year, they basically bought the crop from the farmers, and, lo and behold, the next year, a lot more people were planting poppies, in the hope that it would be bought by the government.

Our eradication efforts, with our NATO allies, have been stymied by the inability to get agreement on both aerial and ground spraying. We are going to continue to pursue that with the Afghans. Part of the problem with the money aspect of it is certainly not that the farmers get it, but that it fuels the Taliban and it fuels corruption. I told President Karzai that it corrodes the entire fabric of the state, and that if they don't get some kind of a handle on it, they're going to have a problem. The good news is that the economy is growing enough that opium is—or the poppies are becoming a smaller percentage of the GDP. But that doesn't mean there's less opium out there available. Most of it goes to the Europeans.

All I can tell you is that the counternarcotics initiative is going to be part of the agenda at the NATO Defense Ministers meeting the end of this week. We intend to pursue it. We know it's important. It's important not only because of the drug aspect of it, but because of what I just said, in terms of its impact both on the Taliban and on official corruption. So, we will be pursuing it with our allies. To be honest, some of our allies have had the lead in this, and it hasn't gone quite as far as we would have hoped.

Senator DOLE. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Dole.

Senator Reed.

Senator REED. General Pace, Secretary Gates, and Ms. Jonas.

Secretary Gates, on January 11, you announced a permanent end strength of the Active-Duty Army would go up 65,000 over the next 5 years, beginning with 37,000 troops in fiscal year 2008. It's my understanding that only 7,000 troops are being paid for in this base budget. Is that correct?

Secretary GATES. There is a small amount—I'll try to answer, and then ask Ms. Jonas, I think there's a small amount in the fiscal year 2007 emergency supplemental, just to get started, in terms of facilities and so on. The troops will be recruited at a rate of 7,000 a year for 5 years. So, the funding for the base budget in fiscal year 2008, as I understand it, is for the first tranche of the 7,000 of the final 35,000.

Ms. JONAS. Yes, Senator Reed, just to clarify, there's $12.1 billion in the base budget for the increase of 7,000 Army and 5,000 Marines, and that carries through the FYDP. The additional amount we have been carrying in the supplementals, 36,000 Army and 9,000 Marines. That will appear in the 2007 supplemental and also in the fiscal year 2008 global war on terror, which this committee will have. But it all becomes permanent in the 2009, every part of that. So, but——

Chairman LEVIN. Could you just——

Ms. JONAS. Yes, sir.

Chairman LEVIN. I think some know what global war on terror means, but——

Ms. JONAS. I'm sorry——

Chairman LEVIN.—why don't you explain for the record.

Ms. JONAS. Yes, I'm sorry. The global war on terror request. So, we have the full-year request that we're asking for from this committee, of $141.7 billion. Included in that is a portion of the over strength of 36,000 and the 9,000.

Senator REED. So that the request this year in this budget is the 7,000 additional soldiers.

Ms. JONAS. The 5,000 marines.

Senator REED. 5,000 marines.

Ms. JONAS. Yes, sir.

Senator REED. In the 2009 budget?

Ms. JONAS. Yes.

Senator REED. The request will be for how many forces?

Ms. JONAS. You will have the 7,000 Army, 5,000 Marines; in addition, the over strength that had been carried in the supplemental, of 36,000 Army and 9,000 Marines, will be included in the base. So, it will all become permanent.

Senator REED. So that you pull it out of the supplemental, put it in. That gets us to the point, where are we with respect to the increase in the Army? Are we going to 7,000 additional troops?

We are carrying troops on the Army roles now in the supplemental, about 30,000-plus?

Ms. JONAS. 36,000, sir.

Senator REED. 36,000 troops. The increase that the Secretary talked about was an additional, roughly, 37,000 troops, correct?

Ms. JONAS. There are two pieces.

Senator REED. Yes.

Ms. JONAS. The 36,000 in the over strength for the Army which is carried in the supplemental, and that the Secretary just talked to you is an additional 7,000 Army.

Senator REED. Right.

Ms. JONAS. For—yes, okay.

Senator REED. Fiscal year 2009.

Ms. JONAS. Yes.

Senator REED. 36,000 troops that are in the supplemental roll into the baseline budget.

Ms. JONAS. Yes, sir. Yes, Senator.

Senator REED. 7,000 plus 7,000 troops that are carried forward—new troops that carry forward from this 2008 budget.

Ms. JONAS. Right.

Senator REED. Plus another 7,000 troops that will be recruited, is that correct?

Ms. JONAS. There's only one 7,000.

Senator REED. Okay. So, that's——

Ms. JONAS. We'd be happy to provide you a chart of all this, sir——

Senator REED. So, at the end of 2009, we have plus-42,000 troops that are in the budget, regular Army troops.

Ms. JONAS. Yes, sir.

Senator REED. I'm just trying to understand how that equates with an increase of 65,000 over 5 years, Mr. Secretary.

Secretary GATES. We're starting with 482,000 as the Army base. An additional 30,000 were authorized in an earlier supplemental. That would take the Army to 512,000. Beginning in fiscal year 2008, we will begin recruiting 7,000 a year for 5 years. That will take the Army to 547,000 in a 5-year period. Beginning in fiscal year 2008, the 35,000.

Senator REED. So, the 5 years really is that it's—it's not 7,000 a year, it's maintaining a plus–7,000 over 5 years.

Secretary GATES. Yes, it's the 30,000 that has been made permanent from the supplemental, plus 7,000 a year for 5 years, so a total of 65,000.

Senator REED. What are the chances of that transfer being delayed again, as it has been over the last several—Mr. Secretary, many on this committee have urged that that supplemental increase in forces that's paid by the supplemental should be in the permanent budget. Once again, that decision was not made. In lieu of that, there was a 7,000 increment in the baseline budget, I think. My concern, obviously, is that every time we come up to this tough budget decision, which takes money from other Services, potentially, or at least raises the bottom line of the Service, we tend to punt, as we are doing this time.

Secretary GATES. Senator, this is an issue that I had some feelings about before I ever was asked to take this job, and I feel strongly about it. I will tell you, it'll be in the budget as long as I'm Secretary.

Senator REED. I hope so, Mr. Secretary.

This is another issue of, the numbers. As I understand it—and, Ms. Jonas, you can correct me—the budget includes $142 billion for spending related to operations in Iraq and Afghanistan.

Ms. JONAS. That's for 2008, yes, sir.

Senator REED. For fiscal year 2008.

Ms. JONAS. Yes.

Senator REED. Plus a $93 billion supplemental for those related costs?

Ms. JONAS. That's correct, in fiscal year 2007.

Senator REED. For a total in this budget, going forward, up until September 2008, costs related to Iraq and Afghanistan of about, if I do the math correctly, roughly $230 billion?

Ms. JONAS. Yes, sir.

Senator REED. That's correct? You're showing a projection of war costs in the following budget, in fiscal year 2009, of $50 billion?

Ms. JONAS. Yes, sir. That was OMB's decision to do that.

Senator REED. So, we go from $230 billion thats already on the table, and suddenly we go from $230 to $50 billion? How realistic is that assumption?

Ms. JONAS. Sir, we were asked to do the best we could, gave our best judgment as to what we would require in fiscal year 2008, and I think, as the Secretary has indicated, we're sure that the conditions will change, and that will be subject to some adjustment. I think we would be far less precise about predicting out in fiscal year 2009.

Senator REED. Frankly, if you looked at the level of spending—estimates in actual spending, it's always been up, not down. So, if I were a betting guy, I'd bet that it's not—if it's $243 billion in this budget cycle, and it's not $50 billion, it's probably $240-plus billion. Was that decision made by OMB to provide room for permanent tax cuts and for projected paper savings on the deficit?

Ms. JONAS. Sir, I don't know, I've had no conversations with OMB about that.

Senator REED. Mr. Secretary, have you had any conversations?

Secretary GATES. No.

Senator REED. Mr. Secretary, did you give them a number of projected spending for the follow-on budget?

Secretary GATES. Not that I'm aware of.

Ms. JONAS. No. No, sir.

Senator REED. So, this $50 billion is a fiction that has been agreed to by OMB.

Ms. JONAS. What we have provided, sir, is—we've been asked, as provided in section 1008 of the NDAA, was to try do our best to give you a good projection, with detail to the budget. We believe we've done that for fiscal year 2008. I think that would be very difficult to do for fiscal year 2009 with a detailed justification for fiscal year 2009.

Senator REED. I don't know, but General, I would have presumed that you have force-structure plans and a campaign plan that stretches out at least through 2009 into 2010. Is that fair?

General PACE. Sir, the——

Senator REED. Rotation of troops and forces, at least conditional.

General PACE. The force structure from fiscal year 2009 on is going to be in the budget as——

Senator REED. No, I'm talking about your projected force structure in Iraq and Afghanistan. Do you have a campaign plan that goes beyond September 1, 2008?

General PACE. Do not have a campaign plan, sir, but if—for planning purposes, as we answer questions about what the future's going to hold, we are saying that what we have committed now is what we use to plan to. Not that we're saying that that's a decision, but what we have is what we have. Trying to argue it's going to go up or go down makes no more sense than having it stay stable——

Senator REED. All right, so——

General PACE.—so we have it stay stable.

Senator REED. So, for operational planning purposes, you're looking at roughly 140,000 troops in Iraq, and yet, the budget——

General PACE. No, for funding—I'm sorry, sir.

Senator REED. No, what are you looking at, past September of fiscal year 2008?

General PACE. For funding purposes, we project straight line, so we have a base, off of which to go up or down, sir. That's as simple as it gets.

Senator REED. How many troops do you have projected to be in Iraq October 2008 and November 2008?

General PACE. Sir, do not have a projection of troops, per se. Have a projection of continuing to spend about $7 billion a month——

Senator REED. Okay.

General PACE.—on the war. It's a fine point, but it——

Senator REED. If I do the math, $7 billion a month is about $84 billion, and that's a little more than $50 billion.

General PACE. Yes, sir.

Senator REED. So, there seems to be a huge disconnect between your plans and what OBM is showing as the cost.

General PACE. Projection, if I could just—projection, sir, not plan.

Senator REED. Okay.

My time's expired. Thank you.

Senator LIEBERMAN. [presiding]. In the absence of Senator Levin, who's had to leave the room for a while, I thank Senator Reed and call now on Senator Thune. [Audience interruption.]

Ma'am, we're going to ask you to please be quiet or we will have to remove you from the room. Will the Capitol Police there please take action so Senator Thune can proceed with his questions. Thank you.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

General, thank you for your service. Mr. Secretary, thank you for your testimony today, as well, and for giving us an idea about where the DOD tends to go with the budget in the upcoming years.

Secretary Gates, I know that it's difficult, with the ever-changing situation on the ground, to get accurate estimates and knowing what future costs of operations in Iraq and the global war on terror, I'm sure, is no easy task and very difficult to predict. You stated in your testimony, however, that in fiscal year 2007, the emergency supplemental request is $93.4 billion and that that's all—and $70 billion you add to that in 2007, that's already been appro-

priated, brings the total war-related cost to about $163.4 billion for fiscal year 2007. The fiscal year 2008 global war on terror request is $141.7 billion, or $21.7 billion less than the fiscal year 2007 request. So I guess my question is, how do you explain a 13 percent decrease in the global war on terror request for fiscal year 2008 when, in fact, we're increasing troop strength and support in the region?

Secretary GATES. I don't have the figure for the enacted fiscal year 2007 budget, but I know that, for the supplemental, we have $34.4 billion budgeted for operations. So, of the $93.4 billion in the supplemental, $34.4 billion is actually for operations, and then the rest if reset and readiness, force protection, and so on. In the fiscal year 2008 global war on terror budget, of that $141.7 billion, about $65.7 billion is budgeted for operations. So, I don't know what the enacted figure was for 2007, but if you look at the difference between the fiscal year 2008 global war on terror budget and the fiscal year 2007 supplemental, it's almost twice as much in fiscal year 2008. Maybe Ms. Jonas could actually shed a little light on this subject.

Senator THUNE. Ms. Jonas, could you respond to that?

Ms. JONAS. Okay. Thank you, Senator. [Laughter.]

For 2008, if you looked in our operations costs, you'd come to a total of about $69.9 billion, if Congress acts favorably on our request. What we've asked for——

Senator THUNE. So $69 billion, you said?

Ms. JONAS. $69.9 billion for operations, if Congress appropriates what we're putting before them now. In fiscal year 2008, what we project is about $70.6 billion for operations. Your differences, the reasons that you're going to have differences are in policy—some of the policy changes. For example, your security forces numbers will go down. We project about $12.9 billion for security forces for fiscal year 2007, going down to $4.7 billion in fiscal year 2008. Then the pieces that we've been discussing here with regard to enhancing the forces, including the $5.6 billion for the reinforcement or plus-up, and we also have included in the 2007 an acceleration of two brigade combat teams and one regimental combat team. So, there are a few differences there.

Senator THUNE. When you said "security force," which security are you referring to?

Ms. JONAS. The Iraq and Afghan security forces.

Senator THUNE. So, we're assuming——

Ms. JONAS. The training funds.

Senator THUNE.—that's going to go down a lot once they're——

Ms. JONAS. Yes, sir.

Secretary GATES. Actually, there's an imbalance in fiscal year 2008. The Afghans are actually getting quite a bit more than the Iraqis are.

Senator THUNE. Okay.

General Pace, you had mentioned in your testimony that the global war on terror request includes a total of $51.5 billion to reconstitute our joint forces. This ground may have been plowed already, but I'd be interested in knowing what portion of that request is going to go to National Guard and Reserve units to improve

warfighting readiness, and, second, to repair or replace equipment that has been lost or damaged in combat.

General PACE. Senator, if I may ask Ms. Jonas to answer this specific question, because I know them—the macro number, and I don't want to misstate. I know that there's $21 billion going to the National Guard and Reserve, but that's on top of some $15 billion that's already been spent, so that adds up to $36 billion. Rather than start doing pluses and minuses, perhaps I can get a precise answer from her.

Senator THUNE. Okay.

Ms. JONAS. Thank you, Senator.

In total, for the base budget for the Army National Guard and the Air Guard, over the fiscal year 2008 to fiscal year 2013 period, we have about $27.2 billion budgeted. In the fiscal year 2007 supplemental for the Army Guard, we have another billion, and for the fiscal year 2008 global war on terror, we have—meaning the request that's before you for fiscal year 2008 global war on terror, another $2.7 billion. On the reset costs, we had appropriated to us in title IX about $23.6 billion, and we're requesting in this supplemental another $13.9 billion. So, that would bring the total cost to about $37.6 billion for fiscal year 2007. Then, as we've discussed here, we've basically have about a $38 billion—$37.6 billion also in reset for fiscal year 2008 in the global war on terror.

Senator THUNE. A follow-up question to that, does reconstituting the force include replacing weapons systems lost in combat with next-generation-technology weapons systems? Is that contemplated?

Ms. JONAS. Senator, we have, in the past, upgraded, for example, helicopters, when certain helicopters have been lost in combat, we have replaced them with the V–22. One of the items in this supplemental, there are two Joint Strike Fighters, which I know is of some concern to some Members of Congress. The Air Force was asking for those replacements for three F–16s that have been lost in combat, and their concern is that we don't have an open production line for the F–16s. There is a foreign military sales open line, but we understand that that decision will have to be made by Congress.

Senator THUNE. So, the answer is yes, at least to some level.

Ms. JONAS. Yes, sir.

Senator THUNE. Okay.

Secretary Gates, the Army and the Marine Corps both are, as we all know, in a state of transition, both with regard to doctrine and equipment. In your testimony, you had mentioned that we'll spend about 4 percent of our GDP on defense, and that that is a lower percentage than what we've spent during other times of conflict. If you look back—and I have some data going back from 1940 on—in World War II, we were spending over a third of our GDP, and throughout other periods in history, including from the Cold War and post-Cold War period, we were spending considerably more than that. That dropped off in the mid/late 1990s. But at a 4-percent-of-GDP investment in our military, will the Army and the Marine Corps have enough funding to, one, fight the war on terror, two, meet recapitalization requirements, and, three, be able to

transition to new weapons systems, like the Army's future combat system, without having to make cutbacks to the program?

Secretary GATES. Senator, my understanding is that—and I'm not quite sure what percentage of GDP the budget you have in front of you for fiscal year 2008 represents, but enactment of the three pieces before you—the fiscal year 2008 base budget, the fiscal year 2008 global war on terror piece, and the fiscal year 2007 emergency supplemental—would meet all those needs, yes, sir—and I'm not quite sure what percentage of GDP the budget you have in front of you for fiscal year 2008 represents, but enactment of the three pieces before you—the fiscal year 2008 base budget, the fiscal year 2008 global war on terror piece, and the fiscal year 2007 emergency supplemental—would meet all those needs, yes, sir.

Senator THUNE. Thank you, Mr. Chairman.

Thank you. Thanks to the panel.

Senator LIEBERMAN. Thanks, Senator Thune.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Secretary Gates, do you know, or perhaps you would maybe want to defer this to Ms. Jonas, what percentage of the fiscal year 2006 money that was spent by DOD was spent competitively?

Ms. JONAS. Senator, we'd have to get back to you. I don't have that at my disposal here, but we've be happy to get that for the record.

[The information referred to follows:]

Department of Defense (DOD) reported 62.4 percent of total contract dollars were competitively awarded in 2006. Dollars awarded by another agency on DOD's behalf are not included in these calculations (see Note).

Note: Our procurement database has a degree of reporting inaccuracy and there are differences of opinion as to how to measure competition. For example, DOD traditionally has considered orders made utilizing the Federal Supply Schedules as competitive. Others argue we should not consider these awards as competitive.

Senator MCCASKILL. What percent of the money that the DOD spent in fiscal year 2006 was spent through interagency contracts?

Ms. JONAS. Again, I would have to ask our acquisition, technology, and logistics (AT&L) folks to help with that. We could certainly get that for the record.

[The information referred to follows:]

In fiscal year 2006, approximately 6 to 7 percent of Department of Defense funds were spent through interagency contracts.

Senator MCCASKILL. How much money was spent on sole-source contracts?

Ms. JONAS. I'd have to again, I'd defer to our AT&L folks, they would have that data. I'm glad to provide that for the record.

[The information referred to follows:]

The Department of Defense (DOD) reported that 37.6 percent of total contract dollars awarded by DOD in 2006 were not competed (see Note).

- 23.2 percent of dollars were attributed specifically to actions citing the Competition in Contracting Act "only one source" authority.
- 6.1 percent of dollars were justified by other statutory exceptions to competition.
- 2.1 percent of dollars were follow-on actions to prior competitions that are placed with a particular contractor to continue or augment a specific competed program.

- 6.2 percent of dollars were awards to Government activities, mandated by international agreements, authorized by statute, or were brand name purchases for resale in commissaries and exchanges.

Note: Our procurement database has a degree of reporting inaccuracy and there arc differences of opinion as to how to measure competition. For example, DOD traditionally has considered orders made utilizing the Federal Supply Schedules as competitive. Others argue we should not consider these awards as competitive.

Senator MCCASKILL. Okay. The other one that I have specifically is how many Antideficiency Act (ADA) violations have been found on behalf of monies—personnel working for the Government, either in the DOD or in other agencies, in spending DOD dollars?

Ms. JONAS. The overall figures would probably be held by OMB. I could get, for the record—we do review the antideficiency cases as a routine, and we try to make sure that people who violate those rules are held accountable for that. I can get you the specific number of cases for the record.

[The information referred to follows:]

DoD ADA Violations Status

	FY03	FY04	FY05	FY06	Reduction
Cases Reported to President	26	21	14	16	38%
Number of Backlogged Cases	38	23	22	20	47%

Actions On ADA Violations Since 2005

	FY05	FY06	1st QTR FY07	Total
Cases Resulting in Punishment	7	9	3	19
Cases with No Willful Intent	7	7	0	14
Cases Resolved through Correction of Appropriation	1	7	3	11

*Data as of 31 January 2007

Senator MCCASKILL. I would like, from your office, the numbers as to how many have been referred, how many investigations have been done, the average length of time those investigations have taken, and what has happened as an end result of those investigations. I'm particularly interested in how many are reversed with accounting entries. When we have expenditures in one fiscal year that is actually monies that were supposed to be spent in another fiscal year, and when they've been found out, someone has gone back in and reversed the accounting industry to cure it.

Ms. JONAS. Okay. I'm unaware of that. I will tell you this, that we vigorously investigate these cases. I take them very seriously. I'd be happy to provide that data to you.

[The information referred to follows:]

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON DC 20301-1100

COMPTROLLER

The Honorable Claire McCaskill
United States Senate
Washington, DC 20515

February 23, 2007

Dear Senator McCaskill:

Thank you for the opportunity to discuss the Department's Financial Management progress on February 8th and to brief your staff today.

The Department has made measurable progress on Antideficiency Act (ADA) violation issues (enclosed). Specifically, since Fiscal Year 2003, the Department has reduced ADA violations reported to the President by 38%. Additionally, the Department has reduced the number of backlogged cases by 47% since Fiscal Year 2003.

As I told you during our discussion, the DoD IG made 12 specific recommendations to my office to correct problems with purchases made from other federal agencies. As of February 14th, all 12 recommendations have been implemented. Unfortunately, we expect the number of ADA cases to increase in FY2007 as a result of the DoD IG's ongoing audits. To correct the deficiencies, the Department has established an ADA metrics oversight program, expanded the availability of ADA investigator training courses, and increased the training on statutory and regulatory requirements.

We appreciate your interest and concerns. I look forward to working with you in the future.

Sincerely,

Tina W. Jonas

Enclosure:
As stated

DoD ADA Violations Status

	FY03	FY04	FY05	FY06	Reduction
Cases Reported to President	26	21	14	16	38%
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*Data as of 31 January 2007

Senator MCCASKILL. Okay. Further, have you had an opportunity to review the IG's report on interagency contracting that we have received here on this committee?

Ms. JONAS. I have seen the data on that, yes.

Senator MCCASKILL. Have you had a chance to review the Acquisition Advisory Panel's report—the independent advisory panel that has worked for 22 months and taken over 7,000 pages of testimony—concerning the way the DOD buys stuff?

Ms. JONAS. I have not. I will say that the acquisition and procurement responsibilities are part of the AT&L section of the DOD. But I'd be happy to get with Ken Krieg about this as a concern. I know you've had AT&L witnesses up here, and we support your efforts there.

Senator MCCASKILL. Frankly, I think it should be a concern for General Pace and Secretary Gates, and not just a department. It may surprise you to know that that Acquisition Advisory Panel says that you're not going to be able to give me the percentage of competitive spending, because it said, "We can't tell, even, how much of the money that's being spent through interagency contracts is being spent competitively." What they have been able to tell is, in the years of fiscal years 2005 and 2004, that over $100 billion was being spent noncompetitively through the DOD. Does that sound—and that's without knowing how much of the interagency contracts are being spent noncompetitively.

Ms. JONAS. Yes, I can't confirm that. What I can say is that the Defense Contract Audit Agency, which does report to me, evaluates about $320 billion of defense spending annually. Last year, they did over 35,000—actually 35,610 audits to try to help the DOD make sure that contracts are done correctly, according to the Fed-

eral Acquisition Regulations. I think they do a very good job. They recovered about $2.3 billion last year in potential costs to the Government. So, I appreciate your concern, and we will get back to you on that.

[The information referred to follows:]

The Department of Defense (DOD) reported 62.4 percent of total contract dollars were competitively awarded in 2006. Dollars awarded on DOD's behalf, by other agencies, are not included in these calculations. In fiscal year 2006, approximately 6–7 percent of DOD funds were spent through interagency contracts.

As to whether these interagency contracts are competitive: our procurement database has a degree of reporting inaccuracy, and there are differences of opinion as to how to measure competition. For example, with regard to DOD funds spent through interagency contracts, the Department traditionally has considered orders made utilizing the Federal Supply Schedules to be competitive awards.

Senator MCCASKILL. I have to tell you that, as somebody who's been auditing for a while, these reports I just referred to are absolutely stunning in terms of the news they deliver. If you think those 35,000 audits are, in fact, delivering—it's hard for me to believe that, if we have that percentage of our dollars being spent noncompetitively.

Let me ask you specifically about the issue of noncompetitiveness. When we evaluate competing contracts at the DOD—and, Secretary Gates, you may want to address this—for example, when Quick Kill was selected by the Future Combat System (FCS) for the system that was supposed to repel rocket-propelled grenades, a third of the members on that evaluation team worked for the company that received the contract. I would be curious as to whether or not that is common. Do we allow the companies that want to build these systems to be the ones to pick who gets to build the systems?

Secretary GATES. Doesn't sound right to me, Senator.

Senator MCCASKILL. That is a—and I noticed that the FCS in this budget has gone from several hundred million dollars to $3.7 billion. Is that correct?

Secretary GATES. I think it's up $300 million.

Ms. JONAS. Right. Senator, last year, I believe it was $3.4 billion, and the increase this year is $300 million.

Senator MCCASKILL. Okay. So, this system is $3.7 billion, and we know that a $70 million contract within there was given when the team that was making the technical specs and making the recommendations was—the huge chunk of it was, in fact, from the company that got the bid.

I would be interested—Secretary Gates, would you have any problem in—or you may want to take time to answer this—in deciding that, from here on out, the companies that are participating in trying to win these bids can no longer be part of the team that decides who wins the bids?

Secretary GATES. I would—in principle, I think that sounds right. I would like to look into it, myself, and find out what the circumstances were. The only circumstance I can think of would be that there's some kind of a rare technical skill that may not exist someplace else. Let me look into it. But, in principle, I think that sounds right.

[The information referred to follows:]

The standard Future Combat Systems (FCS) business model for selecting subcontracted efforts was used to select a developer for active protection systems. As the FCS prime contractor, Boeing has responsibility for selection of its subcontractors. Quick Kill was subsequently identified as a materiel solution to satisfy part of this requirement. Army has responsibility for oversight of the contractor's evaluation process and concurrence in the contractor's final selection decision. Boeing selected Raytheon from among three competitors as the best qualified to develop a robust, detailed active protection system architecture for manned ground vehicles. This effort is to be performed as a second tier subcontract in support of BAE, the first tier subcontractor that has responsibility to integrate hit avoidance capabilities into FCS. No employee of Raytheon participated in the source selection for the active protection system architecture developer. Following its selection of Raytheon, Boeing directed BAE to award a subcontract to Raytheon. The first task for Raytheon under its subcontract was to conduct a trade study to determine components to be used to satisfy the performance requirements in the architecture. Raytheon performed this study with oversight from Boeing, BAE, and the Army to ensure that appropriate processes were followed, the technical conclusions of the trade study were supported by the findings included in the trade study, and industry had fair and equitable participation. The Quick Kill system was identified as the FCS solution for the current force under the trade study. The trade study team consisted of 30 members, including 8 members from Raytheon.

Senator MCCASKILL. I especially hope that—Secretary Gates, that you and General Pace will take time to read the IG's report on the interagency contracting. I'll tell you one of things that stuck out in my mind, and that was the use of operational monies to build things and the use of service contracts to lease space. Let me hone in, because I know I don't have a lot of time—on the one example that I think is so egregious, and that is, to build a building—this is for the Materiel Command at the Fort in Virginia. They used operational money through General Services Administration to build a building. Now, I thought, well, this is obviously going to be a little, small building. If they are going around the requirements of military contracting to build a building, this is probably a small trailer or a modular unit. This building is 230,000 square feet and houses over 1,400 civilian and military personnel.

Now, I ran into the Secretary of the Army in the hallway the other day, and I told him that I may not be his favorite new member of the Armed Services Committee because of my focus in this area. I mentioned this building to him, and he looked at me with a perfectly straight face and said, "Well, that's a temporary building." Now, I have to tell you, where I come from, a 230,000-square-foot building isn't temporary, that's pretty permanent. I would like to find out who's responsible for making that decision and why in the world, if we know why we need that kind of space for civilian and military personnel, would it be justified that—we're not talking about an emergency, in terms of something going on in Iraq, we're not talking about getting armor to our men and women in the field, we're talking about housing personnel. I would like a better answer than I've received so far as to who's responsible for this and what is going to be done to hold them accountable.

Thank you. My time's up.

Chairman LEVIN [presiding]. Senator, we're going to join you in that request. There wasn't an answer to your question, but it seems to me, Mr. Secretary, that the issues here are similar to the ones that we raised at lunch with you yesterday on this contracting and this offloading, which we used to call using other agencies' contracts, and that you really do need to get some answers for the

record here on the number of questions which have been raised here.

Senator McCaskill has a background here which is truly important and vital to us, and we're grateful that she's focusing on an area where we've spent a lot of time, but without, obviously, having the success which we need to have. So, I want to thank her, but I also want to, if you would, because of the way that last question was phrased, for the record, give us much more material in an effort to respond to the points that were raised.

Secretary GATES. Yes, sir, we will.

[The information referred to follows:]

I cannot comment or provide the requested details at this time due to an ongoing investigation of a potential violation of the Anti-Deficiency Act. The Department will be happy to brief the committee once the investigation is complete.

Chairman LEVIN. Thank you.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Gentlemen, thank you for your continued service to our country. We can't overstate how much we appreciate and value that service.

To both Secretary Gates and General Pace, you mention in your statements that the DOD is changing the way it looks at the employment of the National Guard and Reserve. Certainly, nobody can question that, over the last decade and a half, we have changed the way that we employ and deploy the National Guard and Reserve. We have made a number of changes in quality-of-life benefits for our National Guard and Reserve, and if we're going to continue to be able to attract and retain the National Guard and Reserve, particularly in light of the way we intend to use them in the future, I think we have to continue to look at changing the benefits that are available to them, even though we will never, and should never, make it on an equal basis with the Active-Duty Force.

I've had an amendment, for the last 3 years on the NDAA, that seeks to lower the retirement age for the National Guard and Reserve. It's the number-one issue now of the National Guard and Reserve, from a quality-of-life standpoint. Can you tell me what, if any, consideration has been given to that particular issue in this budget? Was there any discussion whatsoever about that as you prepared these numbers?

Secretary GATES. This is a new issue to me, Senator. Let me ask Ms. Jonas.

Ms. JONAS. I can get back to you, sir, on that.

[The information referred to follows:]

The Department has consistently opposed efforts to lower the retirement age for Guard and Reserve personnel due to the adverse impact it would have on controlling TRICARE costs. I have made Dr. David Chu, Under Secretary of Defense (Personnel and Readiness), aware of your concerns, and he would be happy to discuss this matter with you in greater detail.

Senator CHAMBLISS. Okay. We have added that amendment to the NDAA for the last 3 years, and it is critically important that we address it, and I'm amazed that it hasn't reached your level, Ms. Jonas.

There are several States, of which Georgia is one, that, as a result of the BRAC, are going to see an influx of new troops coming in. We have about 10,000 new troops coming to Fort Benning alone

with the movement of the Armor School from Fort Knox. As a result of that, the school systems that serve Fort Benning are going to have a critical shortage of space to be able to house the students that are going to be coming in. Now, I understand that not all of the 10,000 new troops will be coming in 1 month or maybe even 1 year, but we have been dialoging with the DOD on providing some funding to assist these school systems, in Georgia and the other States, with respect to the infrastructure that's needed to house those students.

As best we can tell, there's about $2.4 million in the defense budget that is to be used for that. I'd like to ask you where that stands, what consideration is given to it, and do you think that's adequate to meet the needs that we're going to have here?

Ms. JONAS. Sir, are you speaking of the impact aid?

Senator CHAMBLISS. No, I'm not speaking of impact aid.

Ms. JONAS. Okay.

Senator CHAMBLISS. This is a different issue altogether.

Ms. JONAS. Okay. I'll take a look at what we have in the budget. The $2.4 million sounds right. We'll get back to you on that specific piece.

[The information referred to follows:]

In fiscal year 2008, the Department has budgeted $2.4 million to ease the transition of military dependent students from attendance at DOD schools to attendance at local educational agencies consistent with section 574(d) of the National Defense Authorization Act for Fiscal Year 2007. The Department of Defense Dependents' Education (DODDE) will use these funds to share educational expertise and experience with school districts impacted by large influxes of students because of base closures, global rebasing, and force restructuring. The fiscal year 2008 funds will be used to do initial assessments of school district needs and to begin developing partnerships with the affected school systems.

The DODDE will first consider school districts that will be most impacted by force structure changes. Next, the DODDE will consider school districts that ask for educational assistance. Based on DODDE's record of building instructional programs that consistently produce students whose test scores are above average, the DODDE will offer educational enhancements and strategies to affected school systems to help them build instructional programs similar to those in DODDE schools.

Senator CHAMBLISS. All right. I'd like to know whether or not that's going to be an annual budgeted item for some period of time. If so, what's the length of time.

Ms. JONAS. I can check with the folks who are responsible for that in the building and get back to you. I don't have any understanding of where that is right now, but if it's in the budget, the $2.4 million, I would guess it would be a continuing item.

[The information referred to follows:]

The Department will request additional funds in subsequent years as the troops and their families move and there is a need for such efforts. The goal is to ensure that the Department provides a high quality educational program to all military dependents regardless of where they live.

Senator CHAMBLISS. Okay. With respect to the operating tempo (OPTEMPO) we've seen in the Active-Duty Force, certainly there's no question we have seen an increase there, but, by the same token, with the fact that we have been wearing out the equipment that we're using in theater, the fact that we've had to change a lot of the equipment, the OPTEMPO at our depots has also increased significantly.

Now, I note that there's a $51.5 billion figure in this budget for reconstituting our forces, and there's about a $4.7 billion increase going to our depots. Because of the fact that we have seen that OPTEMPO at the depots increase, can you tell me what the thought process is, relative to whether or not we're going to be able to handle this surge in-house, or do we intend to contract more out, and what impact, again, does the DOD anticipate with respect to that ongoing surge at our military depots?

Ms. JONAS. Senator, we have about $11 billion in the base budget for depot maintenance, and my understanding is that we project that they'll be operating at about 64 percent of capacity. So, my own understanding, and what I've been told, is that we should be able to handle the additional surge.

Senator CHAMBLISS. Do you intend to handle it in-house, or is there going to be a significant increase in contracting out?

Ms. JONAS. I wouldn't anticipate that. Of course, we'd follow the law, which requires the 50 percent. So, I can get back to you, for the record, on that, but I'm sure that we would use the in-house capacity as we can.

[The information referred to follows:]

We'd use a combination of organic (in-house) and commercial based on the type of equipment being repaired. By law, no more than 50 percent of the funds made available to the Department for depot maintenance may be used to contract for performance by non-Federal Government personnel. As workload demand increases, production output will also have to increase so equipment can be cycled back to the operating forces in a timely fashion. To accomplish this will require repair work done at a mix of organic and commercial activities based on the type of equipment that will need to be repaired. In April of each year, the Department submits a report to Congress showing the percentage of workload achieved organically and commercially for the prior year, and the percentage of workload planned for the execution year and beyond. This report will factor in supplemental funds for depot maintenance activities. Preliminary data supporting that report show the workload split by Military Service and Defense Agency is roughly 50 percent organic and 50 percent commercial.

Senator CHAMBLISS. The other issue, relative to depots, General Pace, you may be aware that at Marine Corps Logistics Base in Albany, we have done a lot of work for the Army, as well as for the National Guard. The cross-servicing issue is going to be critically important, particularly from an in-house standpoint. Has any consideration been given to the fact that we need to increase that cross-service work at our depots?

General PACE. Sir, the short answer is yes, sir, and that's why, as you mentioned, you see what you do at Albany. As Ms. Jonas mentioned, the capacity of our depots is projected to be at about 54 percent, so there is the opportunity for more cross-servicing. But if I can take a second to just thank the great folks at Albany, because they have been doing fabulous work for us, and they deserve our thanks.

Senator CHAMBLISS. You're exactly right. If there is any legislative action that's necessary, obviously I hope, as we go through this budget process, you'll give us an indication of what legislation may be needed.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, to the three witnesses, excellent testimony.

General Pace, let me start with a specific question for you. I've been alarmed, and I'm sure you have, too, over the last 2 weeks, that four American helicopters, three military, one private contractor, have gone down. Apparently now there is a conclusion, tentative or otherwise, that those were not accidents, they were shot down. I presume this means that enemy forces have achieved some higher level of capability with shoulder-fired missiles. Am I right about that? What are your conclusions about it? Where do you think that weaponry is coming from? Obviously, we suspect that maybe—I suspect it may be from Iran; maybe it's not. What are we going to do about it?

General PACE. Senator, first, you're right, all four have been accredited to enemy fire. Second, each of those investigations, as you would expect, is under a detailed investigation to figure out what they were doing at the time, how they were doing it, the tactics, techniques, and procedures. To my knowledge—I'll have to check this for the record, but, to my knowledge, each of those was shot down by small arms, not by missiles.

[The information referred to follows:]

[Deleted.]

Senator LIEBERMAN. Interesting.

General PACE. At this point in time, I do not know whether or not it is the law of averages that caught up with us or if there had been a change in tactics, techniques, and procedures on the part of the enemy, which is what the investigations will do.

Regardless of what the answer is to that particular question, the commanders on the ground have gone to—not safety stand-down, but stand-downs designed to share the information about the shoot-downs so that the pilots that continue to fly those aircraft have the latest information we have, and, as the investigations unfold, we'll make sure that it gets put into our training.

Senator LIEBERMAN. Could you indicate for the record what kind of protection systems those aircraft have on them? Is there something more than can be acquired for them if we come to a conclusion that the enemy forces have obtained more sophisticated capabilities to shoot down our helicopters?

General PACE. I will, sir.

[The information referred to follows:]

The survivability and protection of rotary wing aircraft has been an ongoing issue since their advent in combat operations during the 1940s. Through the Korean War, the Vietnam conflict, and the ongoing series of low and high intensity conflicts since then, helicopter losses or damage in combat continue to be an issue. The reality which cannot be avoided is that any slow moving, noisy, and relatively soft vehicle operating in close proximity to the ground and hostile ground forces is an inviting target for a wide range of weapons, be they man portable or carried by vehicles or other aircraft. Because Blackwater Corporation helicopters are utilized for contracted security and are beyond the oversight of the U.S. military, the responses to this question will only address protection systems for U.S. military aircraft.

All tactical helicopters are equipped with a suite of Aircraft Survivability Systems (ASE) designed for each aircraft while performing their unique missions. ASE can be categorized in the three areas of aircraft signature reduction, situational awareness, and active countermeasures. To aid in signature reduction, all tactical helicopters are painted with non-reflective infrared absorbing paint. AH–64 Apache aircraft also have exhaust suppression that reduces the infrared signature and aids in the effectiveness of the AN/ALQ–144A infrared radar missile jammer on the aircraft. For situational awareness, all tactical helicopters are equipped with electronic

systems that alert the aircrew of radar activity and laser activity. For active countermeasures when masking terrain is not available or time is unavailable for the aircrew to maneuver out of threat range, infrared radar threats can be jammed by the AN/ALQ–144A system. Additionally, radar threats can be decoyed by the M–130 system and associated chaff dispenser. There is little doubt that the significant ballistic tolerance to 7.62mm and 23mm weapons designed into the UH–60 Blackhawk, the AH–64 Apache aircraft, and subsequent designs has had a large impact on fleet survivability and saved many lives.

Senator LIEBERMAN. Thanks.

Secretary Gates, let me go to something you said in your opening statement, I thought quite a remarkable statement, and we should not let it go, at least unrepeated, which is that, ''In December, all active branches of the U.S. military exceeded their recruiting goals, with particularly strong showings by the Army and Marine Corps,'' who are obviously bearing the largest burden of combat in Iraq and Afghanistan. How about retention? How are we doing on retention?

Secretary GATES. Senator, they're meeting all of their goals on retention. The one area that the Army and the Navy believe is a temporary shortfall is in mid-level enlisted. Let me just check to make sure I get it right. It's E–5s and E–6s in the Army, where the retention is about 84 percent of their goal; and E–4s and E–5s in the Navy, which is about 89 percent of their goal. In some respects, the Navy figure is a part of their restructuring of their force, of their manpower, and the Army is confident that it will meet its goal. But, in truth—and General Pace may want to say something—there's a lot out there in the press and elsewhere about the stress on the force and that the Army is broken and so on. In many respects—I'm told by all of the Chiefs that the best measure of the morale of the force is, in fact, in the retention numbers, and the retention numbers are excellent. That's looking back over the past year, which has been a pretty tough year for them. But I don't know, the General may want to add something.

Senator LIEBERMAN. I think it's a good point. That's a market test—and I use the word respectfully—of the morale of the forces, whether they want to stay in. I welcome your comments, General Pace, also whether you're at all alarmed about the slight drop below the goals in those mid-level positions. Obviously, those are people we would want to keep at 100 percent.

General PACE. Sir, the only thing I would add would be that this strong retention is something we should not assume, that——

Senator LIEBERMAN. Right.

General PACE.—we need to continually check ourselves for: (a) the missions we're assigning our troops, and (b) how well we're taking care of them. One of the strong points of this budget is the request for funding to increase the size of the Army and increase the size of the Marine Corps. Soldiers and marines know that that will take some time to deliver, but they know that help is on the way. Just knowing that Congress and the leadership understands the need for these forces goes a long way in the value of service for them.

Senator LIEBERMAN. Good point.

Secretary GATES. Getting back to these dwell periods that are goals of 1 year deployed, 2 years at home for the Active-Duty Force, and 1 year deployed and 5 years back home, is also very important for retention and for their families. That's another reason why we

changed the mobilization rules, in terms of how we're going to do this in the future. It'll take us a little while to get to where we need to be on that, but, again, they're both signs that things are going to get better.

Senator LIEBERMAN. I thank you for that.

I want to talk about the overall budget, generally. As you point out, there's good news and challenging news, which is that the President is recommending an 11.3 percent increase in spending over the projected enacted level for fiscal year 2007. That's for next year. Overall, as you've indicated, the budget in the fiscal year 2008 will still be 3.8 percent, approximately—a little less than 4 percent of GDP, which is below not only the average, but certainly way below when we've been at war. If you look—and I honestly think that we are underfunding some needs we have. I think the Army needs more, and the National Guard needs more. I think we're heading rapidly to a 274-ship Navy. We're flat-funding research and development. If you look at the President's budget, it seems to me that one of the consequences of the 11.3 percent increase is that we're really squeezing some critical domestic programs.

I'm about to say something that is, fortunately for you, outside of your orbit of responsibility, and this committee's. I think we have to start thinking about a war on terrorism tax. People keep saying that we're not asking a sacrifice of anybody but our military in this war, and some civilians who are working on it. When you put together the DOD budgets with homeland security budgets, we need to ask people to help us in a way that they know, when they pay more, will go for their security.

But I want to ask, having said that, this question. Though I'd support more funding, I think we ought to aspire to go up to the 5 percent of GDP for the military and security at a time of war such as we're in. We obviously have to be able to convince our constituents and each other that you're spending the money we're giving you efficiently. Senator McCaskill's questions were excellent. I want to ask you a different kind of question.

Critics will say—and it's started already on this budget—that the DOD is still carrying on some outmoded, Cold War, major arms-systems programs that we really don't need anymore. If we stop them, it could save billions of dollars. I know that's a large question. I suppose, during the Service hearings, we'll come back and ask more specifically. But what would you say, when someone comes up and asks you whether—you're asking for this increase after you've squeezed everything you could out of the budget that you have?

Secretary GATES. As the chairman generously noted at the beginning of the hearing, I didn't put together most of this budget. [Laughter.]

Senator LIEBERMAN. You get a 1-year pass.

Secretary GATES. But I'll tell you that I had three concerns when I was asked to do this job. One was whether the National Guard—whether the Army and the Marine Corps were the right size. The second was whether we were asking too much of the National Guard. The third was whether we were buying large systems that were more tied to Cold War needs than future needs. To be honest,

I haven't gotten into it much. What little I have, I've been persuaded that the requirements make sense. But I think—I owe you an honest answer that I haven't really had the opportunity to satisfy myself as to the answer to your question, and that's clearly on my agenda. But let me ask General Pace his view.

General PACE. Sir, as a taxpayer, I have to believe that there's money out there that's not being well spent. What's been visible in the process, as it's identified in the process, is changed. So, I feel good about the intent and the vigor with which those who are responsible for providing recommendations go after efficiencies. The Army, for example, has canceled more than 100 programs. But I'd be wrong to sit here and say that there wasn't more out there to be found. I can say: when found, we'll work with it, but that's about as far as I can go, sir.

Senator LIEBERMAN. I appreciate your answer, General Pace. I appreciate yours, Secretary Gates. We'll look forward, as you go on—as we go on this journey together, to hearing your evaluations of the spending of the DOD.

Thanks very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

I would just note, for our perspective, an interesting couple of editorials in the Washington Times about the overall rate of defense spending, which is high compared to recent years in real-dollar terms, but they note that, as of today, we're at 4.4 percent of GDP committed to defense and 19.6 percent of our budget—total budget committed to defense. That's up a little from the time—at least as a percentage of budget. I think we got as low as 16 percent of the budget being committed to defense, and now, in this period of war, since September 11, we are up to 19 percent. But also, I would note that as a percentage of the GDP during Korea, we spent not 4 percent on defense, as we do today, but 14.2 percent. During Vietnam, it was 9.5 percent of GDP that we spent on that war, more than twice what the current rate is for this war. During the peak of Reagan's time there, when we were not in a state of active war, it was 6.2 percent of GDP. That number has continued to fall to 4 percent. During Reagan's period, 28 percent of the budget went to defense, not 19 percent.

That gives us some perspective, I think, on where we are, although I have to tell you, you're going to have oversight, dollars are going to be tough to come by. This Senator is going to ask tough questions, other Senators are going to ask tough questions. We have to be sure we're not, even in this period of hostilities and soldiers at risk, wasting a dime. Just not wanting to do it.

One of the things that troubled me, General Pace, is interagency support for the military. I know there's a lot of reasons for the difficulties that we've had. I'm just very uneasy about it, for several reasons. One is, under our plan, other agencies are expected to do things. In other words, when we develop a plan for Iraq in reconstruction and law and agriculture, we expect these other agencies to produce. That was the original plan. However, they're not really producing well at all, and it's falling on the DOD. For example, are

you familiar with the DOS memorandum of January 25, 2007, to William Marriott, Executive Secretary, the Office of the DOD?

General PACE. I am, sir. That's the one requesting assistance for the PRTs.

Senator SESSIONS. I find it—yes—very troubling, because my understanding was that the DOS would organize other agencies and produce PRTs, which are critical to a peaceful and prosperous Iraq, at least they have been in our plans. They had to be deployed rapidly. But my understanding is that the DOD, the military, your soldiers, are overwhelmingly providing the resources to operate those, and not these other agencies. Could you give us a factual rundown on how that's developing?

Secretary GATES. Maybe I could, Senator, since I've gotten involved in this, personally. Let me say a word, and then invite General Pace to comment.

If you were troubled by the memo, that was mild compared to my reaction when I saw it, because, out of 129 positions that were being requested, I think 120 or 121 were being requested from the DOD for the PRTs, and for a period of 9 months to a year, which was contrary to my understanding.

I've talked with Secretary Rice about this, personally, and I've been assured that the memo did not accurately reflect what their request to us is. They are asking for some help, but for a period of 30 to 60 days, or 60 to 90 days, while they recruit people from other parts of the Government, get them the right clearances, and so on; and, also, perhaps, up to 6 months to enable them to get contractors, who will have to be cleared and go through various procedures and so on. So, it's still a big number. Compared to the number of forces we have over there, it's a modest number. It's important to us to make sure that these PRTs work. Even with the shorter timelines that Secretary Rice has assured me are the case, it is illustrative of the problem that you were talking about, and that Senator Dole discussed earlier, in terms of the difficulty of getting other agencies to provide people on a timely basis. It's one of the reasons behind the idea of this Civilian Reserve Corps that people who could be called on short notice to do this. But these PRTs are critically important in both Iraq and Afghanistan, and having the civilians who can come in behind our military forces and do that, so that it isn't just our National Guard civic affairs officers and people like that who have to do it, is really important. We're happy to help in the short-term, but it's a government problem.

General PACE. Sir, this is not at all a fingerpointing exercise, this is about the current status of our Government to be able to respond, and it goes to the expeditionary nature, or lack thereof, of most of the departments in the government—understandably, based on the kind of wars we've faced in the past. This is totally different. If we're going to be able to prevent having to send thousands of troops, we need to be able to get folks over to be able to help with judiciary systems, be able to help with engineering, be able to help with electricity and the like, before a country devolves into a state where the terrorists can find a home. Because of that, and because of our current state, leads to the DOD asking us for this short-term help, which includes, as you see on the list, every-

thing from engineers to folks who know how to manage governments to——

Senator SESSIONS. Veterinarians.

General PACE.—veterinarians, a whole——

Senator SESSIONS. Public health advisors.

General PACE.—yes, sir—a whole list of individuals who—reasonably, we should expect the U.S. Government to provide from other than the U.S. military. So, my recommendation would be, sir, that we embrace this as a problem that needs to be fixed, that we take a look at who's able to deploy now, and who's not, and that we devise a plan for our Government that allows us to deploy. By the way, if we're going to ask Mr. Pace, from Department of Treasury, to go someplace, does he have the same benefits that General Pace has when I deploy? Is my family going to be taken care of? Is my medical going to be taken care of? If I get killed serving my country, will there be insurance? There's a whole list of things that we should take a look at, that we do for our military, that we are not currently doing for our civilians, and then help close that gap, because this will not be won militarily. Security can be provided militarily, but we're going to prevail in the war on terrorism through all the other kinds of capacities that are on that list, and the U.S. military is not the best instrument to do that.

Senator SESSIONS. Secretary Gates and General Pace, either one of you, it seems to me that if we created, within all these agencies, certain designated slots—and maybe this is what the President's thinking about—that were called "expeditionary slots," and, if you didn't want those jobs, you didn't take them, but, if you took them, perhaps you have better pay and you had to do some extra training, maybe with the military, so that you could be deployable to tough areas of the globe, where you may not have running water, and you may have to live in substandard housing, and you may have to be at risk, and you may be in some danger, and that people would voluntarily sign up for that, and they, then, wouldn't be able to object if called upon to go. Is something like that possible?

Secretary GATES. I think so, Senator. I think that this is a matter of sufficient importance to both Congress and the executive branch, that this is an area where we, speaking for the DOD, because we obviously are the most affected by it, would be very happy to work with both you all and others in the executive branch to see if, together, we can figure out a way to solve this problem.

Senator SESSIONS. Do you have any other ideas or thoughts about it?

Secretary GATES. We talked about a few, with Senator Dole, in terms of whether there's some additional authorities that need to be given to the executive branch, in terms of being able to shift money from one Department to another. In other words, there are some of these things, where, frankly, if DOS, the Department of Treasury, or the Department of Agriculture had the people, we'd rather be able to transfer some of our money to them to help pay for it rather than send a soldier to do the job. So, there may be other options like that. But I think the first thing to do is—for a group of people to sit down and start putting together some options of how you'd go at this problem.

Senator SESSIONS. Thank you.

Chairman LEVIN. Following that up, can you report back to us on what effort will be made, along the lines that Senator Sessions has suggested?

Secretary GATES. Sure.

Chairman LEVIN. Could you take that up at the Cabinet meeting?

Secretary GATES. Sure.

[The information referred to follows:]

Department of Defense (DOD) civilian employees have a long history of providing key supporting roles in accompanying the military on deployments around the globe. Current strategies rely on a mix of military members, DOD civilian employees, and contractor employees to ensure success. The DOD monies for civilian employees could be emulated by other agencies, and I will raise that issue at the cabinet level.

Title 10, U.S.C., section 1580, authorizes the Secretary of Defense to designate as Emergency-Essential (E–E) any employee whose position provides immediate and continuing support for combat operations or support for maintenance and repair of combat essential systems of the Armed Forces, and whose duties must be performed in a combat zone after the evacuation of nonessential personnel from the zone in connection with a war, a national emergency declared by Congress or the President, or the commencement of combat operations of the Armed Forces in the zone. E–E employees are deployed to or retained in the zone as needed to support the operations.

Generally, such E–E positions are designated in advance of hiring. As a result, when employees are hired for these positions, they understand the terms and conditions of their assignment. Current DOD policies regulate this authority, requiring E–E employees to sign an agreement to deploy or remain in place as the situation dictates. When positions are designated E–E subsequent to a hiring action based upon an emergent requirement for immediate and continuing support of combat operations, current DOD policy provides for advance notice to an employee, and the opportunity to seek volunteers for the position. When volunteers are not available to meet the requirement, DOD has the authority to compel the assignment of the DOD civilian to the E–E requirement.

Prior to their deployment assignments, civilian employees undergo readiness processing and instruction, including specialized in-country training. For example, as part of their pre-deployment processing, DOD employees assigned to Iraq Provisional Reconstruction Teams (PRTs) receive the following:

- Department of State at the Foreign Service Institute—training on interagency engagement in the PRT effort;
- Department of State Foreign Area Counter Threat—training designed to prepare employees entering areas of a higher risk/danger for terrorist activities;
- Army CONUS Replacement Center Pre-deployment Readiness Processing—provides medical screening, outfitting, equipment training, and validation of documentation prior to deployment; and
- National Coordinating Team—specialized in-country training on cultural and role awareness.

The Department has been successful in enhancing benefits and incentives for deployed civilians. Many of these resulted from legislation while others required policy changes. The provisions of S. 2600 (introduced by Senator Warner in April 2006), were incorporated into the Emergency Supplemental Appropriations Act for Defense, Global War on Terror and Hurricane Recovery Act 2006 (Public Law 109–234, section 1603). This provision authorized the Secretary of Defense to provide the same allowances, benefits, and gratuities which were currently provided to members of the Department of State Foreign Service who were serving the United States Government in Iraq and Afghanistan. The attached paper summarizes the allowances, benefits, and gratuities available for those civilian employees deployed to Iraq.

Entitlements and Benefits for Temporary Duty Service in Iraq

The following is a summary of the entitlements and benefits offered to Department of Defense (DoD) civilian employees who are on temporary duty assignments to Iraq:

MONETARY BENEFITS

Allowances and Differentials

Danger Pay: Employees are eligible to receive danger pay beginning upon arrival in Iraq. Danger Pay is designed to provide additional compensation to employees who serve in hostile or dangerous areas. The amount is determined by the Department of State, and is currently 35 percent of base pay for a basic 40-hour workweek. It is not earned for overtime or weekends, and is subject to change without notice. This is a taxable benefit.

Authority: Department of State Standardized Regulations (DSSR) Chapter 650

Post Differential (Hardship Duty Pay): Post Differential: Post Differential is designed to provide additional compensation to employees for service at places in foreign areas where conditions of environment differ substantially from conditions in the continental United States. The amount is determined by the Department of State, and is presently 35 percent of base pay for a basic 40-hour workweek, separate from the danger pay mentioned above. It is not earned for overtime or weekends. Employees in a Temporary Duty status assigned to Iraq for 42 consecutive calendar days or more will receive post differential for the number of days served, beginning with the first day of detail. This is a taxable benefit.

Authority: DSSR Chapter 510

Premium Pay: Employees receive additional compensation for time worked outside of their regular shift (overtime) and for time worked at night, on holidays, and on Sundays. Premium Pay is a taxable benefit. The same rules for premium pay apply in Iraq as in the United States. Employees paid under the General Schedule, the National Security Personnel System, or the Federal Wage System will receive premium pay under the rules of those respective systems.

Authority: 5 U.S.C. 5547; DoD 1400.25-M, SC1930; 5 CFR Part 532, Subpart E

Elevation of the "Pay Cap": The National Defense Authorization Act (Public Law 109-364), signed by President Bush on October 17, 2006, authorized an increase to the annual limitation on

basic pay and premium pay to $212,100 in calendar year 2007. An employee who performs work while in an overseas location that is in the area of responsibility of the commander of the United States Central Command, in direct support of or directly related to a military operation, may receive premium pay in calendar year 2007 to the extent that such premium pay would not cause the employee's aggregate amount of basic pay and premium pay payable in calendar year 2007 to exceed $212,100. DoD implementing guidance can be found at http://www.cpms.osd.mil/gwot/docs/policy_guidance.pdf.

Authority: FY 2007 NDAA; DUSD(P&R) memorandum, dated February 12, 2007, at http://www.cpms.osd.mil/gwot/docs/policy_guidance.pdf.

Death Benefits

Death Gratuity: There are several death benefits provided for eligible family members of DoD employees who die in the line of duty in Iraq. All of these benefits are payable to eligible beneficiaries, as designated, and as applicable to their employment situation. Each is described below:

New Foreign Service Death Gratuity: Provides a death gratuity in the amount of one year's salary. The salary is that which the employee was earning immediately before his or her death in Iraq and includes basic pay, locality pay, and local market supplements, as appropriate. This gratuity is paid only for deaths occurring in Iraq during the period June 15, 2006 - September 30, 2008. This is a non-taxable benefit. The gratuity must be paid to eligible family members in the following order:

- First, to the widow or widower
- Second, to the child, or children in equal shares, if there is no widow or widower
- Third, to the dependent parent, or dependent parents in equal shares, if there is no widow, widower, or child
- If there is no survivor as indicated above, this death gratuity cannot be paid

Authority: P.L. 109-234, and consistent with provisions of 22 U.S.C. 3973. DoD implementing policy is pending.

Maximum $10,000 Death Gratuity: Provides a death gratuity not to exceed $10,000, less burial and administrative expenses of up to $1,000 paid by Office of Workers Compensation Program when the death is the result of injuries sustained in the performance of duty. While not subject to Federal income tax withholding, the death gratuity is subject to full Federal income tax. If an employee dies away from his or her area of residence, the cost of transporting the body to the place of burial or cremation will be paid in full.

Authority: Public Law 104-208, 5 U.S.C. 8133, 5 U.S.C. 8134, DoD CPM, Subchapter 810, and Internal Revenue Code, Section 101(b)

Public Safety Officers Benefits Program: Provides a one-time financial payment to eligible survivors of public safety officers who die as a result of traumatic injury in the line of duty. The

benefit amount for Fiscal Year 2007 is $295,194. This death benefit is in addition to that provided by the New Foreign Service Death Gratuity and Maximum $10,000 Death Gratuity, above. Public Safety Officers are law enforcement officers, firefighters or members of a rescue squad or crew. This is a non-taxable benefit.

Authority: 42 U.S.C. 3796, et seq.

Intelligence Duties Death Gratuity: Provides payment of a death gratuity to survivors of certain DoD personnel assigned to intelligence duties. Applies to DoD civilians engaged in clandestine intelligence activities outside the United States and whose death results from hostile or terrorist activities or occurs in connection with an intelligence activity having a substantial element of risk. This benefit will substitute as payment of any lesser death gratuity authorized by law when such payment shall be in addition to pension, heath insurance, or other death related benefit. This benefit is paid instead of the Maximum $10,000 Death Benefit. However, it is paid in addition to the New Foreign Service Death Gratuity. This is a non-taxable benefit.

Authority: DoD Instruction 1341.08

Life Insurance: Federal Employees Group Life Insurance (FEGLI) coverage or Accidental Death & Dismemberment coverage applies in the event of the death of a covered employee. There is no combat zone exclusion provision and employees covered by FEGLI are entitled to full benefits commensurate with the life insurance options they elect.

Unless an employee is newly designated as Emergency Essential (EE), there is no provision to enroll in FEGLI at the time of deployment. If an employee is newly designated as EE and has previously waived FEGLI, an employee may elect Basic coverage within 60 days of the EE designation. FEGLI optional insurance provisions do not apply. This benefit is non-taxable.

Authority: 5 U.S.C. 87; 5 CFR 870 and 5 U.S.C. 8702(c)

Travel Benefits Incident to a Death

New Foreign Service Travel Benefits: Provides transportation of household goods and personal effects to any location in the United States, and its territories or possessions, as selected by the next-of-kin of the deceased employee. Travel expenses of family members are only provided if the employee and family members were moved at government expense to the permanent duty station (i.e., the location to which the employee would have returned to upon completion of the temporary assignment to Iraq). This provision applies for those employees who die in Iraq during the period June 15, 2006 - September 30, 2008.

Authority: P.L. 109-234, and consistent with provisions of 22 U.S.C. 4081. DoD implementing policy is pending.

Preparation of Deceased Employee Remains: Provides payment for all of the following services in connection with preparation of the remains of a deceased employee:

- Embalming or cremation
- Necessary clothing
- Casket or container suitable for shipment to burial place
- Expenses necessary to comply with local laws at the port of entry in the U.S.
- Similar expenses

Authority: JTR, Volume II, Chapter 6

Transportation of Deceased Employee Remains: Provides transportation of remains by common carrier (that is ordinarily used for transportation of remains), hearse, or other means, or a combination thereof, from the temporary duty station to the permanent residence, permanent duty station, or burial place, including the following services:

- Movement from place of death to a mortuary and/or cemetery
- Shipping permits
- Outside case for shipment and sealing of the case if necessary
- Removal to and from the common carrier
- Ferry fares, bridge tolls
- Similar expenses

Costs for an outside case are not authorized when transportation is by hearse. Cost for transportation by hearse or other means cannot exceed the cost of common carrier (that is ordinarily used for transportation of remains). Transportation costs to the burial place cannot exceed the actual cost of transportation to the actual residence.

Authority: JTR, Volume II, Chapter 6

Escorts for Employee Remains: Provides round trip transportation and per diem for up to 2 escorts to accompany the deceased employee's remains. Round-trip travel expenses for up to 2 escorts of the employee remains may be authorized from/to he actual residence/permanent duty station of the deceased; or any other place appropriate for burial as determined by the authorizing official.

Authority: JTR, Volume II, Chapter 6

Presentation of the United States Flag: Provides for the presentation of a United States flag to the next-of-kin of the deceased employee. Unless the deceased parents are the next-of-kin, a United States flag of the same size may also be presented to parents of the deceased employee.

Authority: JTR, Volume II, Chapter 6

Injury Benefits

Federal Employees Compensation Act (FECA): The FECA authorizes medical services at no charge to the employee for treatment of any condition which results incident to Federal employment, including employment in Iraq. No limit is imposed on the amount of medical expenses or the length of time for which they are paid, as long as the charges represent the reasonable and customary fees for the service.

Authority: 20 CFR 10; CPM 810

Treatment in Iraq: Injured DoD employees are entitled to emergency and routine medical care in military Medical Treatment Facilities (MTFs) while in Iraq.

Medical Evacuation: Injured DoD employees are entitled to medical evacuation at no charge if it is determined to be medically necessary. Transport will be provided to the identified MTF in either the United States or an overseas area. Once stabilized, injured DoD civilians may elect to leave the MTF and receive care, at no charge, at an accredited medical facility of their choosing in accordance with the FECA provisions.

Authority: 20 CFR 10; CPM 810; DoD Instruction 6409.03;

NON MONETARY BENEFITS

Rest and Recuperation Travel (R&R): Employees serving on temporary duty for 180 consecutive days or more are entitled to one R&R trip. The R&R trip may be taken after 60 consecutive days are completed. R&R travel destinations are specified in Appendix U of the Joint Travel Regulations, Vol II.

Authority: JTR Vol. II, Chapter 6 Part Q

Other Benefits: Commissary and Post Exchange privileges; Morale, Welfare and Recreation services; and, limited legal services.

Senator SESSIONS. I know Senator Levin has expressed some concern about this also, and maybe it's something we could facilitate, if you'll help us.

Secretary GATES. This is an area of some real opportunity. The President raised it with the Cabinet yesterday, of the need for others to step up.

Chairman LEVIN. If Senator Bayh would yield for just 1 minute, Senator Warner would bring us up-to-date on some legislation we passed in this area.

Senator WARNER. This very issue was before the committee, and I solicited views of all the Cabinet officers, came back and wrote a bill, the bill passed, as to how to do these things. I know the President held a Cabinet meeting, was very assertive in the need to get done what you've described. So, I guess we have to go back and dig the corpse up and start all over again. [Laughter.]

But we tried, on this committee, to do the very things that our colleagues said.

Chairman LEVIN. We did it under Senator Warner's leadership, and perhaps you could bring us up-to-date as to what it led to.

Secretary GATES. Yes. We'll find out.

Chairman LEVIN. Thank you. Mr. Secretary, thank you.

Thank you Senator Bayh.

Senator BAYH. Thank you.

Thank you all for your time today. I have one comment and three quick questions I hope we'll be able to get through.

Mr. Secretary, I'd like to start by thanking you for your prompt response to the request that Senator Clinton and I submitted to you following our visit to Afghanistan. This was a country from which we were attacked. Many of us feel that it has been underresourced, and we are at a critical juncture, and we need to step up to try and make sure that events there go in a better direction. So, adding the additional troops and other resources, we think, is vitally important.

One thing I would like to ask you to follow up on—I think General Pace mentioned this in his submitted testimony, and we heard this very clearly from both our military commanders and our intelligence officials—there still aren't the Predator assets that we need to make the most of our opportunities there. This is a weapons system that kills terrorists in real time, and 6 years into this thing, it's somewhat mindboggling to me why we still don't have enough of those assets deployed in the hands of our commanders. So, I hope you'll follow up on that and tell us what we can do to rectify that situation.

Secretary GATES. I would just comment, this is an area that I did look into, because they do seem so valuable to me. I heard plenty, in both Iraq and in Afghanistan, about the need for them. What I'm told is that the pipeline for production is completely full and out for several years. I think that there has been a reluctance—not knowing how long this war was going to go on, a reluctance to expand capacity at the factory. I think we now need to revisit that and look at it.

Senator BAYH. I hope you will.

There seems to be some—and I don't want to run out my time or my three questions, Ms. Jonas. Maybe we can follow up later—there seems to be, at least on the part of some of our people who have handled these kind of issues before, that perhaps on the private side they say the pipeline is full, but some things can done to expand the pipeline. Let's follow up on that.

[The information referred to follows:]

The Department of Defense (DOD) continues to explore all available means to accelerate the delivery of MQ–1 Predator unmanned aircraft systems (UAS) Combat Air Patrols (CAPs) to the Commander U.S. Central Command. In 2005, the Joint Requirements Oversight Council validated a Quadrennial Defense Review requirement for 21 MQ–1 Predator CAPs of 24 hours per day, 7 days per week operations. The Air Force, using Air Combat Command (ACC), Air Force Special Operations Command (AFSOC), and Air National Guard (ANG) crews, currently provides 12 CAPs in Central Command's area of responsibility. The current Air Force plan is to grow available Predator CAPs to 16 by the end of fiscal year 2008 and 21 by the first quarter of fiscal year 2010.

Aircraft production is not a limiting factor. In 2006, the Defense Contract Management Agency (DCMA) completed an industrial capacity assessment of General Atomics Aeronautical systems (GA), the manufacturer of the MQ–1B Predator, MQ–9 Reaper, and Army's MQ–1C Warrior. DCMA confirmed GA has excess production capacity to meet all planned procurements identified in the FY08 President's Budget.

The most significant issue in expanding available Predator CAPs is training enough qualified crews to operate Predator. Last year, the Air Force trained 120 aircrews (with each crew consisting of one pilot and one sensor operator) to meet Predator crew requirements. Even though we've doubled aircrew training capacity in the last year and a half, the Air Force is taking action to further increase Predator crew production.

The Air Force recently enacted several key changes to Predator pilot tour assignment policy: all tour assignments (in-place and new) are now 36 months in duration as measured from the qualification training completion date, adding approximately 4 months to the typical tour length—effectively freezing all in-place Predator pilots until spring 2008. Additional tour policy changes include requiring a 24-month time on station payback for any Predator pilot accepting an instructor assignment. We will also begin immediately accepting volunteers for extended or repeat Predator tours. The Air Force plan increases crew training to match aircraft production.

General PACE. Yes, sir.

Senator BAYH. Vitally important.

My three questions. First, following up on a couple of comments by my colleagues. Senator Nelson, from Florida, asked you about the reliability of Iraqi troops. I'd like to ask you about the reliability of the Iraqi political leadership. I think we all acknowledge that no matter what we do, how long we stay, how much we spend, how many of our brave forces die, this is not going to go well if they don't have the political will to get the job done. I think, Mr. Secretary, you mentioned that, in your opinion, it was clear that Maliki intends to fulfill his commitments. I'd like to ask you what are the reasons for your optimism there? Some of us are a little bit more skeptical, when you look at things like: he posted, on the presidential Web site last October a series of what they called benchmarks, which they have either not adhered to or, to me, looked like the path of least resistance, not some of the hard things that need to be done.

Then, you look at what he said, apparently, to the President last November in Amman, and he said to Senator Clinton and myself, just a few weeks ago, which was his preferred course of action in Baghdad was for us to arm his forces more heavily and for us to get out of the way. He's reluctantly come around to supporting this surge, but it was clear from reading between the lines, that wasn't his preference.

You look at some of the constraints that have been put on us of our ability to act in the past, why do you have confidence in the political leadership of the Iraqis to get this done?

Secretary GATES. What I said, Senator Bayh, was that I believe that he had the intent to follow through on these commitments. I think that at times, they lack the capacity to follow through.

Senator BAYH. Could I just interject for a second here? I always listen to what people say. I think a better indication of someone's intent is what they do. We have a series of actions here which belie what he said. Which leads me to be a little more skeptical.

Secretary GATES. I think that's one of the reasons why, as we've discussed, it's so important to put together—and, as I mentioned at the beginning of the hearing, a matrix or a checklist that basically allows us to measure progress here with this Baghdad plan. The first thing that we will be able to measure is military performance. Are the brigades showing up on time? Are they fully staffed, and so on?—so we can tell whether the intent has led to the action. The answer, so far, from General Casey, is, ''So far, so good.''

Senator BAYH. As we've discussed before, there's a military component to this and there's a political component to this, and some of those steps, in the hands of the politicians, are going to need to be taken if we're going to deal with the root causes of the insurgency, not just its superficial manifestations.

So, that gets me to my second question, which is following up on something Senator Ben Nelson said, which was—and I never think we got to his question—the consequences. Senator Clinton has been very good on this. We can measure progress, but, if there aren't specific consequences for failure to make the decisions necessary to achieve that progress, this is not going to work very well.

So, here's my question. It seems to me, for the last several years we've pursued the theory of reassuring them, telling them we're standing by them to try and boost their confidence so the political leaders will feel secure enough to take some of the difficult steps that need to be taken. That hasn't worked real well. Some of us have concluded that there need to be some specific adverse consequences for them if they don't start doing the right thing, making some of the hard decisions. What will those specific consequences for their failure to act be under this plan?

Secretary GATES. If they fail to act, as General Petraeus told you in his testimony during his confirmation hearing, first, obviously, we're going to try and persuade them to do what they promised to do, but then there is always the potential of withholding assistance or of changing our approach over there, in terms of how we interact with that government. The President has said that Americans' patience is not unlimited. We've said from the very beginning, the success of this strategy is dependent entirely on the Iraqis' willingness to fulfill the commitments that they've made to us. If they don't fulfill those commitments, then we clearly have to change what we're doing.

Senator BAYH. Many of us have concluded, Mr. Secretary, that the moment of truth has arrived, and we have to have a pretty direct dialogue with them and actually lay out some specific consequences that will matter to them so that they will know very clearly the price of their failure to perform. It's only human nature for people to take the path of least resistance. What we have to do is convince them that that path is not one that they can follow any longer. You'd think it would be in their own self-interest, but that doesn't seem to have worked. So, specific things, like cutting off resources to them and other things that will matter—many of us have concluded there needs to be a wake-up call here. I hope it will be something more than vague public statements, because that doesn't seem to have worked very well, to date.

Secretary GATES. No, I agree with that.

Senator BAYH. My final question has to do with what we're doing in Iraq and how that might affect the larger strategic picture with regard to Iran. We've been told that the Iranians, in the short run, really like the fact that we're bogged down in Iraq, that we're being bled both literally and financially there, because we can't offer the kind of credible, deterrent to them that they would fear. In the longer term, what they would like to see is an Iraq dominated by the Shiite, closely allied to Iran, that that's their short-term and their long-term interest. But, in the long-term, they also fear a real Sunni/Shiite split across the Islamic world, because that might operate as a constraint to their ambitions.

Our policy seems to have the current state of affairs in Iraq, suits their purposes. We are bogged down there. Might it not be in our interest, vis-a-vis Iran, to say, "Look, if the Iraqis don't do the

right thing here to give us any chance of success, we will begin to extricate ourselves.'' That takes away their short-run objective, which is bogging us down, and it confronts them with their long-term fear, which is a real Shiite/Sunni split.

So, my question, Mr. Secretary, might it not be that the path that some of us have recommended to them, which is saying to them, ''Look, if you don't get this right, we are going to begin to leave,'' gives us a better chance to constrain Iran in the long run, because it removes their short-term objective, it confronts them with their long-term fear. They will never do anything in our best interest, but they might conclude that greater stability in Iraq is in their best interest and begin to behave more responsibly there.

Secretary GATES. Senator, it seems to me that—in essence, that the debate here on the Hill is not about the war on terror, and is not about taking on our adversaries. At the end of the day, it has seemed to me that it is more about, how best do you incentivize the Iraqi Government to take responsibility for their own government and their own people so that we can leave? There is clearly a difference of view, in terms of how you do that, how you incentivize that government.

I would say that doing it—giving the President's effort a try does not foreclose them being able to do the other.

Senator BAYH. My time is expired, Mr. Secretary, but my point is that having specific timelines, real benchmarks for progress, and real adverse consequences for not doing those things that we could reasonably expect them do, not only incentivizes the Iraqis, but, if they fail, might then incentivize the Iranians to behave more responsibly.

Chairman LEVIN. Thank you, Senator Bayh.

One factual issue, if I could, Senator. Senator Bayh, your reference to that Web site, there is some suggestion that that was removed from the Web site. The benchmarks, to the extent that they existed—Senator McCain and I have written to Secretary Rice asking if, in fact, they were removed from the Web site. If so, why? So, that's a new development there, which I know you'd be interested in, given your line of questions.

Senator BAYH. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

I guess we'll talk about the budget maybe a little bit in the 8 minutes, but we'll pick up where my good friend Senator Bayh left off, because I think this is the heart and soul of where we're at as a Congress, where we're at as a Nation.

One of the concerns I have is that whatever we do here, particularly in a nonbinding fashion, may incentivize our enemies. Are you concerned about that?

Secretary GATES. Sir, I think that, from time immemorial, that if you think that your adversary is divided, it is a source of strength. I would say that there's unfortunately a history of our enemies misunderstanding our robust debate in a democracy for weakness that actually wasn't there. I think that as I just suggested, that there is no division and no irresolution and no weakness in this Government, including Congress, in terms of taking on

terrorism, taking on our adversaries. So, I hope that our adversaries don't misunderstand this robust debate as being a sign of weakness. I think it's a sign of strength.

Senator GRAHAM. Mr. Secretary, with all due respect, one, I think you're doing an outstanding job with an incredibly difficult hand being dealt, but if we did put—some of our former colleagues are suggesting, of pulling out 50,000 troops in the next 3 months. I am no foreign policy expert or military expert, but if I was an al Qaeda member, I would say, "Aha." Do you think it would be wise for us to withdraw 50,000 troops in Iraq in the next 3 to 4 months?

Secretary GATES. No, sir, I don't. That's because I don't envision the situation on the ground improving to that——

Senator GRAHAM. Do you think it would be wise to tell our enemy, "This war is over January 2009, no matter what"?

Secretary GATES. I think we have said, all along, that having any kind of timeline is probably a mistake.

Senator GRAHAM. Well, see, that's the point. The point is that the American public is genuinely frustrated, because it hasn't gone as well as we'd like. How old is the Maliki government? How many years old is it?

Secretary GATES. I think it's just about a year old.

Senator GRAHAM. It's about 9 months old, and to the American public, as imperfect as the Maliki government is, it's a heck of a lot better than anybody else in town. Whether it succeeds or fails is eventually up to them, but I am convinced that no politician in anyone's history, including ours, could bring about democracy with this level of violence in Iraq. Do you agree that the level of violence in Baghdad, and Iraq in general, is counterproductive to political reconciliation, at this point?

Secretary GATES. Certainly, Senator.

Senator GRAHAM. As to this idea that the pathway to success and peace in Iraq runs through Tehran and Damascus, to me, is just naive, at best. I think the Syrians and the Iranians are united around one fact and one event, "We're not going to let a democracy emerge in Iraq, because it's a threat to our own dictatorships." Do you agree with that?

Secretary GATES. I've always believed, Senator, in the line of Frederick the Great, that negotiations without arms are like notes without instruments.

Senator GRAHAM. The reason that Syria is funding Hezbollah in Lebanon is not because they desire a Shiite-dominated Lebanon, they just fear democracy. If you're a dictator, a police state in Syria, your worst nightmare is not a dysfunctional Iraq, it's men and women getting together of different religious backgrounds, picking their own leaders. If you're a religious theocrat in Iran who wants to dominate the region through a Shiite theocracy that has no other place for any other religion, your biggest fear is: the Sunnis, the Kurds, and the Shiites in Iraq will actually live together in peace.

So, this idea that we're going to go to Tehran and Damascus, and all of a sudden they're going to buy into a democracy in Iraq, is crazy. The only thing they're going to buy into, in my opinion, is a resolve by the United States that's unquestionable. We're in one

of the biggest conflicts in the history of our Nation. Do you agree with that, General Pace? The war on terror?

General PACE. This is a defining moment for our Nation, like World War II was for that generation.

Senator GRAHAM. Do you agree with that, Secretary Gates?

Secretary GATES. Yes, sir.

Senator GRAHAM. So, here we are in one of the most defining moments in the history of the United States, and our spending on defense is below 4 percent of GDP.

If everything works well with the surge, will we have an overwhelming force in Iraq to deal with the insurgency, General Pace? If we get every troop we can muster, will it still be overwhelming?

General PACE. Let me make sure I'm hearing the question right. Our troops plus the Iraqi troops——

Senator GRAHAM. If everything works perfectly, would it come to the Powell Doctrine that we finally have, in Iraq, an overwhelming force to deal with the insurgency?

General PACE. I cannot say yes to that, because the insurgency is different than the Powell Doctrine applied to conventional forces.

Senator GRAHAM. Will we have enough to meet the counter-insurgency doctrine of General Petraeus?

General PACE. In pure math terms, no, sir. In terms of what is needed on the ground to get the job done, yes, sir, meaning that their talk about 50 to 1—or whatever it is to 1—that you need to quell a generic insurgency—we helped in El Salvador with 55, and that turned out the way we wanted it to, and we have 140,000 in Iraq, and that has not yet turned out the way we want it to. So, I'm just being careful not to say yes or no to precise math.

Senator GRAHAM. I understand. I guess I would just conclude with this whole budget debate in how to get the Iraqis to do better. I would like them to do better. I believe, over time, they will. But, if you're asking somebody, in 8 months, to solve a 1,400-year-old religious dispute, bring people together who have suffered under a dictatorship for 30 years, reconstruct an economy that was raped by a dictator, that's a pretty tall order. I am willing to give not only this new strategy a chance, I am willing to do whatever it takes to make sure we don't have a failed state in Iraq.

Secretary Gates, is there any doubt in your mind that if we lose in Iraq, it becomes a failed state, that the war on terror suffers, and that we will be going back to the Middle East with a bigger war on our hands?

Secretary GATES. If Iraq were to fall into chaos, I think those things would happen.

Senator GRAHAM. So, to my colleagues, we can't have 535 commanders in chief, and we can't have 535 Secretaries of State. I hope we can muster the political will, at least for a few more months, to give what I think is a reasonable opportunity a chance to succeed. The elections are going to come, everybody's going to be held accountable politically for their positions, but what happens in Iraq is so much bigger than the 2008 election for anybody here, that I hope we don't lose sight of the big picture.

This budget is, in my opinion, lean for the needs of this country at one of its most critical times, and if you need more money, spend what you have wisely, but never hesitate to ask for more.

General PACE. Senator, may I give you a more complete answer on the overwhelming force?

Senator GRAHAM. Yes, sir.

General PACE. Thank you.

This isn't only about force, which is why "overwhelming" doesn't make the equation. It's about a three-legged stool: security, good governance, and good economy. The security plan that is laid out, with the forces that are allocated to it, is going to be sufficient to do that leg of the stool, but no size force, no matter how defined as "overwhelming," will be sufficient absent the other two legs of the stool. I think that's a better answer to your question.

Senator GRAHAM. I totally agree. I would say the biggest mistake we have made—and I may be completely wrong—about Iraq, is we've always done it on the cheap, that we have never put in place, after the fall of Baghdad, the overwhelming force that would have kept the country intact. I don't want to compound those mistakes again.

Thank you for your testimony.

Chairman LEVIN. Thank you, Senator Graham.

Senator Clinton.

Senator CLINTON. Thank you very much for your service and your patience. I'm grateful to each and every one of you for the work you do.

It seems to me, Mr. Chairman, that we have a number of extremely important issues before the committee that have been highlighted by various members. We have the budget, which is going to deserve, and need, a lot more scrutiny. We've heard a lot of talk about the percentage of GDP in comparison to the percentage of GDP in other wars and conflicts. I might also add, the taxation rates were considerably different during those conflicts, as well. We are not paying for the military that we want, nor are we paying adequately for the global war on terrorism. So, this budget is going to have to be scrutinized, but we're going to be faced with the dilemma of whether we are adequately funding our troops and whether we will pay for adequately funding our troops.

Second, we continue to have questions about how we ensure American troops are trained and equipped, something that I've raised in a series of our hearings with General Petraeus, Admiral Fallon, and others—General Casey, most recently—and I think you can hear, Secretary Gates, we're still not satisfied. Both you and General Pace have responded to questions, starting with the chairman's from the very beginning of this hearing, but there remains a considerable amount of anecdotal evidence about shortages. I will be reading the IG's report later this afternoon, but, from the reports that we have received, it appears that there was a lack of cooperation, perhaps, with appropriate officials in DOD and the chain of command in trying to get to the bottom of whether or not we have adequate training and equipping of our troops. So, this will continue to be an issue that I and others will pursue.

We also have heard about the need to enlist the entire government to participate effectively in the war on terrorism, and, as Senator Warner said—I can remember when he was on the floor, introducing his bill and speaking about it—we actually have made a stab at this. I think it's fair to say none of us are either fully aware

of, or satisfied with, what direction it has taken us. I think Senator Sessions' suggestions are really serious ones that should be carefully considered by the administration.

Senator WARNER. Senator, if you'd yield.

Senator CLINTON. Yes, sir.

Senator WARNER. I have here the reference to legislation and you cosponsored that legislation.

Senator CLINTON. Yes, I did.

Senator WARNER.—together with Senator Lugar and myself.

Senator CLINTON. That's exactly right. We did, under Senator Warner's leadership, pass that legislation, but it's clear that none of us has a handle on what, if anything, has been done to implement it. So, we really do wish to have some additional information and feedback on that.

We've also begun to examine—and I appreciate very much Senator McCaskill's lead on this—the way our Government has outsourced so much of the work of preparing and defending our Nation to private contractors who may be neither cost-effective nor free of conflict. I think this will be a very important issue for this Congress that we will be exploring, and, again, looking for assistance from you.

Finally, your words, Secretary Gates, "how we best incentivize the Iraqi Government," there are those who think that the era of carrots has to end, that we've been, in effect, ignored by giving them a blank check and the blood and treasure of our Nation, especially the lives of our young men and women and the injured that have come home with such grievous wounds, and we don't believe that's an effective way to get their attention. This part of the world, which you have studied—you were certainly part of the Iraq Study Group before being asked to be Secretary of Defense, you know very well that—I'm not sure carrots are part of the diet. So, I think that many of us have been searching for more effective ways that can get the attention not only of the nominal Iraqi government, but of the sources that support it.

To that end, in addition to our concerns about the attack on Karbala and what that meant—and I appreciate General Pace referencing the likelihood that it was well-organized insurgents, which I translate to be Sunni elements—we also are concerned about the Mahdi army militia obtaining not only trained men who we have trained, but also equipment. A recent article on February 2, from McClatchy newspapers, titled "Mahdi Army Gains Strength Through Unwitting Aid of U.S.," and "The U.S. military drive to train and equip Iraq's security forces has unwittingly strengthened Sadr and his militia."

These are deep concerns to us, and we don't believe that we, at least speaking for myself, see much change in the testimony we hear, in the plans that are being implemented, as to how we're going to get a handle on these very serious challenges.

But, Mr. Secretary, I want to change direction just somewhat abruptly, because I want to ask you about a letter that, on January 16, along with 21 of my colleagues, including several members of this committee, sent to President Bush asking for an explanation of what Plan B steps he was considering with respect to Darfur, including possible punitive military action, such as a no-fly zone or

blockade of Port Sudan. Obviously, we are facing, once again, the repeated and blatant violations of numerous cease-fires, peace agreements, and U.N. obligations by the government of President Bashir.

It is worth noting, I think, that this does not need to be a no-fly zone on the scale of what we formerly ran over Iraq, but could be accomplished with a significantly smaller outlay of resources by directing punitive strikes against Sudanese planes known to have taken part in illegal bombing missions in Darfur.

I've made this suggestion on several occasions to our NATO commander in the past, and to others within the administration, and I'd like to ask you if you have been instructed by the President to begin planning or preparing any such measure, and whether or not you would look into that, if you have not yet been asked to do so.

Secretary GATES. I have not been asked to. I would defer to General Pace, in terms of whether the Joint Chiefs have done any contingency planning along those lines. I'm certainly willing to pursue it.

Senator CLINTON. General Pace?

General PACE. Have not been asked to do that, ma'am.

Senator CLINTON. I think that, obviously, from the perspective of many of us, the ongoing genocide in Darfur and the blatant refusal by the Sudanese Government to act has been deeply concerning. We have about 7,000 African Union (AU) troops there. They are the sole line of defense for the hundreds of thousand civilians facing genocide. Twenty million dollars was included in the 2007 Defense Appropriations Bill to provide assistance to these troops. They are obviously woefully underfunded, they don't have logistics support, they have no airlift capacity. I understand the DOS, which has been administering all U.S. funding going to the AU troops, has requested that this new $20 million be transferred to them. Is your office considering that request? Do you have an opinion, as the Secretary of Defense, whether that meets our desire, having put this into the DOD appropriations rather than DOS appropriations?

Secretary GATES. This is the first I've heard of it, Senator. I'll have to look into it.

[The information referred to follows:]

We are aware of this requirement. My staff has prepared the transfer documentation, which should be signed shortly.

These funds were specifically designated within the Defense Appropriations Bill to support peacekeeping operations in Sudan. In the future, these funds should be placed within the Department of State's appropriations.

Senator CLINTON. Thank you.

Finally, Mr. Secretary, the Defense Appropriations Bill for Fiscal Year 2007 contains a provision I sponsored requiring the DOD to submit a detailed report on the DOD's role in assisting the parties to implement the Darfur Peace Agreement of May 5, 2006. The report is envisioned to contain information on issues of critical importance to stabilizing Darfur, such as an assessment of assets that the U.S. military and NATO are able to offer the AU mission in Sudan and any efforts made by the DOD to leverage troop contributions from other countries to serve in the proposed hybrid AU/U.N. peacekeeping mission for Darfur. This report was supposed to

be available no later than January 15, 2007. That was 90 days after enactment of the bill, as of October 17, 2006. May I ask you, Mr. Secretary, if you know the status of this report?

Secretary GATES. No, ma'am, and I'll find out.

[The information referred to follows:]

The Report to Congress on the Implementation of the Darfur Peace Agreement that is contained within the Defense Appropriations Act, 2007 (Public Law 109–289) requires coordination with the Department of State and that is presently ongoing. The report should be ready shortly.

We have offered up to 11 staff officers to the Africa Union (AU) to assist them with Africa Union Mission in Sudan (AMIS) operations; the AU accepted 6. Difficulties in obtaining Sudanese visas resulted in only two officers being able to work at the AMIS Headquarters in Al Fashir. The other four officers are presently waiting in Djibouti for permission from the Government of Sudan to enter the country.

Senator CLINTON. I would appreciate it being promptly delivered to me and to this committee.

Secretary GATES. Yes, ma'am.

Senator CLINTON. Thank you very much.

Chairman LEVIN. Thank you, Senator Clinton.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

I share Senator Clinton's concerns about conditions in Darfur, and yesterday the Judiciary Committee, Subcommittee on Human Rights, had a hearing on the humanitarian crisis occurring there.

I'm struck that when I visited Iraq in July 2003/August 2003, we had an opportunity to stand on the edge of mass grave sites where Saddam had reportedly killed as many as 400,000 of his countrymen. I guess my question, since obviously, Iraq is on all of our minds—is, if you, General Pace, could tell us what sort of humanitarian crisis do you think we could anticipate if, in fact, the United States Government cut off funds to support our military efforts in Iraq or if we precipitously pulled out? What kind of humanitarian crisis would you anticipate?

General PACE. Sir, as best I can tell, from a military standpoint, that the current Iraqi army and police would not have the strength to do all the work that they need to do, to keep sectarian violence quelled. Therefore, I believe that, based on that, the numbers of killed and murdered because of sectarian violence would spike.

Senator CORNYN. Would you anticipate that if, in fact, it appeared that the Shiite in Iran were taking advantage of that lack of order, and the sectarian violence did spike, that that might cause other nations, principally Sunni-majority nations, to get very directly involved, in a military way, to defend the Sunni minority in Iraq?

General PACE. Sir, I think an Iraq that was clearly disintegrating would be of great concern to all the neighbors, and they would all try to find ways to influence their concerns inside of Iraq.

Senator CORNYN. Secretary Gates, I think there was a question earlier asked to you about if we left a destabilized Iraq and it descended into either a regional conflict of the kind that General Pace and I are talking about, whether it would, in all likelihood, necessitate our return, to try to salvage a chaotic regional situation. Is that your testimony?

Secretary GATES. I would say that that certainly is one possible outcome, particularly if other regional states became involved.

Senator CORNYN. I'd like to ask, Mr. Secretary, a question about the appropriation bill that we'll be considering here very soon. I know Senator Inhofe asked you about the issue of the BRAC Commission issue. The Senate will soon consider an appropriation bill, sometimes called a continuing resolution, but I think it's really more of an omnibus appropriation bill, that will cut $3.1 billion from the DOD account for BRAC. I'm strongly opposed to that, but, unfortunately, we're being told that, in all likelihood, this bill will come to the floor with no opportunity to offer any amendments and merely be given an up or down vote on the bill without any amendments. Texas has approximately $750 million in BRAC funding that will be in jeopardy if, in fact, this transpires. Can you tell me how this $3.1 billion deficit will impact the DOD's ability to fund military construction projects that will help our military men and women and their families?

Secretary GATES. It will, Senator, make it impossible for us to meet the statutory deadline for the completion of BRAC. It will have a direct impact on facilities being built at the receiving end of units that are being consolidated to new locations. I think there is about $300 million in the $3.1 billion for housing allowances for the troops. So, there is a huge impact, frankly, on us. As I had indicated, I think that—I mentioned this to leadership here in the Senate, and I think there's a real understanding of the magnitude of the problem and a willingness to consider some alternatives. One possibility is adding it to the fiscal year 2007 emergency supplemental. That really is an issue for the Senate—for Congress to decide. But clearly that $3.1 billion is very important to our troops and to us.

Senator CORNYN. I agree with you that it's very important. I would just say that adding it to the supplemental will basically mean that there will be no offset and that, in essence, Congress will get to spend that $3.1 billion on other things, and not the BRAC construction that was originally intended.

Can you tell me, Secretary Gates, since we have an All-Volunteer Military, nobody is required to serve in the military involuntarily, would this sort of denial of funding for our troops and their families have any impact, in terms of our ability to not only recruit, but also to retain our volunteer troops, in your opinion?

Secretary GATES. Let me give you a brief answer. General Pace is probably in a better position to answer the question than I am. But, I think, clearly the troops feel strongly about fulfilling our commitments to them. We're asking a lot of them, particularly units that have been extended, people who are being deployed early, or mobilized and deployed early, so we are asking a lot. I think that when it comes to things, particularly that affect their homes and their families, that they feel pretty strongly about that. Retention is not a problem for us, at this point, as we talked about earlier, but clearly somebody's decision whether or not to remain in the military is impacted by these kinds of things. But I also wouldn't underestimate their loyalty and their willingness to put up with temporary hardships—particularly if they saw it as temporary. But let me ask the General.

Senator CORNYN. General Pace, would you care to add to that?

General PACE. Sir, hard to draw a straight line between $3.1 billion less in BRAC and X-percent change in retention. Congress has been very good at making sure we've have the resources we've needed to support our troops. Certainly, though, as troops come home—if they're not able to come home because the facilities aren't there, or if they come home and the facilities aren't done, that certainly impacts their vision of whether or not they are being adequately taken care of. But, sir, to draw a straight line between those two, I think, is a bit of a stretch.

Senator CORNYN. I understand. Of course, we're not just talking about recruiting and retaining the current level of our end strength. We're also talking about growing that end strength by a large number. But my impression would be that anything we can do to make their lives better and to fulfill our commitments is a good thing. Anything we do to disappoint their expectations or to not live up to our commitments, in terms of how we treat them, is a bad thing. Maybe I look at it too simplistically.

General PACE. No, I agree with that, sir.

Senator CORNYN. In closing, let me just ask for one brief comment. Secretary Gates, then General Pace, China's new demonstrated ability to destroy U.S. satellites in a low-earth orbit raises a lot of questions about whether we're doing enough to counter such threats and maintain our freedom of action in space. I realize we're in an open session here, and several of us have attended a closed session where some of this has been discussed, but in this open session would you comment on your strategic assessment, to the extent you can, of the recent Chinese anti-satellite test (ASAT) and what you believe the DOD—and whether you believe the DOD is doing enough towards countering those threats at this time? Secretary Gates and then General Pace.

Secretary GATES. First of all, I think that the Chinese ASAT test is very troubling. Perhaps what is as troubling as the technical achievement is how one interprets it as a part of their own strategic outlook and how they would anticipate using that kind of a capability in the event of a conflict, and the consequences for us of that. This is one of those areas where I've received some very preliminary kinds of briefings, in terms of our capabilities, but, since I'm not sure enough of my ground to know what's classified and what's not, let me ask General Pace if he can thread that needle.

General PACE. Sir, first of all, very worrisome, capacity on behalf of the Chinese. A threat, sir, is defined two ways: one, capacity; and, two, intent. There's no belief, on my part right now, that the Chinese intend to use this capacity anytime soon. On the other hand, it is a unique capacity in the world, and we need to, in a very separate conversation, take a look at: Where are we with regard to that capacity? Where should we be? If there is a gap, how we close it? That is something that deserves very close attention, sir.

Senator CORNYN. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Senator Cornyn, thank you.

I think we'll try another round of, maybe, 3 minutes.

Senator WARNER. How about 4?

Chairman LEVIN. Three and a half minutes. [Laughter.]

Chairman LEVIN. Senator Warner and I always are going to split the difference somehow. We'll try 4 minutes.

Mr. Secretary, the President, last year, said, "that the presence of the United States will be in Iraq, so long as the Government of Iraq asks us to be in Iraq." Sounded mighty open-ended. Is that still our policy, that we're going to be there as long as the government asks us to be there?

Secretary GATES. We certainly have no desire for permanent bases in Iraq, but I think that there clearly is going to be a prolonged need for U.S. military assistance over some period of years, but I think it would be a very small fraction of the number of forces that we have there now.

Chairman LEVIN. Is our presence left up to the Iraqis, or do we make the decision?

Secretary GATES. We will make that decision, sir.

Chairman LEVIN. You made reference to the word "incentivize," and the Iraq Study Group said that incentive is necessary on the Iraqis to take the political action, and that—in the absence, in their words, of such incentive, the Iraqi Government might continue to delay taking those difficult actions. So, would you agree that there needs to be an incentive if the Iraqis are going to be taking difficult political decisions?

Secretary GATES. To pick up on a point that others have made, I think the Iraqis need to know that there are consequences for failing to follow through on their commitments in this reinforcement.

Chairman LEVIN. Is that what you mean by "incentivize"?

Secretary GATES. Yes, sir. It's both carrots and sticks. It works both ways.

Chairman LEVIN. Yes. But the incentives, the sticks, have to be there. The argument, as you pointed out, is, what will incentivize the Iraqi government?

Secretary GATES. Exactly.

Chairman LEVIN. Would you agree that, whatever the level of troops, that, in the absence of a political settlement by the Iraqis, we're not going to see the violence reduced or ended?

Secretary GATES. I think we cannot succeed in Iraq without a political settlement.

Chairman LEVIN. By the Iraqis.

Secretary GATES. By the Iraqis.

Chairman LEVIN. Success means the reduction or end of violence.

Secretary GATES. Correct, an Iraq that basically is able to govern itself.

Chairman LEVIN. Which means that we avoid, or we end, the current level of violence. Would that be fair?

Secretary GATES. Yes, sir.

Chairman LEVIN. Now, there's been certain circumstances, which were set forth by some of the questions a few moments ago, where you said that the violence would likely spike if those circumstances existed, such as a precipitous withdrawal of American troops. My question is, will we be able to see a reduction of that violence, an avoidance of spikes, unless there is a political settlement in Iraq? In other words, is this settlement the absolutely essential ingredient in there being a end of violence or avoidance of the spikes?

Secretary GATES. I think so, yes, sir.

Chairman LEVIN. All right. Now, I just want to outline, it's a nightmare scenario. General, I want to ask you about this. We're putting troops in 30 joint security locations in Baghdad. I'd like to know what are the rules of engagement if there is a major civil disturbance—10,000 Iraqis, in anger, come to one of those locations, they're angry, whatever triggers it—could be a number of things—we don't know what can trigger it; we saw what happened in Mogadishu—what are the rules of engagement now if that happens? Let's say, unarmed, but approaching one of these sites in a violent way so that our troops feel like there could be a violent end to themselves unless they take action—what do they do in that circumstance? What are the rules of engagement?

General PACE. Sir, the rules of engagement are going to be what they have been and will continue to be, which is: our servicemembers, feeling threatened, are authorized to take whatever measures they must to protect themselves and those around them.

Chairman LEVIN. That includes——

General PACE. Having said that, sir, if they have the ability to, if these are unarmed people—but they're threatening—disengage and move back away from that point, that's what we would expect them to do. We're not expecting them to take on unarmed civilians. You're asking a hypothetical question.

Chairman LEVIN. That's correct.

General PACE. Fundamentally, and most important for our troops to know today and tomorrow, is that we expect them to defend themselves, and we would support them if they defend themselves. Inside of that construct, then, we expect them to take reasonable measures to not escalate something—as you pointed out, the crowd being unarmed.

Chairman LEVIN. Thank you.

Senator Warner.

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

Secretary Gates, I like the way you have a long-range approach to this situation. Nevertheless, we're faced with a short-term debate here. I speak "short-term," in the next few days, whenever it occurs. You said, "If they fail to act"—in other words, consistent with certain benchmarks—"we will change our course." I agree with you, just how best to do this is to incentivize the Iraqi people. So, it seems to me there's a careful balance here that we have to be guarded against. No matter how strong we all feel, there has to be benchmarks, if we pile up too many benchmarks and ask for too much, we might topple this government. There is a risk of that. We don't know how fragile this thing is. Then, what takes its place? So, I would hope, as we look at this very critical issue of benchmarks, that it's you and the DOD, together with the Secretary of State and perhaps others, that carefully begin to strike the balance of how hard we push on certain benchmarks, for fear that we could dislodge this government. Do you agree with that?

Secretary GATES. Senator, I agree, but I have this perspective. I think the Iraqi government knows what it needs to do and what our expectations are. I think, now what we need to focus on, first of all, it's initially, certainly in the first instance, up to General Petraeus to keep the pressure on, in terms of them fulfilling—and

our Ambassador—their commitments. But I think the other thing that we need to do here in Washington is something that I spoke about earlier to Senator McCain, and then later, we need to evaluate how they're doing against the commitments that they've made.

Senator WARNER. I agree with all of what you say.

Secretary GATES. We need to do it on an ongoing basis with some understanding that this isn't going to be like D-Day, it's going to unfold probably over a period of time, but, overall, are they doing—and a brigade is certainly going to show up later than we expected, but if it shows up within a few days, maybe that's good enough. We'll need to make a qualitative, as well as a quantitative, evaluation of how they're doing against their commitments.

Senator WARNER. I support everything you say, but I just want to throw out a caution. There is a fragility to this situation, and——

Secretary GATES. Right.

Senator WARNER.—we'd better know what happens—if this one fails, what comes up in its place.

Second, on a procurement item, this committee worked very hard on the Joint Strike Fighter. We have good support across the board here. We have adequate funding. But there's a question of whether to not the DOD wants to revisit this issue of going forward with two engines. If we have but a single engine, then we're, in effect, giving a sole-source contract to one contractor which could amount to $100 billion. I've calculated that out. Do you know anything about the budget as it relates to that engine, as to whether or not you're going to pursue a single engine now, reverse what Congress has asked you to do?

Secretary GATES. I know there was an issue last year, but, to be honest, I'm not sure about this year's budget.

Senator WARNER. Ms. Jonas, do you wish to comment?

Ms. JONAS. Yes, Senator, appreciate the question. This budget does not include funds for the second engine. The DOD had evaluated that, and continues to evaluate the need for a second engine, but I believe that the savings that the DOD believes that it could get by——

Senator WARNER. Canceling.

Ms. JONAS.—not doing it was about $1.8 billion. But we'll be happy to work with you on this, sir.

Senator WARNER. Well, I'm going to ask you, Mr. Secretary, to look at that.

Ms. JONAS. Yes, sir.

Senator WARNER. We, on this committee, invested a lot of time in it, and I really think the importance of that fighter and the credibility of the United States to have a joint program which involves a number of countries, some of which want to use other than the one engine—they want to look at both. Would you just commit to look at it?

Secretary GATES. Yes, sir.

[The information referred to follows:]

The Department assessed all aspects of the F–35 Lightning II Joint Strike Fighter program in preparation for this year's budget submission. The Department continues to believe the risks associated with a single source engine program are manageable and do not outweigh the investment required to fund a competitive alternative engine. The three congressionally-directed engine studies have now com-

pleted. The conclusions, while supportive of competition in general, are consistent with the Department's initial findings that the expected savings from competition do not outweigh the investment costs.

The F–35 international partners support the overall direction the program is headed, as evidenced by all eight partners signing the Production, Sustainment, and Follow-on Development Memorandum of Understanding.

Senator WARNER. Thank you very much.

General, we were greeted in the paper this morning with the following: "An Iraqi general took charge"—repeat—"An Iraqi general took charge of the security operation in Baghdad." Now, I understand what that is. We have now, I think, gotten in place a general that has a high degree of confidence with General Casey and presumably General Abizaid. Is that correct?

General PACE. Sir, it is.

Senator WARNER. But when they say "take charge," we have a dual command there, do we not?

General PACE. We have a single chain of command for U.S. troops.

Senator WARNER. For U.S. troops.

General PACE. There's a single chain of command for Iraqi troops and there is a mechanism between the commanders to work collaboratively together, pared down to the battalion and brigade level, to be able to provide support—U.S. supporting Iraqi troops.

Senator WARNER. But some of us are concerned as to how that might work; when we get down to company level, whether or not two company commanders or two platoon commanders, one Iraqi, one American, get into a quarrel, what do we do. Now, I understand you're going to look at that very carefully, and you have a high degree of confidence that this system can work, is that it?

General PACE. Sir, I have a high degree of confidence that the U.S. officers in the chain of command understand from whom they take their orders and what they're supposed to do.

Senator WARNER. But if that's in conflict with what the Iraqis want to do, who resolves the conflict?

General PACE. Sir, there's a mechanism for that. If it's immediately on the ground and there's a disagreement, then the U.S. commander will simply just not do whatever it is that the Iraqi commanders ask them to do.

Senator WARNER. Well, I hope it works. I repeat that, I hope it works.

General PACE. It is not as clean as we would like, sir, that's for sure.

Senator WARNER. No, it's not. I don't know of a precedent in our contemporary military history where we've engaged in such a duality of command as this.

General PACE. Yes, sir. Our troops, though, will not have a duality of command; they will have a single command.

Senator WARNER. I understand. All right.

On the intelligence, reading through the stories this morning—and it just—the story of the American GI trying to carry out these orders in the face of this polyglot or diversity of people who are angry and—whatever reason it is. To what extent do we have to give that GI, that platoon, or that squad down there, sufficient intelligence and efficient—sufficient language capability to go in on

this daunting task of, in the crowded slums and communities, trying to sort out whom to shoot at and whom to help?

General PACE. Sir, in the operations where we have the lead, which is mostly with our Special Operations Forces, the intelligence that's developed and provided is very good, and has led to the killing and capturing of high-value targets.

Senator WARNER. All right. So, you can tell us it's adequate, then, in your judgment.

General PACE. Sir, the rest of my answer, if I may, because your question is very important. With regard to the troops on the ground in Baghdad, that's why it's important to have the Iraqi troops in front, because it'll be the Iraqi citizens and Iraqi human intelligence that will provide to Iraqis the ability. We do not have enough troops who have the kind of language capacity and cultural understanding to take the lead in those regards. We can provide support to them. So, from the standpoint of conventional force, Iraqis in the lead, us supporting. But as far as the high-value targets, our intelligence is what we use.

Senator WARNER. I thank you for that, because my resolution just simply says we should put greater reliance on the Iraqi forces and less need for perhaps 21,000 troops.

General PACE. Yes, sir.

Senator WARNER. But that'll come to pass. We just give the best judgment we can to the President.

Lastly, Secretary Gates, you quite correctly pointed out that this program in Baghdad has three parts—a diplomatic part, an economic part, and a military part—and you very cautiously stayed in your lane and addressed the military part. But it's essential that all these parts converge at the same time. You've committed to this committee that you will keep us informed with regard to the success or the lack of success with this program as it goes forward, but do we have in place, Mr. Chairman, a similar commitment from the DOS and other areas of the Federal Government as to whether or not the other two components are going to keep pace with the military? I suggest, Mr. Chairman, we look at some means by which to get reports, comparable to that which Secretary Gates said he'll give this committee, from others who are responsible for the economic and diplomatic.

So, I just close out by saying I think it's terribly important, and I hope it does not fail, but if it does, I just don't want the military to take the blame because of the shortfall of the other two parts.

So, I thank the Chair.

Secretary GATES. Senator?

Senator WARNER. Yes?

Secretary GATES. One thing that we might look at is seeing if—when we make a presentation to you all, that it's vetted on an interagency basis so that we give you the information on each of the elements that are involved.

Senator WARNER. Mr. Secretary, I think that's very wise. Therefore, to constitute the panels, Mr. Chairman, as they come before the committee, with representatives from the other. I think that's an excellent way to approach it.

I thank you, again. We've had a very good hearing, and I wish you well.

Thank you, sir.

Chairman LEVIN. Before I call on Senator Sessions, on that last point is the matrix you referred to just a DOD matrix, or is that going to be joint with other agencies?

Secretary GATES. Mr. Chairman, the package that I saw a few days ago had a piece being done by the DOD, another piece was being done interagency, and, frankly, the whole thing—and a part being done by the Joint Staff—and I think the whole thing, right now, is still a work in progress. I'm not quite sure how it's going to look. It also was short-term, medium-term, and long-term.

Chairman LEVIN. Just wondering, while Senator Warner is still here, that may help address the issue that you very effectively raised.

Senator WARNER. Yes.

Secretary GATES. Yes, sir.

Chairman LEVIN. Which is, if the matrix that you referred to is a multi-agency matrix, that may, at least, go some distance in addressing Senator Warner's point.

Senator WARNER. That would give us the benefit of cross-examination.

Chairman LEVIN. Right. That's correct. I'm very glad that you raised this question. Also, will you be giving us a copy of the matrix that you're working on?

Secretary GATES. I see no reason not to. My notion would be that if we came up here and briefed, every 2 or 3 weeks, that there might be some charts that we could present or something.

Chairman LEVIN. If you can give us an answer to that, that document, which you call a checklist or a matrix—whatever that document is, you will share that with us every couple of weeks, just brief it to us.

Secretary GATES. Sure.

Chairman LEVIN. That would be helpful.

Senator Sessions.

Senator SESSIONS. With regard to the BRAC process that Senator Cornyn asked about, I think it's a very important issue. As I understand it, the John Warner NDAA for Fiscal Year 2007, had $5.6 billion, really crucial money, to fund the realignment of our bases, fund people coming back from foreign bases in Europe, Korea, and other places, and to provide the housing and support they need. So, this is a 55-percent reduction that we now see that has occurred this year under the new leadership here in the Senate. What I want to mention to you, Secretary Gates, and why this is painful to us, is because that money was spent on social projects or other projects, nondefense projects, essentially, and we have to have it. So, now we're going to be reduced to putting it into the supplemental, which will raise the supplemental and will shift more debt to our children and grandchildren, because the supplemental is unpaid-for and whereas, before, it was paid for within our budget. So, it increases the debt by that much. Do you understand the difficulties that we face there?

Secretary GATES. Yes, sir.

Senator SESSIONS. Now, General Pace, there's been some interest in how to improve the Iraqi army and military. Are we being too slow to equip them with more capable equipment? What's your the-

ory about the rate we're on, do we need to accelerate that? Do we need just to give them the equipment and try to make sure that—and won't that help them be more effective?

General PACE. Sir, the goal which was attained, as of December 2006, was to have 328,000 army and police manned, trained, and equipped, and the equipping was done to about the 98 percent level. Added to that for fiscal year 2007 has been an increase up to 362,000, and the money for that is being provided partially by us and partially from Prime Minister Maliki's budget for his government. So, everything we were supposed to do by the end of 2006, we did. The additional delta is now being provided for, both in this budget and primarily from the Iraqi budget, to buy the equipment for the increased number of troops they wanted to have.

Senator SESSIONS. I'm thinking about vehicles, armaments, more modern weapons, or better movement capability, that kind of thing. Should we do more there? Wouldn't that be a step toward improving their morale and their self-confidence and their capability to respond to attacks on their units?

General PACE. Sir, let me take that for the record, because we designed the equipment in 2006 to be delivered. We've now had some experience with the units operating with it, and I do not know whether or not that experience has led us to believe that there's some other kind of equipment that ought to be delivered. So, if I may, let me check with the folks in theater and find out, because I just don't know.

[The information referred to follows:]

System capabilities:

Mine resistant ambush protected (MRAP) will replace uparmored HMMWVs in theater but MRAPs are not HMMVW replacements. Additional MRAP vehicles will be used in theater to augment current levels of protection. Three categories of MRAP provide the improved protection and enable our forces to survive underbody and other forms of attack.

CAT I - Mine Resistant Utility Vehicle for urban combat patrol operations; CAT II - Larger Joint EOD Rapid Response Vehicle for multi-mission operations such as convoy lead, troop transport, ambulance, EOD, and combat engineering; CAT III—Buffalo; mine/improvised explosive device clearance operations. Mine detection vehicle—MRAPs can reduce the number of vehicles required to perform a mission.

For example, 9 MRAPs may take the place of 12 HMMWVs.

The validated joint requirement on 6 February 07 was 6,738 vehicles (3,700–USMC, 2,500–USA, 538–USN).

Senator SESSIONS. Secretary Gates, one final question. With regard to Korea and Iran and their missile program, are there any indications that you're aware that would indicate we should reduce our plans to build a missile defense system capable of defending against potential attacks from those countries, or other rogue nations, for that matter?

Secretary GATES. No, sir.

Senator SESSIONS. Fact, it would seem that they've stepped up their efforts rather publicly to achieve missile strike capability against the United States.

Secretary GATES. Yes, sir.

Senator SESSIONS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions.

We thank all of our witnesses for their testimony. It was a very helpful, very useful hearing. I'm sorry it went on so late, but it was better than having a recess and coming back, we hope.

We stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

JUSTIFICATION FOR NAVY AND AIR FORCE AIRCRAFT PURCHASES WITH EMERGENCY FUNDING

1. Senator LEVIN. Secretary Gates, in the fiscal year 2007 supplemental and the fiscal year 2008 Global War on Terrorism Emergency requests the Department of Defense (DOD) is requesting $5.3 billion for the purchase of new manned aircraft for the Departments of the Navy and the Air Force. Please provide a full justification for the purchase of each of these aircraft as follows:

- For aircraft requested to replace a combat loss, the type of aircraft lost in combat and the date and location of the loss.
- For new aircraft that are not being requested to replace a combat loss, the justification should include, for each new aircraft to be purchased, the aircraft type or model to be replaced, the expected service life (in flight hours) of that aircraft, the total hours flown on that aircraft, and the number of those total flying hours that were charged to Operation Iraqi Freedom or Operation Enduring Freedom.

Dr. GATES. The following chart lists the Air Force aircraft loss during contingency operations and replaced either in the fiscal year supplemental request, fiscal year 2008 supplemental request, or replaced by fiscal year 2006 global war on terror or prior funds.

Non-contingency losses				Justification		
	FY07 Supp	FY08 GWOT	Replaced with:	Date of Loss	Location of Loss	
C-130H		Yes	C-130J	28-Sep-04	New Castle, DE	
MC-130H		Yes	C-130J	7-Aug-02	Puerto Rico	
MC-130H		Yes	C-130J	31-Mar-05	Albania	
Fleet Stress Aircraft Replacements				**Justification**		
				Expected service life	Total hours flown	OIF / OEF flight hours
C-130H	Yes		C-130J	45,000 EBH		OSD Resubmitted FY07 Supp and removed aircraft
C-130H	Yes		C-130J	45,000 EBH		OSD Resubmitted FY07 Supp and removed aircraft
C-130H	Yes		C-130J	45,000 EBH		OSD Resubmitted FY07 Supp and removed aircraft
C-130H	Yes		C-130J	45,000 EBH		OSD Resubmitted FY07 Supp and removed aircraft
C-130H	Yes		C-130J	45,000 EBH		OSD Resubmitted FY07 Supp and removed aircraft
C-130H		Yes	C-130J	45,000 EBH		
C-130H		Yes	C-130J	45,000 EBH		
C-130H		Yes	C-130J	45,000 EBH		
C-130H		Yes	C-130J	45,000 EBH		

C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH
C-130H	Yes	C-130J	45,000 EBH

EBH=Equivalent Baseline Hours

The C-130H flying hour support in FY05 to OIF was 12210 FHs; OEF was 16638 FHs. In FY06 the support to OIF was 14615 FHs; OEF was 5880 FHs.

# of MDS	Contingency (Combat) Losses					Justification	
		FY07 Supp	FY08 GWOT	Replaced with:	Date of loss	Location of loss	Comments
1	F-15E	Yes		F-35A	7-Apr-03	OIF	OSD Resubmitted FY07 Supp and removed aircraft
1	F-16C/D	Yes		F-35A	12-Jun-03	OIF	OSD Resubmitted FY07 Supp and removed aircraft
2	F-16C/D		Yes	F-35A	27-Nov-06	OIF	
1	MH-53/M	Yes		CV-22	2-Nov-01	OEF	OSD Resubmitted FY07 Supp and removed aircraft
2	MH-53/M		Yes	CV-22	18-Mar-02	OEF	
3	MH-53/M		Yes	CV-22	13-Feb-03	OIF	
4	MH-53/M		Yes	CV-22	19-Mar-03	OIF	
5	MH-53/M		Yes	CV-22	23-Nov-03	OIF	
6	MH-53/M		Yes	CV-22	12-Apr-04	OIF	
1	RQ/MQ-1	Yes		RQ/MQ-1	17-Sep-02	DATA MASKED	
2	RQ/MQ-1	Yes		RQ/MQ-1	23-Dec-02	DATA MASKED	
3	RQ/MQ-1	Yes		RQ/MQ-1	21-Mar-03	DATA MASKED	
4	RQ/MQ-1	Yes		RQ/MQ-1	23-Mar-03	DATA MASKED	
5	RQ/MQ-1	Yes		RQ/MQ-1	28-Mar-03	IRAQ	
6	RQ/MQ-1	Yes		RQ/MQ-1	11-Dec-03	DATA MASKED	
7	RQ/MQ-1	Yes		RQ/MQ-1	03-Jan-04	DATA MASKED	
8	RQ/MQ-1	Yes		RQ/MQ-1	14-Feb-04	DATA MASKED	
9	RQ/MQ-1	Yes		RQ/MQ-1	17-Aug-04	BALAD SOUTHEAST	
10	RQ/MQ-1	Yes		RQ/MQ-1	24-Nov-04	DATA MASKED	
11	RQ/MQ-1	Yes		RQ/MQ-1	1-Jan-05	DATA MASKED	
12	RQ/MQ-1	Yes		RQ/MQ-1	14-Jan-05	DATA MASKED	
13	RQ/MQ-1	Yes		RQ/MQ-1	14-Jan-05	DATA MASKED	
14	RQ/MQ-1	Yes		RQ/MQ-1	27-Mar-05	IRAQ	
15	RQ/MQ-1	Yes		RQ/MQ-1	30-Mar-05	DATA MASKED	
16	RQ/MQ-1	Yes		RQ/MQ-1	08-May-05	DATA MASKED	
17	RQ/MQ-1	Yes		RQ/MQ-1	29-Jun-05	DATA MASKED	
18	RQ/MQ-1	Yes		RQ/MQ-1	21-Mar-06	BALAD SOUTHEAST	

Notes:
2 MC-130H Contingency losses replaced with C-130 in FY06 GWOT or prior
1 MC-130P Contingency losses replaced with C-130 in FY06 GWOT or prior
9 RQ/MQ-1 Contingency losses replaced with RQ/MQ-1 in FY06 GWOT or prior

Answer: **Part I - Aircraft Combat Loss Detail**

Date	Aircraft	In Theater	New Platform requested
4/1/2003	F-14	Iraq	F-18E/F
4/3/2003	F-18C	Iraq	F-18E/F
5/02/2005	F-18C (1)	Iraq	F-18E/F
5/02/2005	F-18C (1)	Iraq	F-18E/F
3/20/2007	F-18C (1, 3)	Persian Gulf	F-18E/F
7/27/2003	EA-6B	Persian Gulf	EA-18G
9/6/2002	SH-60B	Persian Gulf	MH-60R
3/12/2002	SH-60B (2)	Mediterranean	MH-60R
4/1/2003	S-3B	Persian Gulf	MH-60R
7/5/2002	H-3	Persian Gulf	MH-60S
10/7/2004	HH-60H	Camp Arifjan, Ku	MH-60S

(1) USMC aircraft
(2) OEF deployment; Eastern Mediterranean GWOT mission
(3) Aircraft lost after Supplemental submission

Part II – Non Combat loss or "Stressed" Aircraft Request Justification

Replacement aircraft requested in the FY07 Supplement and the FY08 Global War on Terrorism Emergency Request that are not combat losses were in most cases determined by calculating equivalent aircraft expected service lives (ESL) expended in support of the GWOT, vice counting aircraft that reached the end of their service life, because the hours expended have been spread evenly across the aircraft inventory to preserve capacity to the greatest extent possible.

Each aircraft Type/Model/Series (T/M/S) has an expected service life expressed in flight hours.

By dividing the post-911 flight hours flown in support of the GWOT by the expected service life of that T/M/S, the number of aircraft "expended" can be calculated and the direct aircraft inventory cost of the GWOT can be quantified. While the pre-911 number of aircraft may still be flying, barring any combat or non-combat losses, there has been a quantifiable expenditure of the finite service life remaining in the total inventory that will manifest itself as an aircraft shortfall during the planned life cycle of the T/M/S if the "expended" aircraft are not replaced.

F/A-18 Ten Navy F/A-18A-F and 5 USMC F/A-18A-D equivalent expected service lives have been expended based on increased post-911 deployed combat flight hours, tracked by flight purpose code, compared to pre-911 flight data. The "expended" aircraft were calculated by dividing 114,630 flight hours by the F/A-18E/F replacement aircraft ESL (6000 hours currently; 8000 hours was used in anticipation of Service Life Assessment Program results).

EA-6B Five EA-18G aircraft were requested in the Supplemental based on increased EA-6B utilization post-911 approaching 40% above the planned monthly flight hours. The "expended" aircraft were calculated by dividing 32,473 additional flight hours by the EA-18G replacement aircraft ESL (7500 hours). An additional 11,000 hours / 1.5 equivalent aircraft are expected to be expended in 2007.

MH-60S One MH-60S aircraft was requested in the Supplemental based on increased Reserve squadron HH-60H GWOT utilization post-911 approaching 27% above the planned monthly flight hours. The expended aircraft was calculated by dividing 7150 additional flight hours by the MH-60S replacement aircraft ESL (10000 hours).

MH-60R SH-60B's have been flying twice their planned rate of 39 hours per month while deployed in support of the GWOT. For this T/M/S, the service life has been extended from 10,000 to 12,000 flight hours in an effort to mitigate a critical capacity shortfall exacerbated by the loss of a third aircraft on an OEF deployment in the Eastern Mediterranean. The transition from the SH-60B to its replacement, the MH-60R, has incurred increased operational risk through aircraft losses, aircraft reaching the end of their scheduled service life well in advance of their planned retirement date due to unanticipated GWOT utilization, and increasing support requirements for new irregular warfare units (e.g. Naval Expeditionary Combat Command, Naval Special Warfare). To date, increased utilization has caused 3 SH-60B to reach the end of their service life; a fourth will be expended in 2008 and 7 additional SH-60B's will reach their ESL in 2009 all well ahead of their planned end of service life.

SCIENCE AND TECHNOLOGY

2. Senator LEVIN. Secretary Gates, this 2008 request reduces your investment in science and technology (S&T) programs by over $500 million in constant dollars with respect to the 2007 budget request and over $2.5 billion relative to 2007 appropriations. It represents only 2.2 percent of the total DOD budget, far short of the goal of 3 percent investment in innovative S&T programs. These programs are investing in industry, universities, and our defense laboratories to develop next generation capabilities for the military.

What effect will this severe reduction have on the Department's ability to support the Nation's technology base and to develop needed capabilities to meet future threats? Please provide the committee with a list of research and technology areas where additional funding could be used well to support the development of needed next generation capabilities.

Dr. GATES. The level of S&T funding requested in the fiscal year 2008 President's budget request (PBR) appears to be lower than the Department's fiscal year 2007 request due to the realignment of $316 million of Air Force Special Programs funding from the Budget Activity 3 to other non-S&T accounts. There was no real impact to the Air Force S&T program since the $316 million was used to fund small projects that were not managed by the Air Force S&T community. If a funding adjustment of $316 million is made to the fiscal year 2007 PBR, then the fiscal year 2008 request is 2.1 percent lower than the adjusted fiscal year 2007 request, in constant dollars. The Department's request for S&T is still very high in historical terms. The seven highest requests for S&T, in constant dollars, have occurred in the last seven years. We have looked hard at all DOD investments, and had to fund

the priorities within the Department. The same is true in portfolios like S&T. Within S&T, we believe we have funded the highest priority items.

HYDROGEN TECHNOLOGY AND INFRASTRUCTURE

3. Senator LEVIN. Secretary Gates, what investments are you making in this budget to move DOD towards the adoption of hydrogen as a logistics fuel—for example, in the development of hydrogen vehicle technologies, hydrogen storage systems, and in the development and installation of hydrogen infrastructure—such as production or distribution systems?

Dr. GATES. The DOD investments in hydrogen technology and infrastructure are focused on furthering DOD's experience with hydrogen. In the near-term we are working with the Department of Energy as an "early adopter" where hydrogen shows potential for benefiting DOD industrial and non-tactical operations. For example, we are piloting the replacement of lead acid batteries with hydrogen fuel cells in forklifts used by DOD warehouses. Fuel cell forklifts provide important productivity improvements and reduce environmental impact while advancing the fuel cell technology. Establishing hydrogen fueling stations that are available to the public as well as the DOD is also helping to meet the Energy Policy Act and the President's Executive order to reduce petroleum consumption. We have considerable work to do before we will understand the requirements for using hydrogen as mobility fuel. We are partnering with the Services, Department of Energy, and Department of Transportation on all of the hydrogen work so that DOD's investments complements the ongoing work across the Government. The fiscal year 2008 budget request supports this effort. The Defense Logistics Agency (DLA) is requesting $0.4 million and $1.5 million in fiscal year 2009 to fund the continued program development of the DOD Roadmap and Strategy for Hydrogen. The fiscal year 2008 phase of the program also supports the development of synthetic fuel specifications with industry and finalization of the schedule in preparation of the initial deployment of a limited hydrogen technology and infrastructure capability. The military Services also have S&T investments on tactical use of hydrogen—primarily for man-pack applications.

TRAINING AND EQUIPPING OF AFGHAN FORCES

4. Senator LEVIN. Secretary Gates, in your written testimony, you indicate that as of the end of January some 88,000 Afghanistan National Security Forces (ANSF) have been trained and equipped, an increase of 31,000 over the previous year. Please provide a breakout of the total number of ANSF in terms of how many are Afghan National Army (ANA) and how many are Afghan National Police (ANP).

Dr. GATES. There currently are 32,300 ANA and 61,100 ANP personnel trained and equipped.

5. Senator LEVIN. Secretary Gates, according to a November 2006 report issued jointly by the Inspectors General of the DOD and Department of State, the Combined Security Transition Command Afghanistan (CSTC–A) established new criteria for reporting readiness of the ANP to plan, execute, and sustain independent law enforcement operations. As of last month, how many ANP personnel met these readiness criteria?

Dr. GATES. No ANP personnel currently meet the readiness criteria to conduct, plan, execute, and sustain independent law enforcement operations. One ANP battalion is capable of planning, executing, and sustaining law enforcement operations with coalition support. Funds requested for the ANP in the fiscal year 2007 supplemental request and the fiscal year 2008 global war on terror request will be used to train and equip the ANP to operate independently.

6. Senator LEVIN. Secretary Gates, did the CSTC–A also establish new criteria for reporting the readiness of the ANA? If so, as of last month, now many ANA personnel met these readiness criteria?

Dr. GATES. The CSTC–A did not change its criteria for reporting readiness of the ANA. CSTC–A now is training and equipping the ANA to conduct fully independent operations. In the past, CSTC–A was training and equipping the ANA to lead operations with coalition support.

No ANA units are able to plan, execute, and sustain independent counter-insurgency operations at the battalion level. Thirteen battalions are capable of planning, executing, and sustaining operations with coalition support. Funds requested for the ANA in the fiscal year 2007 supplemental request and the fiscal year 2008

global war on terror request will be used to train and equip the ANA to operate independently.

QUADRENNIAL DEFENSE REVIEW

7. Senator LEVIN. General Pace, the Quadrennial Defense Review (QDR) submitted to Congress in February 2006 called for no increase in the size of the Active Army or the Marine Corps, and called for a reduction in the size of the Army National Guard. The fiscal year 2008 budget request proposes to increase the end strength of all three above both the current levels and the levels that were determined by the QDR to be sufficient to execute the National Military Strategy. Has the National Military Strategy been changed since the QDR was submitted?

General PACE. The National Military Strategy has not changed. However, my assessment of the risk in executing that strategy in the current and foreseeable strategic operating environment has changed. America faces increasingly complex and dangerous threats, resulting in increased risk. Sustaining operations in Iraq and Afghanistan, while maintaining readiness to respond to new contingencies around the globe, is a challenge with our current force structure. While we are fully ready to respond to any new contingency, we would rely more heavily on less precise munitions and the length of time necessary to succeed would be longer than we would like. The increases in Army and Marine Corps active end strength proposed by the budget are consistent with this need to increase our overall capacity and will reduce strategic risk.

8. Senator LEVIN. General Pace, given these substantial changes, does the QDR still represent the position of the DOD?

General PACE. Yes, the QDR and the fiscal year 2008 budget reflect our priorities. The QDR represented a snapshot in time of the overall strategy; the report itself noted that we must continuously reassess and apply lessons learned if it is to be successful. It recognizes that the strategic environment is not static, and that we must continue to transform along a continuum that reflects our best understanding of a changing world. The focus areas of the QDR (defeating terrorist networks, defending the Homeland in depth, shaping the choices of countries at strategic crossroads, and preventing hostile states and non-state actors from acquiring or using weapons of mass destruction) are still relevant. Additionally, the Secretary of Defense has established five priorities for the DOD. These priorities are: increasing end strength, resetting the force, operationalizing our Reserve component, strategic modernization, and transformation.

9. Senator LEVIN. General Pace, what is the detailed rationale for these proposed increases?

General PACE. My biennial National Military Strategy Risk Assessment was recently submitted to Congress. This assessment and the Secretary of Defense's plan for mitigating risk depict the challenges we face around the globe and discuss how we will overcome them. Sustained deployments, equipment utilization, and operational tempo each impart risk from a military perspective. The current heavy demand for ground, sea, and air capabilities is unlikely to dissipate in the immediate future.

As stated in my assessment, our Armed Forces stand ready to protect the Homeland, prevent conflict, and prevail over adversaries. These missions present simultaneous and interrelated challenges of varying intensity, immediacy, and danger.

America's Armed Forces are in our sixth year of sustained combat operations. We are fighting sectarian violence, insurgency, and terrorism in Iraq and Afghanistan. Al Qaeda and its allies threaten the safety of our Homeland and our overseas partners—threats made more alarming by the proliferation of weapons of mass destruction. We face additional threats and growing challenges in other regions of the world where we are currently unable to provide the military support desired by our allies and combatant commanders to meet their presence, training, and deterrence objectives.

Given the breadth of these challenges, their complexity, and their probable long duration, we must increase our overall military capacity to reduce strategic risk. Sustaining operations in Iraq and Afghanistan, while maintaining readiness to respond to new contingencies around the globe is a heavy burden for our current force structure. Presently, more than 200,000 troops are deployed to the U.S. Central Command (CENTCOM) area of responsibility (AOR); another 210,000 are elsewhere overseas. The size of our Army and Marine Corps is not large enough to accommodate these multiple missions in the long-term. Currently, most of our Army Brigade

Combat Teams and their Marine Corps regiment equivalents are experiencing only 1 year or less at their home station before deploying again—and that year is largely spent actively preparing to redeploy overseas to fight.

Currently, we have at least 20 Brigade/Regimental Combat Teams deployed to Iraq, with another three in Afghanistan, one in Korea, and one in Kosovo. This operational tempo drives our units to operate at close to a 1:1 "deployed:at-home" ratio—which is approximately half the time necessary to sustain enduring readiness. This year at "home" is usually spent training for missions relevant to Operations Iraqi Freedom or Enduring Freedom and not on the full scope of reset and retrain requirements needed to meet global threats. Additionally, this usually intense pre-deployment training takes time away from families during the year at "home".

The current rotation requirements conflict with our policy goal—which is to deploy Active Duty individuals for 1 year and then provide 2 years at home; our policy for the Reserve component is to deploy individuals for 1 year and then provide 5 years at home. Because the forces are deployed in a wide variety of places, especially in Iraq, we have had to break that commitment. The minimal time our troops spend with their families between deployments has induced significant stress on our forces. In addition, their inability to train for the full range of missions has decreased readiness and increased associated risk.

The Army and Marine Corps are both focused on using this added troop strength to mitigate current, serious shortfalls and ensure their operational forces are balanced across the range of military capabilities that will continue to be in high demand for the duration of the long war. These forces will enhance the combat capability of the United States, reduce stress on deployable personnel and units, and provide the necessary forces for success in the long war.

PAYING FOR END STRENGTH INCREASES

10. Senator LEVIN. General Pace, do you support the proposed increases in Army and Marine Corps end strength regardless of how they are paid for, or only if the entire cost of these additional personnel are added to the DOD topline?

General PACE. Given the complex strategic environment that we expect to face, we must increase the overall capacity of our forces to reduce risk. Specifically, to accomplish our missions in Iraq and Afghanistan and remain prepared for other challenges, we must increase the ground force structure of the Army and Marine Corps. Growing our ground forces is a top priority that reduces the risk to the execution of our National Military Strategy. The ground force increase initiative will compete for resources such that the overall DOD budget provides funding for a strategic approach that includes this effort along with operations, modernization, and personnel.

11. Senator LEVIN. General Pace, I understand that DOD estimates the additional cost at about $95 billion over 5 years. Are you willing to cut modernization or other programs to make room for the significant increase in personnel and operating costs that these additional personnel would entail?

General PACE. The ground force increase initiative will compete for resources such that the overall DOD budget provides funding for a strategic approach that includes this effort along with operations, modernization, and personnel.

QUESTIONS SUBMITTED BY SENATOR EDWARD M. KENNEDY

JOINT STRIKE FIGHTER

12. Senator KENNEDY. Secretary Gates, last year, one of the most contentious issues in Congress was the Joint Strike Fighter (JSF) alternate engine program. The Department had decided to terminate the General Electric/Rolls Royce engine and rely solely on the Pratt & Whitney engine that is a derivative of the F–22 engine. I understand that DOD is again proposing to terminate the JSF alternate engine program. Why would the Department again propose this alternative? Have you completed all the life cycle cost analyses and other reviews required by Congress that were so notably absent from last year's deliberations?

Dr. GATES. The three congressionally-directed independent analyses are due by March 15, 2007. The Department believes it is prudent to await the results of these studies prior to making new investments in a second engine source for the F–35.

UNIVERSITY RESEARCH

13. Senator KENNEDY. Secretary Gates, as you are well aware university research has been the engine that has developed a vast array of military capabilities that we depend upon today. Capabilities that we take for granted—such as radar, stealth, and robotics—all were developed only with significant contributions from the academic community. You recently served on a National Academy of Sciences committee that produced a report called "Rising Above the Gathering Storm" that noted "The Federal Government should increase our investment in long-term basic research . . . by 10 percent annually over the next 7 years. It should place special emphasis on . . . basic research conducted by the DOD." The 2008 budget request falls well short of this goal, and in fact reduces investments in the critical University Research Initiatives program run by each of the military Services. What is your view of the value of university research in the overall S&T investment plan of the DOD?

Dr. GATES. For the past half century DOD has invested in fundamental research in the physical sciences and engineering. A significant amount of that research has been conducted at our Nation's universities. Today's warfighter enjoys technological superiority as a consequence of the application of that investment to defense systems. In my most recent position as the President of Texas A&M University, I was privileged to lead an organization proficient in executing basic research. As a result of that experience future DOD 6.1 budgets will reflect a strong commitment to university research.

14. Senator KENNEDY. Secretary Gates, how is this reduced investment in university research and minor overall increase in basic research consistent with the conclusions you reached in the National Academy of Sciences study?

Dr. GATES. My personal experience in government, my tenure in academia, membership on the "Gathering Storm" committee and numerous other National Research Council Boards provide a basis for reviewing DOD basic research levels. However, I remain mindful of the many factors and urgent considerations that will attend all DOD budget decisions in the future. I expect to weigh, carefully, the full spectrum of demands on defense budget dollars, factoring in the long-term needs of the Defense Department, as set by future funding levels for basic research.

PATRIOT

15. Senator KENNEDY. Secretary Gates, we just received the fiscal year 2007 supplemental along with the fiscal year 2008 budget. My understanding is that the Department approved the Army's request to include funds in the supplemental for upgrading the remainder of the Patriot fleet to Configuration 3, thereby making every Patriot launcher in the Army capable of firing our most advanced missile, the PAC–3. Unfortunately, the administration (OMB) denied this request and removed Patriot upgrade funds from the supplemental. The President even mentioned in his speech to the Nation on January 10, 2007 that he ordered more Patriots to the Middle East to reassure our friends and allies. Obviously, Patriot is a very important defensive weapon system in the global war on terror and our combatant commanders need the most capable Patriot systems to defend our forces. I further understand that the Army did not request funding for these upgrades in the fiscal year 2008 budget. What is the Department's, and the Army's, plan to fund the remaining upgrades to make all of the Patriots Configuration 3?

Dr. GATES. The Army will address the PAC 3 upgrades through the normal budget process since the supplemental request was not supported.

16. Senator KENNEDY. Secretary Gates, it is my understanding that the Army conducted an internal Mission Area Assessment to review the types and quantities of capabilities they required for air and missile defense against global requirements. That assessment came to the conclusion that Patriot remains the cornerstone of our current capabilities to protect our troops and coalition allies. The assessment also concluded that the current Patriot force required three battalions to be upgraded to the latest Configuration 3 capable of using the most capable interceptor missile the PAC–3. How is the Army and the Department addressing the upgrade of these three battalions which is nearly one-third the force to PAC–3 capability? What is the funding plan and the schedule to which you are working to address this capability shortfall?

Dr. GATES. The Army will address the PAC 3 upgrades through the normal budget process since the supplemental request was not supported. The Chief of Staff of the Army directed these upgrades to be complete by fiscal year 2009. The Army is

unable to meet this timeline unless funding is available by June 2007. If funding is not provided, a 2- to 3-year delay in fielding the PAC 3 capability will result.

17. Senator KENNEDY. Secretary Gates, it is my understanding that the Patriot air and missile defense system is considered by the DOD to be a "High Demand/ Low Density" resource and that almost all our combatant commanders see Patriot critical to their war plans. How is the Army and the Department addressing the fact that nearly one-third of the Patriot 10 battalion force is not capable of employing the latest hit-to-kill Patriot PAC–3 missile because required ground equipment upgrades have not been funded? When does the Department intend to fix this problem?

Dr. GATES. The Army will address the PAC 3 upgrades through the normal budget process since the supplemental request was not supported. A 2- to 3-year delay in fielding the PAC–3 capability is the result.

18. Senator KENNEDY. Secretary Gates, recent press stories indicate the Army has determined the need to activate two additional Patriot battalions raising the force from 10 current battalions to 12. How and by what means does the Department intend to activate these two battalions and what will it do to equip these two plus three existing battalions incapable of firing the PAC–3 missile to that configuration?

Dr. GATES. The Army currently has 10 PAC–3 battalions and 3 PAC–2 battalions. The Army assessed a need, due to ongoing commitments of the Patriot force, for two additional PAC–3 battalions. This addition to the force, coupled with modernization of the PAC–2 units to PAC 3, would pure-fleet the Army with 15 PAC–3 battalions. Fifteen battalions are essential to meeting combatant commander's requirements, meeting rotational objectives for soldiers and families, and continuing transformation.

Funding to support the additional two battalions will be included as part of the "Grow the Army" effort.

19. Senator KENNEDY. Secretary Gates, the Department testified in the past as to the critical need for the PAC–3 missile to protect our troops and coalition partners from weapons of mass destruction (WMD); yet more than a third of the planned Patriot force structure is incapable of using that missile because the ground equipment has not been modified. What is the Department doing to address this critical force protection shortfall for our troops?

Dr. GATES. The Army currently has 10 PAC–3 battalions and 3 PAC–2 battalions. The Army is deploying or has deployed its most advanced Patriot systems to Southwest Asia and Southeast Asia to protect forward deployed troops and coalition partners. The Army maintains PAC–3 units ready to deploy in case the need arise. The next opportunity to address the upgrade of units to PAC–3 to support overseas rotations is during the normal budget process.

20. Senator KENNEDY. Secretary Gates, why is the Department procuring in excess of 108 PAC–3 missiles annually while they fail to program funding to modify the Patriot ground equipment systems to use the missile? It appears this acquisition strategy is flawed. We buy the missiles while only upgrading two thirds of the systems to use it. Which combatant commanders won't receive PAC–3 capable units in their force flow when they need them?

Dr. GATES. The Army has deployed its most advanced PAC–3 capable units to combatant commanders in Southwest Asia and Southeast Asia. The acquisition strategy of procuring in excess of 108 PAC–3 missiles allows us to meet the PAC–3 missile requirements of our combatant commanders in these regions more rapidly. The Army prioritizes distribution of available PAC–3 units to meet COCOM requirements and maintains PAC–3 units ready to deploy in case they are needed by any combatant commander.

DEFENSE ACCOUNTING

21. Senator KENNEDY. Secretary Gates, when confronted by this committee during his confirmation hearings to become Secretary of Defense, Donald Rumsfeld admitted that the Department had lost track of over $2 trillion and said it would take a few years to get the Pentagon's books in order. The DOD now comes before Congress asking for another half trillion dollars. Is the DOD now ready for a full and complete audit of its books?

Dr. GATES. The Department has significantly increased the accuracy and validity of its financial information since 1999, and reduced the undocumented accounting

entries problem by $63 billion in 2005 alone, with an overall reduction of 86 percent from $2.3 trillion in 1999.

Although the Department is not ready for a complete audit of its books, it has made and continues to make significant progress toward that goal. For fiscal year 2006, it received unqualified ("clean") audit opinions on 15 percent of its assets and 49 percent of its liabilities. In addition, it received a qualified opinion on 6 percent of its assets and 28 percent of its liabilities. Finally, it received favorable audit results on three accounts at the Department level, i.e., Appropriations Received, Federal Employees Compensation Act Liabilities, and Investments.

Although there are a number of initiatives to move us toward our goal of a clean audit opinion on all of the Department's statements, the two most significant are contained within its Financial Improvement and Audit Readiness and the Enterprise Transition Plans.

The Financial Improvement and Audit Readiness Plan focuses the Department's efforts for improving business processes, internal controls, and resolving material weaknesses. The September 2006 plan projects that by 2011 the Department will have unqualified opinions on 72 percent of its assets and 79 percent of its liabilities.

The Enterprise Transition Plan details the schedules, milestones, and costs for 106 key transformational programs and initiatives across the Department of which 44 impact financial improvement and audit readiness.

MEDICAL FREE ELECTRON LASER PROGRAM

22. Senator KENNEDY. Secretary Gates, the Medical Free Electron Laser (MFEL) program has been around for many years. It is a world-recognized national resource that is dedicated to developing new medical diagnostics and treatments for our young men and women in the military, especially for injuries associated with combat casualty. For example, a unique system to diagnose and treat burns is in use today to care for our injured soldiers. I was one of eight Senators who recently sent a letter to Deputy Secretary Gordon England in support of the program. We asked the Department to increase the funding for the MFEL program so that the program would continue to have the needed resources. In fact, Congress has increased the requested budget time after time because this program is a model for the way successful medical interventions that benefit our troops, should be developed. But instead of increasing the funding for the program, it was zeroed out. I cannot understand why such a valuable medical program, which directly helps our wounded warriors, was so abruptly terminated. This action has the potential to stop in its tracks all the impending interventions which are primed to give us treatments for leishmaniasis (Baghdad boil), nerve and blood vessel bonding, novel wound healing, smart needles, miniature endoscopes, and field-deployable diagnostic tools—just to name a few. What is the reasoning behind the decision to cut the funding for this proven program?

Dr. GATES. The Department's Military Health System will continue to benefit from the contributions that the MFEL program has made to diagnosis and treatment of battlefield-related and civilian medical problems. I recognize the history of congressional support for this program and especially by Senator Kennedy's recognition of the Department's achievements in its management and execution. This confidence was well-placed, and the citizens of our country—both in and out of uniform—have benefited.

With your encouragement and support we have pushed laser medicine into general medical use in U.S. domestic health care. After 22 years and almost $400 million, I believe it is time for the MFEL program to transition to a more broadly competitive research environment. Program performers and their ideas are ready to compete for support by the Department of Health and Human Services and other sources that invest in a broad set of health care challenges. This is not to say that the Department has no further interest in the promise of this technology. We expect current MFEL centers and other qualified entities to compete for funding under DOD Broad Agency Announcements for medical S&T focused on combat casualty care and infectious diseases.

In research, as in procurement, the Department must make careful investment choices that reflect its understanding of both experience and likely needs. The MFEL program has long been a part of our research portfolio but we now have higher priorities in general and, specifically, higher human-centered priorities. Fortunately, the choice regarding the MFEL program is made easier by this program's maturity and readiness for expanded competition.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

WEAPONS SYSTEMS ACQUISITIONS

23. Senator AKAKA. Secretary Gates and General Pace, according to an October 2006 study by the Congressional Budget Office (CBO), CBO projects that "the demand for defense resources averages about $492 billion annually (in 2007 dollars) . . . [but, when] . . . factoring in the potential risk of higher-than-anticipated costs raises the projected long-term demand for defense funding to an annual average of about $560 billion. . . ." This is $80 billion more than the Department's base budget for fiscal year 2008. CBO indicated that part of the increase is based on weapon systems currently under development and the fact that these systems usually have cost overruns.

While this study gives me great concern, one area that I am extremely troubled by is the fact that many of these weapon systems on order are having delays and cost overruns. These delays not only hurt our men and women in the Armed Forces, but also hurt the American people. What is the DOD doing to ensure that unwanted delays and cost overruns are being addressed?

Dr. GATES. The Defense acquisition business is about managing risk, and the Department is committed to ensuring that Defense acquisition programs have predicable and achievable cost, schedule, and performance outcomes.

In order to satisfy warfighting needs within cost and schedule, we need to continually identify and manage risk. We've found that as programs slide farther in time, it becomes more difficult to hold requirements and funding stable enough to mitigate or even sustain risk. We are focusing a great deal of effort on reforming our three primary decision processes: acquisition, requirements, and funding. Our plan is to integrate, synchronize, and focus on output, such that relevant data is both transparent and readily available to senior decisionmakers, appropriate performance metrics are developed and applied, and continuous improvement is assured. We've had some early success by putting into practice a Concept Decision methodology, identifying specific capabilities for portfolio management, and implementing capital budgeting for selected programs. These reforms have been generally well-received. We find that success is more likely where stakeholder organizations—and specifically the people who will implement the practice—both support the reform's objective and are involved in implementation. We remain focused on fulfilling warfighting needs within cost and schedule.

General PACE. I share your concerns and I have taken measures to address unwanted delays and cost overruns. These measures include revisions to existing policies, pilot projects that provide greater inclusion of all stakeholders in the acquisition process, a systems-based approach to fielding new capabilities, and the establishment of early tripwires to identify potential problem areas.

The Joint Requirements Oversight Council (JROC), as an advisory body to the Secretary of Defense and the Defense Acquisition Executive (DAE), has increased consideration of cost, schedule, and technology readiness in addition to the performance information that was previously evaluated. The pending revision of the governing instruction (CJCS 3170.01) mandates that the timeframe of required capabilities be incorporated into the analysis and development of the program acquisition strategy. This approach will allow the JROC to make better recommendations to the DAE on the initiation, continuation, modification, or cancellation of acquisition programs.

Additionally, the Joint Staff is participating in a series of OSD-led pilots on a trichaired concept decision process that will evaluate the needs and the resources required earlier in the development of a capability. Resources will then be committed based on the maturity of the proposed solutions. This concept decision approach is designed to permit early and regular trade-offs between cost, schedule, and performance among alternative approaches within capability areas, increase confidence and decrease risk through early program definition, and decrease acquisition risk through early senior leadership engagement (including Service Chiefs) in corporate investment decisions.

We are also addressing affordability earlier in the JROC process with a systems-based approach. This requires sponsors to describe the desired capability in the context of a family of systems. This change enables better definition of the system inter-relationships, dependencies, and synchronization with complimentary systems. We are also requiring sponsors to assess the technology readiness and identify the top cost drivers.

The JROC directs programs to return when program cost exceeds 10 percent of the approved acquisition baseline to get ahead of potential Nunn-McCurdy breaches. The JROC can then act early to adjust requirements while favorable alternatives

still exist and before options for successful resolution become increasingly limited. The JROC will have a stronger role in the approval process of rebaselining acquisition programs—ensuring all requirements are still valid under proposed changes in cost and schedule parameters.

BUDGET REQUESTS

24. Senator AKAKA. Secretary Gates, you said that you would listen to the Service Chiefs and other military officers about matters that affect the Services. However, in an article I read in the Los Angeles Times, Army Chief of Staff General Schoomaker did not agree with the administration's budget request for the Army and he made a point to ensure that the administration understood that he was not pleased with the request. In doing so, the Army was provided more funding. However, it is my understanding that some of the other Service Chiefs were not pleased that their Services were not provided more money because they "were being penalized for playing by the rules."

I am a bit concerned by the article because we, in Congress, and the American people have been told time and time again that should the Services need more funding, equipment, personnel, et cetera, that they would get it. However, now it seems that there is an unspoken process that has certain rules that must be played. Could you enlighten us on this matter?

Dr. GATES. Our Government has a very open and transparent process for deciding military Service needs for more funding, equipment, personnel, et cetera. Resources, however, are not unlimited. The administration evaluates and funds the highest priorities of the military department to ensure that U.S. Forces have what they need to accomplish their military mission. Congress plays a major role in this process since it controls much of the process through its constitutional responsibility for military appropriations.

25. Senator AKAKA. Secretary Gates, now that we have seen the budget request and supplemental request, I am concerned by reports that are indicating that more money will be necessary to meet the strategic needs outlined by the DOD. Do you believe that the missions outlined by the Pentagon may be unrealistic to achieve with the current budget request and supplemental?

Dr. GATES. I believe that the missions assigned to the DOD are realistic, if circumstances change, the Department will reassess our budget estimates and that the current budget request and supplemental are sufficient to support those missions.

DEFENSE ACQUISITION

26. Senator AKAKA. Secretary Gates, I am very supportive of making sure that our troops have everything they need to perform their mission, including the latest and best technology. However, we have recently received two audit reports on DOD contracting that have some very disturbing findings. The first was Government Accountability Office (GAO) report GAO–07–20, titled, "Defense Acquisitions, Tailored Approach Needed to Improve Service Acquisition Outcomes" dated November 2006. The second report is DOD Inspector General (IG) report D–2007–044, titled, "Fiscal Year 2005 DOD Purchases Made Through the Department of the Interior," dated January 16, 2007. These reports highlight significant weaknesses in DOD's contract management and oversight.

Specific problems identified by the DOD IG include a finding that both DOD and the Department of the Interior (DOI) did not comply with laws and regulations. Specific examples of problems found include:

- DOD used DOI contracting officials who did not adequately document and support that the prices paid were fair and reasonable. Also, competition was not usually obtained. Therefore, DOD has no assurance that it is obtaining best value for its purchases.
- The Southwest Acquisition Branch contracting officer granted contract-ordering authority to a DOD employee who issued $135 million in contract awards without having a contracting officer warrant.
- The Counterintelligence Field Activity did not follow the required procedures for obtaining leased office space in the National Capital Region. The Counterintelligence Field Activity, through GovWorks, obtained a 10-year, $100 million lease that violates a myriad of laws including potential violations of the Antideficiency Act. The contracting process also circumvented the required congressional review for leases of this size. The lease may have

cost the Counterintelligence Field Activity up to $2.7 million annually more than if leased through the General Services Administration (GSA).

- The DOD internal controls over management of appropriated funds were not adequate.

Similarly, GAO found significant problems with DOD contracting concluding that

> "Over the past 10 years, DOD has seen large growth in the acquisition of services, to the point where the value of these acquisitions exceeds the value of major weapon systems. To a large extent, this growth has not been a managed outcome. Congress, concerned over these rapid increases, has directed DOD to take several actions to promote more oversight and discipline in service acquisition. DOD has taken action, but action has not necessarily equated to progress. At this point, DOD is not in a good position to say where service acquisition is today in terms of outcomes, where it wants service acquisition to be in the next few years, or how to get there. This makes it difficult to set the context within which individual organizations can make informed judgments on service acquisition transactions."

What basis can you give me for confirming to the American people that DOD is ensuring that they get the best value possible for their tax dollars?

Dr. GATES. Since 2005, the DOD leadership and the DOD IG have been working very closely with the DOI, the GSA, and other assisting agencies regarding the proper policies and procedures that should apply when the Department utilizes other agencies to contract for goods and services for the Department. Obviously our goal is to ensure that the Department is getting the best value for the American taxpayer and the right products and services for our warfighters. We are focused on ensuring that when we utilize interagency acquisitions to meet Department needs, not only are they done properly—in accordance with statute, regulation, and policy—but that our actions are fundamentally sound from a business point of view. We have addressed identified deficiencies in a series of policy memoranda, dating back to 2003, issued by the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L); the Under Secretary of Defense (Comptroller); and the Director of Defense Procurement and Acquisition Policy, on such topics as, "Proper Use of Non-DOD Contracts," "Non-Economy Act Orders," "Use of Federal Supply Schedule and Market Research," "Contracts for Services," "Advance Payments to Non-DOD Federal Agencies for Interagency Acquisitions," and "Leasing Office Space." The Department recently signed a Memorandum of Agreement (MOA) with both the GSA and the DOI to ensure that all parties understand that DOD acquisition and funding policies will be observed when DOD funds are transferred to other agencies. Each MOA individually addresses, in a corresponding action plan, specific actions the Department and the corresponding assisting agency are taking to correct known deficiencies. All relevant information related to the Department's use of Interagency Acquisitions, including the MOAs, policy memoranda, and audits are available on the Defense Procurement and Acquisition Policy Web site at: http://www.acq.osd.mil/dpap/specificpolicy/index.htm.

27. Senator AKAKA. Secretary Gates, what steps are you taking to eliminate or minimize the effects of the systemic weaknesses identified in these reports?

Dr. GATES The Department takes these issues very seriously and has elevated them to the highest levels of management attention. We are taking a number of steps to respond to recent congressional direction and to eliminate the systemic weaknesses identified in these and other reports. These include:

I. In section 812 of the National Defense Authorization Act for Fiscal Year 2006, Congress directed the Department to establish and implement a management structure for the acquisition of services. The Under Secretary of Defense for Acquisition, Technology and Logistics issued a policy memorandum on October 2, 2006, implementing the requirements of section 812 by providing updated policy for DOD's acquisition of services, and by requiring all DOD components to establish and implement a management structure for the acquisition of services, based on dollar values.

II. The Director of Defense Procurement and Acquisition Policy, in conjunction with the Senior Procurement Executives of the military departments, DLA, and Defense Contract Management Agency, is developing a new, comprehensive DOD-wide architecture for the acquisition of services. Basic tenets of the architecture include:

(1) Maximum use of competition.
(2) Use of acknowledged best practices.
(3) Appropriate application of performance-based approaches.

(4) Enhanced contract performance management supported by: early identification of appropriate performance metrics, quality assurance or written surveillance plans included in the contract, appointment of properly trained contracting officer representatives, enhanced application of past performance information, and strategic approach to achieving Department socio-economic goals.

III. DOD, in conjunction with the GAO and the Office of Management and Budget's Office of Federal Procurement Policy, has established the DOD Improvement Plan for the GAO High Risk Area Contract Management, with action items specifically targeted at systemic weaknesses identified in these and other reports. We have made significant progress in completing these action items, which are at the tactical level, and we are in the process of establishing a follow-on plan that is oriented to implementing the strategic DOD-wide architecture for acquiring services.

28. Senator AKAKA. Secretary Gates, DOD's acquisition workforce has gradually been reduced over the last decade while DOD has significantly increased its reliance on contract services support. Considering the findings of these two reports, can you tell me if DOD's civilian workforce is sufficiently staffed to properly process contracts and to maintain appropriate oversight of those contracts? If yes, how? If not, why not?

Dr. GATES. The DOD acquisition workforce has been impacted by downsizing and, since September 11, by the need for updated skills and new mission challenges. With the growth in contracting for services, we are re-assessing all of our acquisition oversight processes to improve acquisition outcomes. For example, the Under Secretary of Defense for AT&L has established a management structure, to include defined roles and responsibilities, for the review and approval of the Services' acquisitions. The Under Secretary took this action to ensure that the Services' acquisition is improved in compliance with statutes, policy, and other requirements.

In addition to contract oversight, we continue to expand our training infrastructure and available training resources to provide the acquisition workforce with better knowledge sharing tools and Web-based performance support resources. Although we are very successful today with hiring and high retention, we will face significant challenges as the highly experienced Baby Boomer generation departs the workforce. Approximately 78 percent of our current acquisition workforce is in the Baby Boomer generation. We must address recruiting replacements from a smaller national workforce. We are working hard on many fronts to ensure we have the right acquisition capability now and into the future.

In June 2006, we published both the DOD Civilian Human Capital Strategic Plan (HCSP) and the AT&L HCSP. Meanwhile, the AT&L Workforce Senior Steering Board has been working aggressively to position the DOD to be successful in the future. The Board has met three times since May 2006, and it is now planning to meet quarterly to develop and implement strategies for identifying capability gaps and for improving the effectiveness of the acquisition workforce. The Under Secretary deployed a joint competency management initiative in October 2006 in alignment with the QDR, the DOD Human Capital Strategy, the AT&L HCSP, and the AT&L Implementation Plan. This initiative is expected to update and assess acquisition competencies for 12 functional communities within the DOD acquisition workforce. Each update will identify behaviors and underlying knowledge, skills, and abilities for successful performance.

We have made significant progress in the development of competency models for program management, life cycle logistics, and contracting. Between now and June 2008, the Department will begin pilot workforce assessments for program management and life cycle logistics. In the fourth quarter of fiscal year 2008 it will commence a DOD-wide assessment of the contracting workforce. These competency assessments will help our senior leaders to reallocate resources, target recruitment, improve retention strategies, and expand education and training resources.

The combination of our competency assessment initiative and other leadership actions to address workforce quality and capability will allow us to more accurately assess and address staffing sufficiency. We have the right sense of urgency, and I am confident we will shape the acquisition workforce in an intelligent manner.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

ATLANTIC SECURITY

29. Senator BILL NELSON. Secretary Gates, senior DOD civilian and military leaders have previously noted the importance of having a second nuclear aircraft carrier port on the Atlantic coast. Do you believe that two Atlantic ports will reduce the risk to our carrier fleet by dispersing our carriers and necessary support facilities? Does this budget account for that?

Dr. GATES. The retirement of the U.S.S. *John F. Kennedy* (CV 67) in March 2007 leaves Naval Station, Mayport without an aircraft carrier and will reduce overall carrier inventory to 11. In January 2006 the Chief of Naval Operations (CNO) directed the Commander, U.S. Fleet Forces Command (CFFC) to prepare an Environmental Impact Statement (EIS) that will examine 13 alternatives for best utilizing the facilities and capabilities of Naval Station Mayport after the retirement of CV 67. The options being evaluated by the Navy include:

- The capacity to homeport of one or more large amphibious ships, such as an LHA or LHD;
- The capacity to homeport a nuclear-powered aircraft carrier (CVN);
- The capacity to serve as a dispersal location but not a homeport for a CVN;
- The capacity to homeport additional surface combatants (cruisers andlor destroyers [CRUDES]);
- Seven different combinations of the above;
- The homeporting of an Amphibious Ready Group (LHA or LHD, LPD, LSD);
- No Action.

The Navy is being both environmentally and fiscally responsible awaiting the conclusion of the EIS in January 2009 before making any decisions regarding Mayport and the issue of two carrier ports on the east coast.

The EIS process will be deliberate, balanced, and take into account aspects essential for our east coast naval forces. The Navy will take the time to ensure that all aspects of the decision, including national security requirements, total cost, impact on sailors and their families, and the effect on local economies, have been evaluated fully. Any corresponding programming of execution funds, if required, will occur after the final Record of Decision in January 2009.

DRILLING OIL IN GULF OF MEXICO

30. Senator BILL NELSON. Secretary Gates, I have successfully fought the expansion of oil drilling in the Gulf of Mexico in order to protect restricted military training areas. What is your position on oil drilling east of the military mission line in the Gulf of Mexico, where important military testing and training activities take place?

Dr. GATES. The DOD supports the national goal of exploration and development of offshore energy resources, and understands that the administration's outer continental shelf oil and gas leasing program is critical to the Nation's energy security, economic stability, and national defense.

The DOD, the DOI, and affected States have worked together successfully for many years to ensure unrestricted access to critical military testing and training areas, whle enabling oil and gas exploration in accordance with applicable laws and regulations. Through this relationship, we have been able to maintain the proper balance between our Nation's energy and national security goals. The current program proposal for the eastern Gulf of Mexico does not propose oil and gas exploration and leasing in areas used for military testing and training, and excludes from exploration and leasing those areas east of the Military Mission Line used by the DOD for testing and training. We support this proposal. Drilling structures and associated development in those areas east of the Military Mission Line would be incompatible with military activities, such as missile flights, low-flying aircraft, weapons testing, and training.

SPACE SITUATIONAL AWARENESS

31. Senator BILL NELSON. Secretary Gates, most of the senior leaders in the Air Force and the U.S. Strategic Command have indicated that increased Space Situational Awareness (SSA) is one of the highest priorities for space spending. The Air Force budget request for SSA increases from $121.7 million in fiscal year 2007 to

$187.8 million in fiscal year 2008. However, there is apparently no funding to upgrade the aging radars that track space objects. Is there any money in the fiscal year 2008 budget to upgrade these radars or otherwise improve the ability of the United States to improve SSA?

Secretary GATES. In the fiscal year 2008 budget, the Air Force has requested $216.6 million to maintain and improve its array of SSA capabilities, which provide timely detection, tracking and characterization of objects in space. The Air Force is fully funding the replacement of aging components in the Air Force Space Surveillance System (AFSSS) radar in order to maintain its viability. Likewise, the fiscal year 2008 budget request supports the service life extension effort on the Eglin phased array radar to allow continued operations through fiscal year 2015. The Air Force is also upgrading the Haystack X-band radar to a higher frequency (W-band) imaging capability which will improve the ability to provide detailed characterization of smaller space objects.

The fiscal year 2008 budget also supports investment in next generation SSA programs. One such system is the Space Fence, a new SSA radar which will replace the aging AFSSS with a multiple-ground-site system and provide a capability to detect and track smaller space objects. Additionally, the Space Based Space Surveillance (SBSS) program will continue building a new optical sensing satellite to provide frequent observations of space objects in, or traveling to, geosynchronous orbits. Finally, the Air Force is improving the ability to integrate and assess SSA data on shorter timelines by developing a replacement for the current Space Defense Operations Center computer.

TEST AND EVALUATION

32. Senator BILL NELSON. Ms. Jonas, last summer, there was a budget decision to reduce funds for Air Force test and evaluation and to close some test labs in Florida, New Mexico, and California. How did the DOD come to the decision to try to reduce our test and evaluation?

Ms. JONAS. The Department did not reduce the funding for the Air Force test and evaluation program and has not made a final decision on closing labs in Florida, New Mexico, and California. Many times during budget preparation internal discussions occur on how the Department might best optimize our resources and operations. The Department continues to review the DOD lab structure and will comply with congressional direction to provide an analysis of any proposed realignments.

QUESTION SUBMITTED BY SENATOR EVAN BAYH

PRINTED CIRCUIT BOARDS

33. Senator BAYH. Secretary Gates, the National Research Council recently released a report that identified printed circuit board technology as critical in nearly every weapons system. The report concluded that the ability of the domestic printed circuit board industry to innovate and manufacture printed circuit boards in a secure environment is diminishing. What actions are you taking and investments are you making with this budget to ensure that DOD has a reliable and trusted supply of printed circuit boards for future and legacy systems and to ensure necessary innovation in the design and manufacture of this critical technology?

Dr. GATES. The Department requested and received appropriated funds from Congress in fiscal year 2007 for logistics research and development of printed circuit board technologies and demonstrations. Included in this appropriation was funding for the preservation of access to reliable printed circuit board manufacturing in the United States. One of our centerpiece efforts is the DLA sponsorship of logistics research and development technology demonstrations under an Emerging Critical Interconnection Technology (ECIT) program. The ECIT program is providing the means for DLA to support organic printed circuit board centers at the Naval Surface Warfare Center and the Warner Robins Air Logistics Center. The increased support for these printed circuit board centers is intended to address the Department's continuing printed circuit board requirements. In addition, the Department has formed a task force of stakeholders and subject matter experts to identify and evaluate ongoing and possible future actions for protecting access to trusted and reliable printed circuit boards. The formation of the taskforce was directed in the John Warner National Defense Authorization Act (NDAA) for Fiscal Year 2007. The NDAA also directed a congressional reporting requirement on implementing the recommendations of the National Research Council Committee on Manufacturing Trends in Printed Circuit Board Technology. The report is due in July 2007 and will address

in greater detail current and future actions the Department is taking in this area. This report will help inform future budget and program decisions on circuit board technology.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

HOMELAND DEFENSE

34. Senator MCCAIN. Secretary Gates and General Pace, since September 11, the DOD has acknowledged an expanded role and mission for its forces in the Homeland—both to defend against external threats and to provide support to civil authorities. In light of the strains placed on our military manpower and material due to our commitments in Iraq and Afghanistan, do you believe the DOD is fully prepared to provide the support to civil authorities that the Department of Homeland Security (DHS) is expecting of the DOD under the most extreme planning scenarios (such as the detonation of a nuclear device or multiple terrorist attacks)?

Dr. GATES and General PACE. The DOD stands ready to provide all available resources to fulfill our roles and responsibilities identified in existing Federal plans such as the National Response Plan and the National Implementation Plan for Pandemic Influenza—one of the 15 National Planning Scenarios. As the interagency planning effort based on the 15 National Planning Scenarios matures, DOD will be actively engaged to fill shortfalls in the Federal response capabilities.

DOD is currently developing plans that address the 15 National Planning Scenarios and has advocated that other Federal departments and agencies do the same. Detailed advance planning such as this will identify those local, State, or Federal capabilities and/or resource gaps that DOD may be called upon to fill.

DOD stands ready to assist our interagency partners with their planning efforts. DOD is providing planners to the DHS's Incident Management Planning Team and providing training allocations at our institutions that train DOD planners.

MISSILE DEFENSE

35. Senator MCCAIN. Secretary Gates and General Pace, Admiral Fallon, Commander of Pacific Command—and soon to be Commander of CENTCOM, has told this committee that our missile defense capabilities need to pace the threat. Likewise, General Craddock, Commander of U.S. European Command, has told this committee that "rogue states in the Middle East and Southwest Asia possess a current ballistic missile capability that threatens a major portion of Europe." In light of these comments by the combatant commanders, do you agree that the DOD should accord a priority to the successful testing and fielding of the current generation of ballistic missile defense capabilities in numbers sufficient to stay ahead of the growing threat?

Dr. GATES. Testing and fielding BMD capabilities to defeat the real and growing ballistic missile threat has been and remains a priority for DOD.

In 2002, the President directed us to develop and deploy, at the earliest possible date, ballistic missile defenses drawing upon the best technologies available. In 2004, we began fielding land- and sea-based interceptors and radars. These systems were available to defend the U.S. Homeland if necessary during the North Korean test launches in 2006. We will continue to build our interceptor inventories to counter the growing threat while we test and improve our current capabilities.

General PACE. The current threat will grow and is growing in sheer numbers as existing ballistic missile capabilities are spread around the world as we have seen. Increasing the quantity and deployment of current ballistic missile capabilities can address the proliferation challenge. While more inventory is important, the continued development, integration, and test of missile defense technologies will yield capabilities that will mitigate the risk posed by future, more sophisticated threats.

The advancements we have made since 2004, utilizing the Missile Defense Agency's unique capability-based acquisition approach which implements an integrated development, test, and fielding strategy, gave us the flexibility we needed to respond to the recent, near-term threat posed by North Korea. We want to be as ready and as confident, if not more so, against future threats as we were then.

PROMPT GLOBAL STRIKE

36. Senator MCCAIN. Secretary Gates and General Pace, the 2001 Nuclear Posture Review (NPR) stated the need to provide the President with a broad array of nuclear and non-nuclear capabilities to bolster deterrence and defense against the new

threats we face today. One such recommendation was the development of long-range, conventionally armed strike systems, also known as "prompt global strike" capabilities. The 2006 QDR reinforced this recommendation. Yet 5 years since the NPR we seem to be without a viable prompt global strike system under development. Please explain the strategic requirement for prompt global strike capabilities and summarize current plans to acquire such capabilities.

Dr. GATES and General PACE. As the 2006 National Security Strategy notes, the new security environment differs radically from that of the Cold War and requires new approaches to international diplomacy, deterrence, and defense. In particular, deterrence can no longer rely on a one-size-fits-all approach, but must be tailored to address a wide range of threats including the prospect of WMD acquisition or use by both state and non-state actors. In this new security environment, crises can quickly develop to threaten U.S. national interests. Such crises could occur in areas that are beyond the range of existing U.S. forces, or in heavily defended areas that cannot be penetrated by existing systems without jeopardizing mission success or putting U.S. lives at risk. Today, however, nuclear-armed ballistic missiles are the only means the United States possesses for striking virtually anywhere in the world promptly (within minutes to hours from the time of a presidential decision). The President must be afforded a broader range of options to strike time-sensitive, high-value targets, including the conventional capability for worldwide, prompt response.

Current plans for a prompt Global Strike capability consist of:

- Development of Conventional Trident Modification to provide a non-nuclear prompt Global Strike capability from existing SSBNs;
- Conversion of ballistic missile submarines (SSBNs) to guided missile submarines (SSGNs) armed with conventional Tomahawk cruise missiles to provide a prompt Global Strike capability in scenarios where SSGNs are on station within range of a target; and
- Deployment of the Joint Air-to-Surface Standoff Missile-Extended Range (JASSM–ER), with a range of over 500 nautical miles and capability for loitering and transmitting imagery to planners, to provide a prompt Global Strike capability in scenarios where U.S. aircraft are within range of a target.

The 2006 QDR recommended the Conventional Trident as the best near-term, low-cost, low-risk technical solution for acquiring a prompt Global Strike capability. DOD has requested $175 million in fiscal year 2008 to begin modifying 24 D5 Trident missiles to Conventional Tridents by removing their nuclear warheads and replacing them with up to four conventional warheads per missile. IOC would be within 2 years of full-funding. For the longer-term, the Navy, Air Force, and Army are studying concepts for advanced prompt Global Strike systems that use a combination of ballistic missiles and hypersonic reentry systems to maneuver or extend range. These systems involve technological challenges and are years away from providing operational capability. Once fielded, however, these systems would provide a range of effects against a wider spectrum of targets, and a greater number of options for decisionmakers. Finally, non-kinetic systems, including information operations, are also envisioned as part of the suite of prompt Global Strike capabilities. The Prompt Global Strike Report to Congress for Fiscal Year 2006 and the Conventional Trident Modification Report to Congress of 1 February 2007, provide expanded discussion on the need for prompt Global Strike, Conventional Trident, and follow-on capabilities.

THREATS TO U.S. SPACE CAPABILITIES

37. Senator MCCAIN. Secretary Gates and General Pace, China's newly demonstrated ability to destroy U.S. satellites in low earth orbit raises the question of whether the United States is doing enough to counter such threats and maintain its freedom of action in space. The NDAA for Fiscal Year 2006 required the DOD to assess whether the Department is allocating sufficient resources to the space control mission. While the report is classified, it can be said that the DOD understands there are areas where additional effort is needed. What is your strategic assessment of the recent Chinese anti-satellite test and do you believe the DOD is devoting sufficient resources toward countering such threats?

Dr. GATES and General PACE. The Chinese ASAT test represents a threat to the United States' superiority in space and the Department is paying close attention to its continued development, as we are for all threats to our space systems. With this emerging threat, we are increasing our priority on space protection and reconstitution efforts. Improvements are being made to our SSA and our ability to automate attack detection and characterization of ASAT and other threats. We are also devel-

oping the Operationally Responsive Space program to enhance our augmentation and reconstitution capabilities. The fiscal year 2008 budget request will allow us to meet the milestones necessary to field new capabilities required to ensure our freedom to operate in space. We are continuing to evaluate the necessity/opportunity to accelerate capabilities as threats mature.

This year, the Department has submitted to Congress several space control programs on the Unfunded Priority List. This additional funding would enable us to accelerate delivery of critical space protection capabilities such as the Rapid Attack Identification, Detection, and Reporting System (RAIDRS), the SBSS system, and Self-Awareness Space Situational Awareness (SASSA).

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

DEFENSE CONTRACTS FOR THE F–22A

38. Senator CHAMBLISS. Secretary Gates, the Department has requested approximately $4.6 billion for F–22As in fiscal year 2008 based on a multi-year procurement (MYP) plan. However, a multi-year contract has not been entered into yet, although it is authorized in the NDAA for Fiscal Year 2007. Is it appropriate for the Department to request funding for a multi-year contract that has not yet been entered into?

Dr. GATES. It is appropriate to request funding for a MYP contract that has not yet been entered into. If the President's budget had not requested funding needed for the F–22 MYP, the Department could not make the certifications required by Section 134 of the John Warner NDAA for Fiscal Year 2007, Public Law 109–364 (NDAA for Fiscal Year 2007), 10 U.S.C. 2306b and 10 U.S.C. 2306b(i)(l)(A). The NDAA for Fiscal Year 2007 and the DOD Appropriations Act, 2007, Public Law 109–289, approved MYP of the F–22 and associated engines beginning in fiscal year 2007. The Department plans to exercise the MYP authority provided by these statutes and plans to award the MYP contracts for the aircraft and engines in the August 2007 timeframe after providing the required certification. Prior to contract award, the Department must comply with the multiyear criteria set forth in 10 U.S.C. 2306b. The Secretary's certification must validate that there is a reasonable expectation throughout the contemplated contract period that the Secretary of the Air Force will request funding for the contract at the level required to avoid contract cancellation. Additionally, 10 U.S.C. 2306b(i)(l)(A) requires the Secretary to certify that the current Future Years Defense Program fully funds the support costs associated with the multiyear program already authorized by law. The fiscal year 2008 President's budget submission must include the funds needed for the MYP before the Secretary can complete the required certifications and execute the MYP contracts. The Department will comply with the law relating to the MYP contract award, and we will work with this committee and the entire Congress to provide sufficient information to permit Congress to act prudently to promote our national security needs.

39. Senator CHAMBLISS. Secretary Gates, is the Air Force on track to meet all the conditions required by the NDAA for Fiscal Year 2007 by 30 days prior to award of the multi-year contract?

Dr. GATES. The Air Force is on track to award the F–22A MYP contracts in August 2007. The Under Secretary of Defense for Acquisition, Technology, and Logistics and his staff are working very closely with the Air Force on all of the requirements which must be satisfied before award of the F–22 MYP contracts. We share the Air Force's goal to award the MYP contracts in the August 2007 timefiame. We are currently on track to complete contract negotiations and make the certifications required by the NDAA for Fiscal Year 2007, section 134, and 10 U.S.C. 2306b(i)(l)(A) in July 2007, to permit contract award in August 2007. In addition, the NDAA requires the Secretary provide for a federally funded research and development center cost report on the MYP savings to be submitted no later than 30 days prior to contract award. The Department commissioned RAND to complete the required report which is on schedule to be delivered in July 2007.

40. Senator CHAMBLISS. Secretary Gates, can you explain why the Secretary of Defense did not certify the savings related to the proposed F–22A multi-year contract prior to submission of the fiscal year 2008 President's budget?

Dr. GATES. Section 134 of the John Warner NDAA for Fiscal Year 2007, Public Law 109–364, requires certification to the 10 U.S.C. 2306b criteria at least 30 days prior to award of the MYP contracts. The Department plans to exercise the MYP

authority provided in the NDAA for Fiscal Year 2007 and the Defense Appropriation Act for F–22 beginning in fiscal year 2007. The fiscal year 2008 President's budget submission includes the funding needed for the MYP. The Department will comply with the law relating to the certification requirement, including the verification of savings. We anticipate the contract award in the August 2007 timefiarne. We will comply with that congressional mandate, and the Department will work with this committee and the entire Congress to provide sufficient information to permit this Congress to act prudently to promote our national security needs.

AIR FORCE C–130 AND C–130J

41. Senator CHAMBLISS. Secretary Gates, the Air Force is requesting authority to retire 24 C–130Es in fiscal year 2008. The fiscal year 2008 budget also requests funding for 9 C–130Js, the fiscal year 2008 global war on terror request requests funding for 17 C–130Js, and the fiscal year 2007 supplemental requests funding for 5 C–130Js. Please explain the request to retire older model C–130s, rather than repair or upgrade them, in favor of purchasing new C–130Js. Is the Department's request in this regard based on an analysis of what is most cost effective in the long-term, or based on a desire to replace older, less capable aircraft with more modern, reliable, and capable new aircraft?

Dr. GATES. The 24 C–130E retirements are not directly related to the 31 C–130Js requested. The planned 24 C–130E retirements are a fleet management and cost avoidance measure to retire the least capable, most problematic C–130s in the Air Force fleet. In recent analysis, the required cost to bring these C–130Es to viable status (approximately $26.9 million per aircraft) will only delay future issues relating to aircraft structural integrity (i.e. outer wings, empennage, et cetera) The nine C–130Js in the fiscal year 2008 budget are the last aircraft in the MYP stated to assist in the recapitalization of the C–130E fleet supporting EUCOM. The 5 C–130Js in the fiscal year 2007 global war on terror and 5 of the 17 C–130Js in the fiscal year 2008 global war on terror are supporting replacement of 12 C–130H2s given to SOCOM to support their Combat Loss Recapitalization (CLR) efforts. Seven of the remaining 12 C–130Js in the fiscal year 2008 global war on terror are to support an overstressed fleet which, if continued to fly under current operations tempo, will accelerate problems plaguing existing fleet, such as center and outer wing structures. Three of the remaining five C–130Js are for replacement due to non-combat loss. The last two C–130Js are to support MC–130 recapitalization efforts.

C–130Js	Funding	Purpose
9	2008 President's budget	C–130J MYP
5	2007 global war on terror	Replacement to support 12 C–130s given to SOCOM for CLR
5	2008 global war on terror	Replacement to support 12 C–130s given to SOCOM for CLR
7	2008 global war on terror	Alleviate stressed fleet due to overfly supporting global war on terror
3	2008 global war on terror	Replacement for non-combat losses
2	2008 global war on terror	Support MC–130 recapitalization effort

42. Senator CHAMBLISS. Secretary Gates, please explain the relationship between the numbers of C–130s the Air Force needs with the number of Joint Cargo Aircraft the Air Force and Army intend to purchase.

Dr. GATES. The Mobility Capabilities Study (MCS) identified 395 C–130s is the lowest point in a range of acceptable risk the Air Force needs to support the National Military Strategy with intratheater airlift. Air Mobility Command (AMC) forecasted the number of usable C–130s in the fleet will drop below the 395 threshold by 2011. Until we are able to recapitalize our aging C–130s, the Air Force must retain its oldest aircraft longer than planned to keep the intratheater force structure above 395. The Joint Cargo Aircraft (JCA), C–130Js, and center wing box (CWB) repaired C–103s are all candidates to fill the shortfall in meeting the intratheater capabilities identified in the MCS. RAND had just completed a Functional Solutions Analysis (in draft now) that preliminarily concluded, "no viable non materiel solution was found that can delay the need for C–130 recapitalization more than a few years." As the next step, an Intratheater Fleet Mix Analysis let by RAND will begin soon and we anticipate these study results as early as December 2007. These study results should provide details about the optimum mix of JCAs and C–130s needed to preserve our intratheater lift capabilities at acceptable levels of risk.

BASE REALIGNMENT AND CLOSURE

43. Senator CHAMBLISS. Secretary Gates and General Pace, as a result of the Department's Base Realignment and Closure (BRAC) process, tens of thousands of military personnel, and their families, will be relocating to new bases in CONUS. The Conference Report accompanying the NDAA for Fiscal Year 2007, states:

> The committee understands that the number of personnel and dependents who will be relocated as a result of the 2005 BRAC round, in concert with global rebasing, may well be unprecedented in the history of our country. The committee finds it alarming that neither the DOD nor the Department of Education appears, at this point, to have taken seriously the impact these relocations will have on local communities and, in particular, local school districts. The committee believes it is premature to assign specific cost sharing formulas regarding what costs should be paid by Federal, State, or local governments. However, the committee believes the Department needs to carefully consider this and other issues as it develops a comprehensive plan for addressing the off-base impacts of BRAC and assorted other personnel movements.

As a supplement to the report directed in the NDAA for Fiscal Year 2006, the committee directs the DOD, in coordination with the Department of Education, to report to the Committees on Armed Services of the Senate and the House of Representatives every 6 months in relation to their plans to work with State and local education agencies to accommodate the growth in local school districts resulting from BRAC and assorted troop movements, to include: specific recommendations regarding cost sharing; grants and matching grants; planning grants; as well as specific recommendations from the DOD's Office of Economic Adjustment related to how local communities can prepare for and raise resources to accommodate the large influx of school students they expect as a result of DOD initiated actions.

I understand the Department's fiscal year 2008 budget request provides $2.4 million in start-up costs to begin developing educational partnerships with local school systems impacted by base closures, global rebasing, and force restructuring; and that the purpose of these partnerships is to ease the transition of military dependent children from DOD Education Activity (DODEA) schools to stateside schools. Please explain the types of initiatives and projects these "educational partnerships" include.

Dr. GATES and General PACE. The $2.4 million requested in the DODEA fiscal year 2008 budget is in direct response to section 574(d) of the NDAA for Fiscal Year 2007, wherein Congress directed the Secretary to ease the transition of military dependent students from attendance at DOD schools to attendance at local educational agencies (LEAs). These funds will not go toward school system infrastructure, but will be used to share DODEA educational expertise and experience with school districts impacted by large influxes of students resulting from base closures, global rebasing, and force restructuring. The $2.4 million for fiscal year 2008 will be used to do initial assessments of school districts' needs, and to begin developing partnerships with the affected school systems.

Through educational partnerships, the Department will work to increase the academic performance of K–12 students in partner schools and districts, and increase the opportunities and successes in foreign language courses in grades K–12. Below are descriptions of the types of programs and projects the Department plans to offer impacted school systems:

> a. High Quality Educational Program. This program seeks to increase the academic performance of students through the alignment of curriculum, instruction, assessment, and program evaluation to promote data-driven decision making; outline processes for ongoing program review; and maintain an effective communication program so all military families are aware of educational opportunities that are available to them. This program also provides opportunities for DODEA and the LEA to further enhance school administrator and teacher leadership through joint training, mentorship programs, and collaborative exchanges.
>
> b. High School Program. This program seeks to add rigor to the high school program through enhanced offerings, highly trained teachers, and by facilitating student participation and success in the following assessments: Preliminary Scholastic Assessment Test, Scholastic Assessment Test or American College Test, Advanced Placement, International Baccalaureate, and End-of-Course Exams.

c. Academic Support. This program specifically provides transitioning students with continuity across school systems, and opportunities to access and complete courses not available locally.

d. Social/Emotional Support. This program addresses the unique needs of military dependents who may have a parent deployed in a war zone; have lost a parent or have one with a severe injury; have moved frequently during their early academic careers; or have encountered other situations not experienced by their non-military sponsored classmates. DODEA will work to increase the participation rates of students and their sponsors/parents in programs implemented to address the unique needs of military families (summer school in high deployment locations, after-school academic and co-curricular programs, et cetera) in partner schools and districts.

e. Educator Placement. This program provides opportunities for DODEA educators to become employed in locations serving large military populations, thus sharing their expertise in working with military children and their families.

f. President's Foreign Language Initiative. This program provides ongoing support for the President's Foreign Language Initiative where DODEA is working to increase the number and levels of foreign language proficiency of K–12 students in its schools. DODEA will provide its expertise to plan and guide implementation of foreign language programs (especially in Mandarin Chinese and Arabic) in LEAs.

44. Senator CHAMBLISS. Secretary Gates and General Pace, is the Department's intent for this to be an annual funding request, or is it only for fiscal year 2008?

Dr. GATES and General PACE. Global rebasing, force restructuring, and unique requirements for military dependents will continue to affect DOD even after base closures occur. To accommodate the impact of these issues, this will be an annual funding request. The amount will vary as troops move and LEAs request assistance.

45. Senator CHAMBLISS. Secretary Gates and General Pace, is the Department considering other cost sharing initiatives to assist local school systems, and does the Department have additional plans for working collaboratively with other Federal agencies and local/State education agencies to ensure that military children have access to sufficient educational resources and facilities when they arrive at one of the new, highly impacted installations? If so, please explain the extent of these cost sharing initiatives and plans.

Dr. GATES and General PACE. The Department encourages LEAs to work with the Department of Education which has information that enables communities to understand and access opportunities to expand their range of choices (public, private, and charter). These choices include funding and financing alternatives designed to supplement traditional construction financing arranged through county and State government resources. Federal programs provide excess property, funding to assist LEAs secure favorable rates on loans, and grants to assist LEAs with facility repair and refurbishment. Many States have already considered alternative funding for construction, along with alternatives to traditional school facilities, to contend with capacity requirements.

Additionally, the Department is partnering with national associations representing State governments to obtain support. For example, the Department is working with the Council of State Governments to establish an interstate compact, which is designed to ameliorate differences in school systems ranging from differing age requirements to start kindergarten through varying requirements to graduate from high school.

The Department recently hosted the "Department of Defense Conference on Education for Military-Connected Communities" for 17 of the most heavily impacted military communities to share information from a range of experts who have experience with educational facilities, financing, and funding. The after action report is available online at www.militarystudent.org.

Finally, part of the plan to assist schools includes utilizing the expertise of DODEA, which has developed successful practices to educate military children. Congress extended the DODEA charter to share this expertise and experience with LEAs. Such resources include 20 exportable component programs that include foreign language curriculum and support, access to virtual/distance learning technology capabilities and related applications, teacher training, and high quality teaching and learning programs.

PRESIDENT'S STATE OF THE UNION

46. Senator CHAMBLISS. Secretary Gates and General Pace, in his State of the Union address, President Bush proposed the development of a Civilian Reserve Corps. DOD is already relying on the deployment of civilians to support contingency operations, and is looking at strategies to create a more expeditionary workforce. How is the support of DOD civilian deployment accounted for in the budget, and what policies and initiatives are in development to enhance the Department's ability to attract and mobilize the civilian workforce in support of the global war on terrorism?

Dr. GATES and General PACE. The Department primarily funds support for civilian deployments through global war on terror. The Emergency Supplemental Appropriations Act for Defense, the global war on terror, and Hurricane Recovery Act of 2006, contained a provision that authorized the Secretary of Defense to match the benefits offered to Defense civilian employees to those offered by the State Department for its employees in the Foreign Service. These benefits include a provision to provide a death benefit equivalent to 1 year of an employee's salary for those serving in Iraq and Afghanistan. The Department also offers its deploying civilians the option of enrolling in life insurance, specific training related to the area of deployment, and rest and recuperation trips out of contingency zones. We are grateful to Congress for continuing to waive the limitations on the amount of premium pay that may be paid to a Federal civilian employee while the employee performs work in an overseas location that is in the AOR of the Commander, U.S. CENTCOM, and in direct support of, or directly related to, a military operation or operation in response to a declared emergency.

[Whereupon, at 1:30 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, MARCH 15, 2007

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

POSTURE OF THE UNITED STATES ARMY

The committee met, pursuant to notice, at 9:41 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Bayh, Pryor, Webb, McCaskill, Warner, Inhofe, Collins, Chambliss, Thune, and Martinez.

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

Majority staff members present: Jonathan D. Clark, counsel; Daniel J. Cox, Jr., professional staff member; Gabriella Eisen, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Michael J. McCord, professional staff member; William G.P. Monahan, counsel; and Michael J. Noblet, research assistant.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Paul C. Hutton IV, research assistant; Gregory T. Kiley, professional staff member; Derek J. Maurer, minority counsel; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Sean G. Stackley, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Kevin A. Cronin, and Micah H. Harris.

Committee members' assistants present: Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Darcie Tokioka, assistant to Senator Akaka; Caroline Tess, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; Todd Rosenblum, assistant to Senator Bayh; Lauren Henry, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger and Jason D. Rauch,

assistants to Senator McCaskill; John A. Bonsell and Jeremy Shull, assistants to Senator Inhofe; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; Russell J. Thomasson, assistant to Senator Cornyn; Jason Van Beek, assistant to Senator Thune; and John L. Goetchius and Brian W. Walsh, assistants to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. Today Secretary Geren testifies for the first time in his new capacity as Acting Secretary of the Army. General Schoomaker testifies for probably the last time as Chief of Staff. I say probably because, although there are no current plans to invite you again before your change of command, General, we obviously don't know when issues affecting the Army today may necessitate your appearance before the committee before that change of command.

We welcome you both. We again want to give special thanks to you, General, for your decades of service to the Nation and especially for your willingness to answer the call from retirement to lead the Army over the last 4 years during this time of war. We wish you the best of luck in all of your future endeavors and again our gratitude to you for your special service coming out of retirement.

We also want to welcome our visiting soldiers, representing the Active Army, the Army Reserve, and the National Guard, and we thank you for your service and all those that you represent in uniform.

This is indeed an Army at war. The Army has been engaged in Afghanistan for over 5 years, will soon be entering its fifth year of war in Iraq. None of the administration's rosier predictions have come true, I am afraid, but with this surge the number of soldiers engaged in Iraq will approach previously high level marks. Some Army units are on or entering their third year of Afghanistan or Iraq service and some individual soldiers are on their fourth.

While individual Americans may differ in their opinions about these operations, especially about Iraq, all Americans recognize and honor the bravery, the self-sacrifice, the devotion to duty of our soldiers and their families, indeed that of all of our military personnel and their families. For those of us in Congress, no matter how we voted on authorizing the war, whether we have been critics or supporters of the handling of the war, we are determined to see that our troops and their families are supported in every possible way. That determination unifies this Nation, unifies Congress. We're going to support our troops and their families.

We were dismayed to learn that the Army did not meet its obligation to provide for the proper care of injured and wounded soldiers recuperating at Walter Reed Army Medical Center. The concerns expressed by the soldiers in medical hold and holdover status at Walter Reed are more than about physical conditions of the buildings. The bureaucracy is often mind-numbing in its roadblocks and delays. For example, the Army's physical disability evaluation process is in disarray. Soldiers are frustrated because they don't understand the process, they don't understand why it takes months

and months to get a disability rating, they don't understand why their disability ratings are so low when compared to disability ratings awarded by the Veterans Administration (VA).

The recent Army Inspector General (IG) report describes a system which is dysfunctional, does not clearly give our wounded soldiers the treatment that they deserve, and which our laws require. We are committed to shaking up this system so that our soldiers will get a fair and a prompt disability rating.

The heaviest burden in this war has fallen on the Army. Although it appeared somewhat fashionable to question the relevance of ground forces prior to September 11, that can hardly be the case now. The reality of warfare in the 21st century demands both the high intensity force on force combat as characterized in the early weeks of the Iraq war and the grinding, all-encompassing stability and support and counterinsurgency operations of the last few years.

Almost all types of warfare require, in Army parlance, boots on the ground. They require an Army that is optimally organized, trained, and equipped for anything we might ask it to do. The challenge for the Army, for this Nation, and for this Congress is sustaining an Army fully engaged in current operations while also modernizing and transforming that Army to meet future threats. This hearing will help us understand what needs to be done to ensure an Army that is ready for all of its potential missions, both today and in the future.

With respect to current operations, in order to sustain the necessary higher readiness levels in our deployed forces the readiness of our non-deployed forces has declined. Most of those units are not ready, the non-deployed force units. Consequently, getting these units fully equipped and trained for their rotation to Iraq or Afghanistan or other places is that much more difficult and risky. It substantially increases the risk that this Nation faces should those forces be required to respond to other full-spectrum requirements of the National Military Strategy.

The President's plan to plus-up U.S. forces in Iraq with an additional five Army brigade combat teams (BCTs) and a still-evolving combat support commitment puts pressure on an already strained readiness situation. This morning we look forward to an update on the preparation of this plus-up force so that we can be assured that these units will be fully trained and fully equipped before they deploy.

Long before the President announced his new strategy in Iraq, military leaders raised questions about the Nation's readiness to deal with other contingencies in a world which has many dangers and uncertainties. In testimony to this committee just last month, General Schoomaker was direct in his concern for the strategic depth of our Army and its readiness. He was clear in his apprehensions about the short- and long-term risks resulting from the lower readiness levels of our non-deployed forces.

In a marked change of position for the Defense Department, the Army is proposing this year to increase its Active Duty end strength by 65,000 soldiers to 547,000 over the next 5 years. As we enter year 5 of the Iraq war, the proposed increases come late and are substantially larger than increases proposed by Senators on

this committee over the past several years, proposals that the Defense Department previously opposed.

We all understand the stress on our forces in Iraq, but few of these proposed additional soldiers, if any, would be trained and ready in time to help relieve that stress. Therefore it is important that we understand why additional personnel of this magnitude are needed in the long-term when that need was not foreseen by the 2006 Quadrennial Defense Review (QDR) that rejected such force increases. How did the Army arrive at 547,000 as the appropriate size of its Active Force? Do these numbers reflect more what can be achieved rather than what should be achieved? Is the Department of Defense (DOD) committed to funding this proposed increase or does the Army intend to identify offsets within its own budget to grow the additional forces and, if so, at what cost to transformation, modernization, and future readiness?

The administration's proposal to increase the permanent end strength and structure of the Army is welcome, although late. Had we started in earnest to grow the Army even 4 years ago, our forces today would be less stressed and more ready.

We must guard against merely creating a larger version of a less ready force. Army plans for expansion must be comprehensive, detailed, and fully resourced. Congress must understand what is needed to bring our ground forces to the levels of strength and readiness necessary to avoid the unacceptable risks and readiness shortfalls that exist today and to modernize our Army to meet our national security requirements into the future.

Finally, through this hearing we would like to know the impact of the Iraq surge on the Army, including the National Guard and Reserve.

Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. Mr. Chairman, I will put a statement in this morning's record on behalf of the ranking member, Senator McCain.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

Thank you, Chairman Levin. I join you in welcoming our witnesses here today.

Secretary Geren, welcome. You have been in this job for only a few days, but I would like to commend you on your years in public service that date to 1989, when you took a seat in the United States House of Representatives, representing the 12th Congressional District in Texas, for 4 terms. After returning to the private sector, you joined the Department of Defense in September 2001 to serve as Special Assistant to the Defense Secretary. In July 2005, President Bush appointed you as the Acting Secretary of the Air Force until November 2005 and you assumed the post as Under Secretary of the Army in February 2006.

Mr. Chairman, I would particularly like to welcome General Schoomaker—to what will likely be his last appearance before the committee.

General Schoomaker, I join my colleagues in recognizing decades of selfless service that started at the end of the Vietnam War and included participation in Operation Desert One in Iran; Urgent Fury in Grenada; Just Cause in Panama; Desert Storm in Southwest Asia; Uphold Democracy in Haiti; and many other worldwide joint contingency operations as a commander of Special Forces units. I would like to principally acknowledge your last assignment as the 35th Chief of Staff of the Army. Your return to Active Duty from retirement was a remarkable act of selfless service and devotion to duty. Our Nation has benefited greatly from your professionalism, especially during one of the most challenging chapters in the history of

this country. In times of enormous uncertainty and high operational tempo, you stayed focus on the mission and guided the Army with a steady hand.

America has been engaged in this long war against global extremists since the September 11 attacks, and then in combat operations, first against the Taliban beginning in October 2001, and then in a military campaign to oust Saddam in March 2003. It has been a joint service endeavor from the start, but the Army, Marine Corps, and our special forces who have borne a larger share of the combat. Since September 11, over 750,000 Active, Guard, and Reserve soldiers have been, at one time, deployed overseas in support of the war on terror, primarily in the Central Command area of operations. They are all volunteers who have served unselfishly and with great bravery, distinction, and devotion to duty.

While the Army is fighting two land campaigns, it must also transform its structure and capabilities to meet future challenges; sustain the All-Volunteer Force; and cope effectively with the increasing level of stress that our soldiers and their families are weathering. We have a great Army—but, it has been under enormous strain. General Schoomaker, in December 2006, in testimony before the Commission on the National Guard and Reserves you warned that the Active-Duty Army "will break" under the strain of today's war-zone rotations. This is an area of vital concern to the committee.

At today's hearing, the witnesses will be asked about: the Army's readiness; the proposed growth in the Army end strength; Army progress towards modular conversion; balancing the current structure between the Active and Reserve Forces; mobilization policies; the Army's request for multi-procurement authority for the Army Chinook helicopter, Abrams tanks, and Bradley upgrades; the Army's commitment to resource the National Guard's role as an operational force and the States' homeland defense and civil support missions; the Future Combat Systems program; the investment in Army aircraft; and Army plans to remedy conditions found to exist in the Army Medical Command.

In the fiscal year 2008 budget request of $130 billion, the Army, along with the other Services, presented long lists of priorities that were left without funding. I am concerned about the size of the unfunded requirements lists which were submitted with the fiscal year 2008 budget. The Army's fiscal year 2008 budget request is $20 billion more than the 2007 request, and the fiscal year 2007 supplemental request increased by $49 billion, and yet the Army's 2008 unfunded requirements list increased by almost $3 billion.

In closing, people are the Army's most valuable resource. More than 30 years ago, General Creighton Abrams, the 26th Chief of Staff of the Army, said, "The Army is people." These are America's sons and daughters who, each and every day, put themselves in harm's way prosecuting the long war against global extremists—away from those they love and often on multiple tours. Finally, I would like to recognize, with our most sincere gratitude, the Army families who have sacrificed so much, especially those who have lost loved ones, and those who are caring for those wounded in service to our Nation.

I look forward to today's testimony. Senator Levin.

Senator WARNER. I would just like to add my personal observations here, first to our long-time associate here, Secretary Geren. My recollection is you came to the DOD 6 years ago; would that be correct?

Mr. GEREN. Yes, sir.

Senator WARNER. In that period of time you have had six different jobs, is that right?

Mr. GEREN. Just four, sir.

Senator WARNER. Four. You have currently been in the Army secretariat as Under Secretary now for a year and we are fortunate that you are available to take on this assignment as the acting until such time as the Secretary and the President make their determination for a successor. Now, I would hope that they would consider you among the candidates. I think it would be well deserving. I just offer that because you bring an unusual experience of having been a part of the Congress of the United States, which, as we can see by this hearing this morning, an understanding of Congress and an ability to work with them, which you have displayed

in all of your assignments, is very, very key to the position of being a Service Secretary.

So I wish you well, my good friend.

Mr. GEREN. Thank you, sir. I appreciate your kind words.

Senator WARNER. General Schoomaker, my distinguished colleague here, the chairman, has reviewed your record, but I would just like to add. It is extraordinary. You joined the Army in the closing period of Vietnam, and you and I have talked about that period and your recollections of the Army at that time and how everything you have done is to avoid any repetition of what you witnessed in that very stressful situation post-Vietnam when transitioning from the draft to the All-Volunteer Army and how hard you have fought to keep the All-Volunteer Army concept viable and working, I can say I think you have achieved in large measure.

But in that period since the closing year of the Vietnam War when you joined the United States Army, you participated in Operation Desert 1 in Iran, Urgent Fury—these are military combat operations—Urgent Fury in Grenada, Just Cause in Panama, Desert Storm in Southwest Asia, Uphold Democracy in Haiti, and many other worldwide joint contingency operations as commander of Special Forces units; and now your last assignment, as the 35th Chief of Staff of the United States Army. I would say without reservation, well done, sir.

Now, in the final weeks that you have or whatever period it may be, we are going to have to look to you to give us the guidance here in Congress to make sure that we can continue the modernization of the Army and the transformation initiated on your watch.

I have always been an admirer of the force with which you speak and you have spoken out very forcefully on these situations. Let me call your attention to December 2006, just last December, testimony before the Commission on the National Guard and Reserves. You warned that the Active-Duty Army, ''will break,'' under the strain of today's war zone rotations.

This is an area of vital concern to this committee and I hope today you will continue without reservation to express your personal opinions. Sometimes we get lost in all these carefully prepared statements by staff. No disrespect to staff, but every now and then when you just look us straight in the eye and tell us as it is, drawing on all of that incredible experience that you have rendered in uniform on behalf of the United States Army and this Nation. Well done, sir.

General SCHOOMAKER. Thank you, sir.

Chairman LEVIN. Thank you, Senator Warner, so much.

Secretary Geren.

STATEMENT OF HON. PRESTON M. "PETE" GEREN III, ACTING SECRETARY OF THE ARMY

Mr. GEREN. Thank you, Mr. Chairman, Senator Warner, and members of the committee. It is truly an honor to be before you today representing your United States Army.

Senator, if I could, I am here to talk about our budget and our posture statement, but I would like to speak to the Walter Reed issue. You raised it in your remarks. You said the response of Con-

gress was dismay. I can assure you in the Army the dismay was profound. Part of the Army ethos is we will never leave a fallen comrade. That is part of the heart and soul of every soldier in uniform and every civilian that serves in the Army, and what happened at Walter Reed violated that principle, and I can assure you that this Army is committed to making sure that it does not happen again and we are taking steps to ensure that it does not.

I would like to talk about that in a little more detail, though. There is really, the issue that brought some of the problems to light, which was a facilities and the treatment of one outpatient area, but as we have studied this, in fact as we studied it over the past year, we have learned that the system has need of great reform, as you noted in your remarks.

But in order to address the immediate challenges, I would like to tell you what we have done. The infamous Building 18, there is not a single soldier left in Building 18. Every one of those soldiers has been moved out to the Abrams Barracks on the Walter Reed campus. Those are barracks that are appropriate to serve these fine soldiers. They are up-to-date, they are modern. They have computers in them. They have telephones, televisions in them, and they are getting the treatment that they deserve in those quarters.

We have also taken some steps and I think the most important step we have taken is personnel changes, new leadership at Walter Reed, leadership that is charged and feels deeply this responsibility and going to act on it. We happen to have another General Schoomaker out there, General Eric Schoomaker, the Chief's brother. He was appointed in the position as commander of Walter Reed on a Friday afternoon. He was there within hours on the ground with his command sergeant major, and she went to every single room where these soldiers were going to be quartered. That kind of commitment to these soldiers was evidenced from the very beginning.

We have also created a new office that did not exist before. It is a brigadier general. It is a deputy commanding general at Walter Reed, and this general's job is going to be the bureaucracy-buster. In your opening remarks you alluded to the mind-numbing bureaucracy that so many of these soldiers are trapped in. I agree with you, and the job of this general—he is a one-star general, he is a combat veteran. He took this job with enthusiasm. In fact, he was there the next morning after he was notified of his assignment and he is working his full-time deployment to Walter Reed right now. But he shares your commitment and he will be our bureaucracy-buster.

We have also established a new Wounded Warrior Transition Brigade, an O–6 colonel in charge of it, and it has a command sergeant major by the name of Sergeant Major Hartless. He happens to be a combat veteran himself, a severely wounded veteran. He was at Walter Reed and I can tell you from day one his commitment to these soldiers was demonstrated and heartfelt, and he is going to be their advocate. He is going to work with them and make sure that they have the leadership they deserve.

Long-term, we are creating a one-stop soldier family and assistance center out there to make sure a soldier knows where to go and where he can get the assistance he deserves. We are creating a

wounded warrior and family hotline that will be up and operational March 19, 2007, and this is going to come into the Army headquarters; it is not going to be staffed at a low level. This is going to come up, so we make sure that we hear from the grassroots people who can get something done.

We have a team of experts, and Vice Chief of Staff General Richard A. Cody, USA, is heading up an action plan—a team of experts that is going to every single major medical facility, going to report back to the Vice Chief of Staff and to me within 30 days. We have a similar team that is going to examine all the community-based health care organizations that are out there serving our Reserve component soldiers who are assigned to recover and rehabilitate closer to their homes. The Vice Chief of Staff has a teleconferencing initiative where he meets by secure video teleconferencing system with the hospital commanders regularly, hears what their needs are, and we are creating a formal patient advocacy program.

You also mentioned the DOD IG. The IG began his work a year ago, his report very timely, and the Army leadership is embracing that report and we are working to update the Army regulations. As he has noted there, the timeliness standards were not up to standard. Training standards needed updating, quality controls, automated systems. I have already met with Major General Gale S. Pollock, USA, Acting Surgeon General, and this is her top priority and she is working with that, and the IG is going to remain engaged to make sure we get it done.

We also have the issue that has come up and some of your colleagues have raised, appropriate and timely pay to these wounded warriors. We are reviewing that system and making sure we do everything we can to make sure they get paid on time and get the benefits they deserve.

Senator, again the dismay that we experience as an Army, the pain that this institution felt when we let wounded warriors down, I can assure you is profound, it is heartfelt, and our soldiers are moving out. There are going to be long-term fixes proposed. Congress will be working these. Legislation has already been proposed. The President has proposed commissions under the able leadership of former Senator Robert J. Dole, and former Secretary of Health and Human Services, Donna E. Shalala.

We have internal investigations under way. We have to look at the overall system. But I can assure you we are not waiting on those policy decisions. We are moving out to the extent we can and we are going to be a part of the long-term solution as well.

Two weeks ago the last combat veteran of World War I died. He was 109 years old. That gives you a sense of the kind of challenge we have ahead of us. We live longer today than we did then. We have severely-wounded warriors that are surviving wounds they would not have survived in the past, and we as a Nation have to make up our minds that we are going to step up and meet their needs, and I can assure you your Army is committed to doing our part.

Let me turn now to the posture statement. Our budget lives up, I believe, to our commitment to soldiers and their families. They are our priority. I know they are this committee's priority. Let me say at the beginning, thank you for the support you have given the

Army over the decades, over the centuries frankly. The soldier has no better friend than this committee and we thank you for that.

Our top priority is meeting the needs of the soldiers and their families. There are 130,000 soldiers in combat, soon to be 150,000. They are the best-trained, best-led, best-equipped soldiers we have ever put in the field, and this budget is going to ensure that we continue to be able to provide that kind of combat-trained soldier in the field.

This budget also assures that we are going to have a quality of life for our soldiers that matches the quality of their service. This has a 3 percent pay raise in it. It has base operating support and facilities sustainment, restoration, and modernization at 90 percent.

Four years ago, the operating account for the facilities was 40 percent lower than it is now. We are making a commitment to soldiers and their families to make sure that they have the quality of life that they deserve.

We are putting a heavy burden on the soldiers, it is well known, but a heavier burden on the families, and all of you who work so closely with our soldiers and their families, you appreciate the stress on those families, and this investment is an investment in those families.

The stress on the force is obviously the war. But even without the war this is an extraordinarily busy Army. We are working through the Active component and the Reserve component rebalancing. We are undertaking the modularity initiative. We are adding end strength, 65,000 in the Active, 8,000 in the Reserve, and 1,000 in the Guard. The reset and modernization and business transformation—we are asking a lot of our soldiers and families, and this budget makes those investments.

Another point that I would like to make is this budget represents an investment in the total force, one Army, Active, Guard, and Reserve. They train as one and they fight as one. Our budget from 2005 to 2013 has a $36 billion investment in the Guard equipment, $36 billion, unprecedented. Sixty-five percent of all of our new trucks are going to the Guard. Forty percent of our new helicopters are going to the Guard and Reserve. The Guard and Reserve are no longer part of the strategic Reserve. The Guard and Reserve are part of the operational force and this budget and this Program Objective Memorandum (POM) reflects that.

Force protection. This makes a continuing investment in force protection and we commend this committee for its leadership in this area, but this continues to ensure that we have the best equipped and best protected soldiers.

Let me mention one thing in closing. We have a supplemental and Base Realignment and Closure (BRAC) funding before you today to communicate to you the urgency of moving that supplemental and moving that BRAC funding on time. We experienced last summer a delay and the impact on soldiers and their families and our training opportunities was serious. I just urge Congress to help us meet our financing needs by getting our supplemental to the President, to us, by late April.

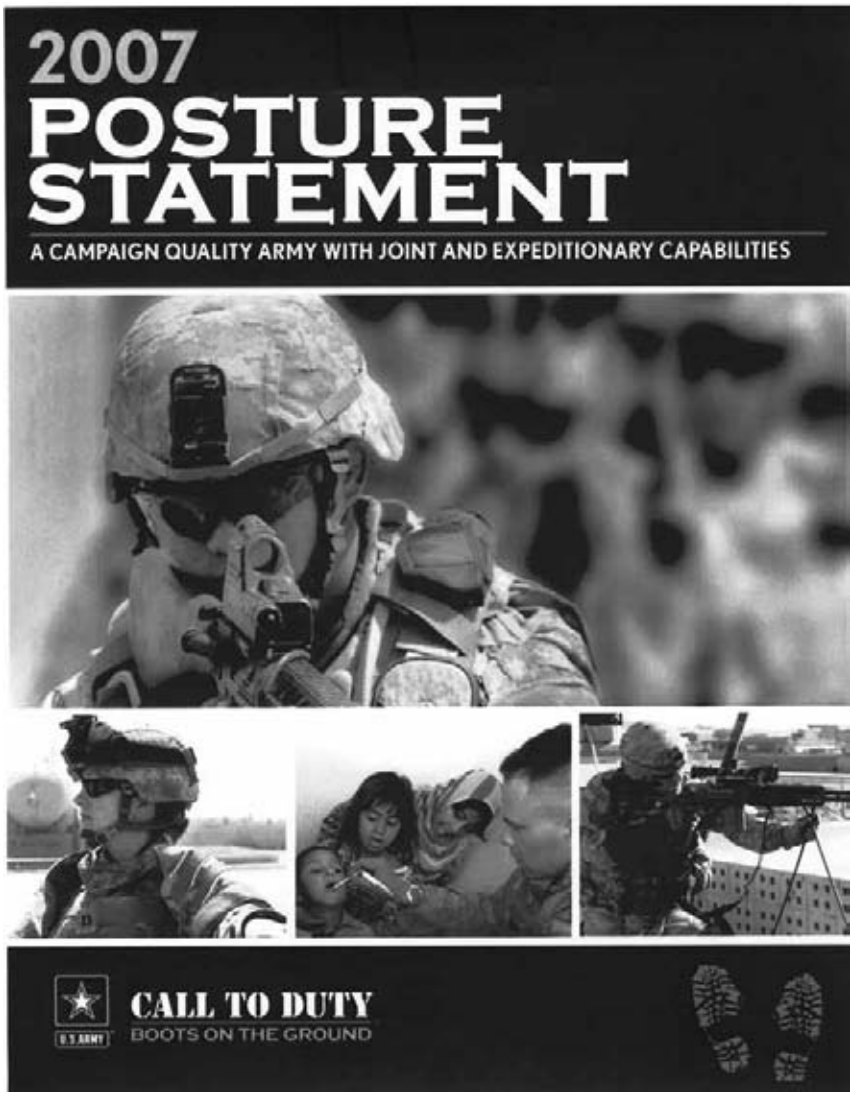
Mr. Chairman, thank you very much for the opportunity to address the committee and I stand ready to answer questions. Pardon

me, let me say one thing about my colleague to the left. There is little I could add to what you and Senator Warner said about Pete Schoomaker. But I would say, having worked with him fairly closely for the last couple years, he is a leader of extraordinary ability. I think that when history looks at the last 4 years that he served it will note that Pete Schoomaker was one of the great leaders in our United States Army. The work before this, how he helped make the Special Forces that we have today and how he has transformed the force right now—extraordinary leader.

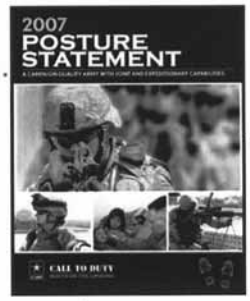
Yesterday Pete Schoomaker said to me, he recalled a country music song. He said: I would rather have 10 minutes in the saddle than a lifetime in the stands. Well, he has had a lifetime in the saddle and he claims that he is heading for the stands now. I do not believe it. I will believe it when he sees it—when we all see it.

Pete Schoomaker, thank you for your service to our Army. Thank you for your service to our soldiers. A great American. Thank you very much, chief.

[The 2007 Army Posture Statement follows:]


2007
POSTURE
STATEMENT
A CAMPAIGN QUALITY ARMY WITH JOINT AND EXPEDITIONARY CAPABILITIES
CALL TO DUTY
BOOTS ON THE GROUND

- ***Soldiers are the Army.***
- Fully trained, properly equipped, and well led Soldiers are what we provide to Combatant Commanders and the Nation.
- *This is why we proudly feature Soldiers on our cover.*



- Organized, manned, trained, and equipped to conduct sustained campaigns on land, as part of joint, interagency, and coalition formations.
- Designed to conduct expeditionary operations – requiring rapid deployment of our forces to remote, austere theaters of war – and to fight or conduct stability operations immediately upon arrival.
- Transforming and modernizing to improve our capabilities for campaigns and expeditionary operations.

- Soldiers continue to answer the Call to Duty, as they have for over 230 years.
- Soldiers play an indispensable role on the ground to fight and to promote stability.
- Our Nation's problems will evolve; however, our need for "*boots on the ground*" will remain an enduring constant.

A STATEMENT ON THE
POSTURE OF THE UNITED STATES ARMY 2007

submitted by

THE HONORABLE FRANCIS J. HARVEY and
GENERAL PETER J. SCHOOMAKER

to the Committees and Subcommittees of the

UNITED STATES SENATE

and the

HOUSE OF REPRESENTATIVES

1st SESSION, 110th CONGRESS

February 14, 2007

America remains at war. This is one of the most dangerous times in our history. We retain the confidence of the Nation as we engage in a long struggle against global terrorism and the conditions that give it life and sustain it. Since 9-11, well over 700,000 active and reserve Soldiers have deployed overseas in support of the war on terror.

Today, almost 600,000 Soldiers are on active duty, serving in nearly 80 countries worldwide. While fighting, we are continuing to prepare our Soldiers, leaders, families, civilians, and forces for the challenges they will face. *Our commitment to current and future readiness in the face of uncertainty* is driving how we are transforming; modernizing; and realigning our entire global infrastructure of bases, depots, arsenals, and equipment sets.

To fulfill the central role that will be demanded of landpower in the 21st Century, we are becoming a strategically agile, expeditionary force reliant on modular brigades. These modular brigades are designed to deal with the full spectrum of challenges our Nation will face. Their effectiveness in current theaters of operation today validates that we are moving in the right strategic direction.

The recent decision to expand the size of the Armed Forces – specifically our ground forces – reflects clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the increasing level of stress that our Soldiers and families are weathering as a result of unprecedented levels of strategic demand over the past five years.

To continue to accomplish our mission in service to the Nation, we require support to:

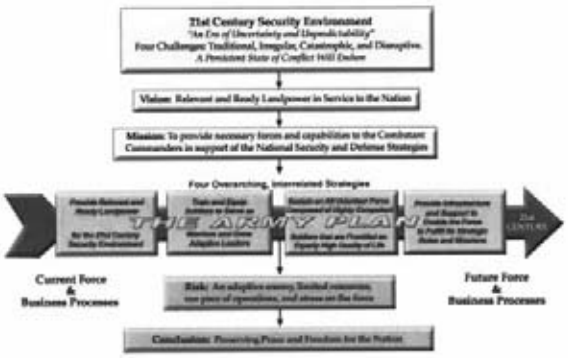
- Ensure full, timely, and sustained funding to be ready for current and future challenges;
- Expand the size of the Army to build strategic depth and to enhance readiness across all components of the force;
- Implement new policies to assure recurrent, predictable access to Army National Guard and Army Reserve units in order to meet sustained global demand for Army forces;
- Enhance wartime authorities to improve commanders' ability to deal with emerging, in-theater operational demands and to build the capabilities of strategic partners; and
- Support to sustain our All-Volunteer Soldiers, their families, and our Army Civilians and to maintain the trust of the American people, whom we serve in this time of war and uncertainty.

We have received considerable support to execute current operations, to reset our forces, and to build a modular Army. We will need additional support to close the gap between requirements and resources, particularly as we maintain an extraordinarily high operational pace and grow the Army. This support must not be provided at the expense of our future readiness. To break our historic cycle of national unpreparedness, America must invest prudently and predictably in defense, which it can afford to do.

To meet the needs of the Combatant Commanders and the Nation, the Army will require the full level of the resources requested in the base budget and in supplemental appropriations.

Peter J. Schoomaker
General, United States Army
Chief of Staff

Francis J. Harvey
Secretary of the Army



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* Addenda Located on Web and CD-ROM Version Only

Notes:
[1] The Posture Statement is designed to reinforce the testimony of the Secretary of the Army and the Chief of Staff, Army.
[2] It addresses the Army's posture and compelling needs for 2008. It is a primary portal to learn about the Army.
[3] The Posture Statement is available at http://www.army.mil/aps/07.
[4] The electronic version includes a series of addenda and hyperlinked information papers (indicated by blue type) to promote greater understanding.
[5] The Posture Statement is produced by the Executive Office of the Headquarters Strategy Group, ExecutiveStrategyGroup@hqda.army.mil.

EXECUTIVE SUMMARY

Soldiers are serving today in one of the most dangerous periods in our history. They are making enormous contributions and sacrifices at the forefront of the Global War on Terror. Their *"boots on the ground"* have enabled historic elections in Afghanistan and Iraq and will be required for democratic institutions to take hold. Operating as part of the Joint Team, our Soldiers are preventing attacks on the Nation, responding to natural disasters at home and abroad, helping to secure our borders, and underwriting our nation's commitment to defend its interests.

In light of the growing threats to the Nation posed by states and non-state movements and organizations, the environment in which our Soldiers will operate will remain extraordinarily dangerous for the foreseeable future. Our mission within this environment will remain largely unchanged. The Army, as a vital ground component of the Joint Team, will be required to conduct prompt, sustained combat and stability operations. We will continue to provide the forces and capabilities to the Combatant Commanders needed to sustain the full range of U.S. global commitments in the face of growing challenges.

As U.S. ground forces have demonstrated so vividly since 9-11, the ability to operate in the "human dimension" – to directly confront, to defeat, or to otherwise influence our adversaries – can only be provided by putting *"boots on the ground."* Ground forces will play a central role in countering the spread of radical ideologies, influencing people, and bringing order and stability to troubled areas worldwide. This capability will become increasingly important for the Nation and its friends, allies, and coalition partners.

To prepare our Soldiers for the challenges they will face today and tomorrow, and to sustain anticipated levels of demand for Army forces which far exceed deployments to current theaters of operation, we seek to accelerate critical aspects of our transformation.

GUIDING OUR TRANSFORMATION

- Whole Cohesive Units
- Adaptive Leaders and Soldiers
- National Commitment
- Holes in the Force

Recent decisions to expand the size of the Armed Forces – specifically our ground forces – reflect clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the increasing level of stress our Soldiers and families are weathering as a result of unprecedented levels of strategic demand over the past five years.

This recognition must be matched by commensurate levels of national commitment that result in timely, adequate, and predictable resourcing and support. These resources are required to sustain the capacity to wage war and to transform – to build our force in a balanced, coordinated fashion, while providing adequately for the needs of our All-Volunteer Soldiers and their families, across our active and reserve components.

The purpose for our expansion is to build readiness for current and future challenges. We know from our national experience that this is a time consuming process – that depends not only on manning and equipping, but also on training and caring for our people. Likewise, our capacity to grow military forces depends on our capacity to grow and maintain the infrastructure needed to train and sustain these forces.

As we move to expand the size of our force, we will adhere to the four key ideas which have guided our transformation in recent years:

- **Whole Cohesive Units.** First, we remain committed to producing units that are ready for the challenges they will face and to overcoming years of underfunding prior to 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.
- **Adaptive Leaders and Soldiers.** Second, we recognize that intellectual change precedes physical change. For this reason, we are developing qualities in our leaders, our people, our forces – and the institutions which generate and sustain them – that will enable them to operate effectively amidst uncertainty and unpredictability. We describe the leaders we are creating as *"pentathletes,"* whose versatility and agility

– qualities that reflect the essence of our Army – will enable them to learn and to adapt to new situations in a constantly evolving environment. To ensure that our Soldiers are well led, we are now actively implementing the findings of a comprehensive review focused on how we train, educate, assign, and develop our officers, noncommissioned officers, and civilian leaders.

- **National Commitment.** Third, reinforced by American military experience, we believe that our Soldiers' effectiveness depends upon a national commitment to recruit, to train, and to support them properly. This commitment demands consistent investment in their equipment and supporting infrastructure. We are acutely aware of fiscal constraints; however, we remain firm and unwavering in our determination to fulfill our duty to do what is right for our Soldiers, their families, and the Nation. We are equally determined to improve support for our Soldiers and their families. Our objective is to provide *a quality of life* that matches the *quality of service* they perform for America.
- **Holes in the Force.** Fourth, we remain mindful of our position at the start of the long struggle in which we are now engaged. After years of insufficient investment in the Army, many of our units were under-equipped and not ready for deployment, especially in our reserve units. To meet Combatant Commanders' immediate wartime needs, we pooled equipment from across the force to equip those Soldiers deploying into harm's way – a practice that we are continuing today to meet current operational demands. This practice increases risk in our ability to perform other critical missions, as observed in our Army National Guard during Hurricanes Katrina and Rita, and in our assessment of our ability to respond to other strategic contingencies.

  With help from the President, the Secretary of Defense, and the Congress – through base and supplemental appropriations – we have addressed many of our equipment shortfalls. Supplemental appropriations, however, have not enabled the Army to "get well," as they are intended to pay for the costs of war, principally through the purchase of consumable supplies and the replacement of battle losses. Even with full resourcing, we would still have much to accomplish to mitigate risk as currently assessed (by the Department of Defense and the Chairman of the Joint Chiefs).

Reducing Risk To The Force

- Obtain Full, Timely, and Predictable Funding
- Grow the All-Volunteer Force
- Reset the Force
- Improve Wartime Authorities and Resources
- Transform the Force
- Modernize by Accelerating the Fielding of Advanced Technologies
- Station the Force to Meet Emerging Strategic Demands
- Transform Business Practices

Our need to build readiness to sustain the current mission, to remain relevant and ready to meet future challenges, and to maintain risk at acceptable wartime levels, translates into a set of core objectives which the Army must achieve:

- **Obtain Full, Timely, and Predictable Funding to Sustain the Army's Global Commitments.** *Full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations is required to build readiness needed to execute the National Defense Strategy and to pay for the costs of war.* Full funding will enable the Army to provide adequately for Soldiers, families, and Army Civilians; to accelerate key aspects of our transformation; and to maintain the momentum of vital training programs, modernization, and critical stationing initiatives.
- **Grow the All-Volunteer Force to Sustain the Long War.** *Support and full funding is needed to continue to achieve our goals for attracting and retaining high quality people in each of our active and reserve components.* This funding will facilitate the expansion of our operational, deployable force pool – which is vital to sustaining the effectiveness and health of the All-Volunteer force, now being tested for the first time in a long war.

- **Improve Wartime Authorities and Resources for Soldiers and Commanders in Combat.** *Changes are needed to eliminate unintended constraints on programs such as the Commander's Emergency Response Program, the Logistics Civil Augmentation Program, and in administering security cooperation and assistance programs, as well as furnishing humanitarian assistance.* In addition, continued Congressional leadership will be required to support programs and initiatives to protect Soldiers (to counter Improvised Explosive Devices, to provide up-armored vehicles, to field individual body armor, etc.) and to better equip Iraqi and Afghan police, security, and military forces.s
- **Reset the Force to Ensure Readiness for Current and Future Challenges.** *Full funding is needed to restore units – a process with both materiel and human dimensions – to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions.* To be ready, we must not only ensure that battle damaged items are repaired, recapitalized, or replaced; we must also enable our Soldiers and families to recover from the stress of combat and prolonged separation. Resetting the force will require sustained, predictable funding for several years beyond major deployments.

- **Transform the Force to Sustain the Full Range of our Global Commitments.** *Full funding for Army transformation is needed to create an operational, deployable pool of 76 modular Brigade Combat Teams and approximately 225 Support Brigades.* Our transformation is improving our ability to execute and support protracted campaigns by increasing the depth and breadth of our overall capacity. We are converting to more capable modular formations, balancing the size and capabilities of our active and reserve components, and stabilizing our force.

  Our transformation will be reinforced by an Army-wide readiness model to support expeditionary, rotational deployment. This system is designed to: improve the readiness of our non-deployed forces across all components; reduce stress on Soldiers, families, and equipment; improve predictability for employers of reserve component Soldiers; end the need to extend deployments in theater to provide active component Soldiers at least one year at home before redeploying them; and manage the force to achieve our goal of one year deployed with two years at home station for these Soldiers.

  This system requires recurrent, assured, and predictable access to our reserve component units who – because of strategic decisions and operational necessity – have become a vital part of our deployable force pool.

- **Modernize by Accelerating the Fielding of Advanced Technologies to our Soldiers Today.** *Full funding of the Army's modernization program is needed to accelerate aspects of Future Combat Systems (FCS) development, aviation programs, and over 300 other key modernization initiatives.* FCS is our first major modernization program in several decades and is our most critical investment program. In 2008, to enhance combat effectiveness today, FCS will begin to "spin out" key technologies to our current forces – a process projected to continue in roughly two-year intervals. FCS is enabling Soldiers – from our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns – to deal with the full spectrum of challenges they will face.

- **Station the Force to Meet Emerging Strategic Demands While Providing Infrastructure and Services to Enable Mission Accomplishment.** *Full funding and timely passage of key appropriations is needed to achieve the framework of a new global basing posture by 2011 and to enable our installations to deliver a quality of life for our Soldiers, families, and Army Civilians that matches the quality of the service they provide to the Nation.* Our plan will improve our ability to fulfill national strategic requirements and to do so far more efficiently than today. Moreover, the funding provided to the Army will enable us to allocate significantly greater levels of resources to improve the quality and effectiveness of the facilities we depend on to: train, maintain equipment; house and care for our Soldiers, and provide safe, modern working conditions for our Army Civilians.

  Our capability to meet current force requirements and to grow our forces, depends on adhering to an extremely complex, intricate schedule to realign our entire global infrastructure of bases, depots, arsenals, and other facilities. Our ability to remain on schedule depends on timely execution of a diverse range of military construction projects and supporting activities (e.g., environmental assessment studies and remediation projects). Timely passage of military construction appropriations is needed to prevent the effects of delays from cascading into other areas of Army activity that put at risk our ability to accomplish our mission – to provide trained, ready forces to meet the Combatant Commanders' needs.

  The resources provided in 2007 and 2008, through base and supplemental appropriations, are needed to enable the Army to adhere to the schedule established by law, and to sustain our All-Volunteer Soldiers and their families, now bearing the stress of more than five years of war.

- **Transform Business Practices to Better Enable Army Transformation.** *Continued support is needed to execute Army Business Transformation and achieve targeted efficiencies through: management reform; acquisition reform; comprehensive redesign of the organizations and business processes that generate, deploy, and reset forces; consolidation of bases and activities; military to civilian conversion programs; and performance measurement enhancements.*

This remains a pivotal time for the Army. We will continue worldwide operations to support the war on terror and to sustain the full range of our global commitments. At the same time, we will maintain our focus on transforming the force, our global infrastructure, and our supporting business processes.

Four overarching, interrelated strategies form the core of our plan – which we call The Army Plan. This plan is enabling us to accomplish our mission today and to realize our vision over time: *to remain the preeminent landpower on Earth – the ultimate instrument of national resolve – that is both relevant to, and ready for, the challenges of the dangerous, complex 21st Century security environment.*

Our strategies are summarized in Figure 1. Our compelling needs – expressed in terms of the resources and support we require to execute these strategies – are summarized in Figure 2.

These strategies are driving change at an unprecedented pace. We are making enormous progress in "shifting the weight" of our intellectual and organizational focus from traditional challenges to be better prepared for irregular, disruptive, and catastrophic challenges.

We are developing a broad set of capabilities to deal with, and quickly adapt to, the full spectrum of challenges we will face. Our forces are becoming more powerful, more flexible, and more deployable. We are improving our ability to operate with our joint and coalition partners. We are also working, while at war, to relieve stress on our Soldiers, families, and Army Civilians to sustain the viability of our All-Volunteer force – which is perhaps our greatest strategic challenge.

The resources and support provided to the Army in 2007, 2008, and beyond will enable us to maintain the momentum of key programs and to accelerate critical aspects of our transformation. Moreover, this funding will determine our ability to continue to accomplish our mission, to complete the shifting of our weight, and to prepare our Soldiers to deal with the challenges they will face today and tomorrow.

Four Overarching, Interrelated Strategies
Provide Relevant and Ready Landpower
We are improving our capabilities to achieve victory in the war on terror and sustain all of our global commitments. While fighting, we are:
• Accelerating our efforts to transform and to modernize.
- Transforming to create an active and reserve component pool of 76 modular Brigade Combat Teams and approximately 225 Support Brigades.
- Modernizing – the first time in decades – to develop Future Combat Systems, new aviation systems, and over 300 advanced technologies and systems.
• Building a modular force in which brigades – not divisions – can "plug into" joint and coalition task forces in expeditionary and campaign settings.
• Improving readiness to deal with traditional, irregular, catastrophic, and disruptive challenges.
• Building depth (more) and breadth (more kinds) of capability to ensure Soldiers and units can adapt to these challenges.
- Growing the Army and accelerating the availability of more brigades, to increase our strategic depth, and to relieve stress on Soldiers and equipment.
- Developing more kinds of capability by making our brigades more powerful, versatile, deployable, and relevant to new challenges.
- Transforming our supporting organizations to better enable the execution of combat and logistics operations.
• Creating improvements in: Sustaining the Force, Actionable Intelligence, Stability Operations, Homeland Defense, Operating in Complex Environments, and more.
• Ensuring that every investment in our current force benefits our future force.
Train and Equip Soldiers and Grow Adaptive Leaders
We are better preparing our Soldiers for the rigors of war and developing our leaders to serve as multi-skilled pentathletes able to thrive amidst complexity and uncertainty. Recognizing that intellectual change precedes physical change, we are:
• Producing Soldiers armed with the mindset, values, and combat skills to serve as competent, resilient warriors.
• Reinforcing a commitment to our Warrior Ethos among all our Soldiers and Army Civilians.
• Enhancing education and training programs throughout the Army: at home stations, at our Combat Training Centers, within our schools, by leveraging distance learning methods – and by increasing opportunities for graduate level education.
• Growing innovative, adaptive leaders through training and education programs that quickly apply lessons learned during combat, stability operations, reconstruction, and in providing support to civil authorities.
• Enhancing our capabilities by providing the best possible training, weapons, sensors, protection, and equipment to our Soldiers.
• Expanding our emphasis on language training and enhancing cultural awareness in our military education programs.
• Improving our Soldiers' abilities to operate in complex environments overseas and with other governments and militaries to strengthen the capacity of partner nations.
Provide Relevant and Ready Landpower for the 21st Century Security Environment
The Army Vision is to remain the preeminent landpower on Earth – the ultimate instrument of national resolve – that is both relevant to, and ready for, the challenges of the dangerous, complex 21st Century security environment.
Provide Infrastructure and Support to Enable the Force to Fulfill its Strategic Roles and Missions
Sustain an All-Volunteer Force
Our continuing success in accomplishing the Army mission is directly attributed to the talented men and women of our Army who provide "boots on the ground" around the world. We are sustaining the All-Volunteer force by:
• Honoring our commitment to care for these versatile young Americans and their families.
• Enhancing numerous programs for housing, education, health care, and other areas to improve how we support our Soldiers and their families.
• Promoting a greater sense of belonging to units and communities to build readiness and cohesion, while reducing uncertainty.
• Executing a full range of initiatives to recruit and retain Soldiers with the right aptitudes and attitudes.
• Working to match the quality of life that our Soldiers enjoy to the quality of service they provide to the Nation.
Provide Infrastructure and Support
To better enable the force to fulfill its strategic roles and missions, we are:
• Adjusting our global footprint to be better positioned for the challenges of the 21st Century and to achieve victory in the long war on terror.
• Transforming our installations, depots, and arsenals – and the information network that connects them – to become more efficient and better able to support the Army's mission, at home and abroad.
• Changing how we conduct the business of the Army – finding ways to improve, to increase productivity, and to maximize the use of every dollar.
• Transforming the Army's structure, systems, processes, and logistics automation to enable Soldiers to sustain the full range of our global commitments.
www.army.mil/aps/07

Figure 1

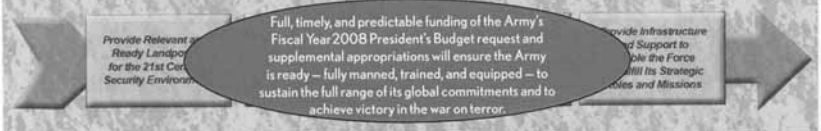
Compelling Needs

Provide Relevant and Ready Landpower

- Provide full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations required to build readiness to execute the *National Defense Strategy* and to pay for the costs of war.
- Fully fund the Army's requirements to reset the force. Full funding is needed to restore units – a process with both materiel and human dimensions – to required levels of readiness to execute projected operational deployments, while remaining prepared for future contingencies and homeland defense.
- Fully fund the Army's plan to grow our Operating Force and to restructure all components of our Operating and Generating Forces.
- Fully fund continuous modernization of the current force through Future Combat Systems, aviation programs, and other key supporting programs which include: increasing Soldier protection, developing advanced technologies, transforming LandWarNet, transitioning Joint Network Node to Warrior Information Network–Tactical, and rebalancing active and reserve component units and skills.
- Provide support to accelerate the momentum we have established to transform the Army through modular conversions in Fiscal Years 2007 and 2008 which will:
  - Continue or complete conversion of 17 Brigade Combat Teams (1 AC, 16 ARNG).
  - Continue or complete conversion of 27 Multi-functional or Functional Support Brigades (12 AC, 8 ARNG, 7 USAR).
  - Begin conversion of 16 Brigade Combat Teams (4 AC, 12 ARNG) and 2 ARNG Headquarters.

Train and Equip Soldiers and Grow Adaptive Leaders

- Fully fund Army Operations and Maintenance accounts to develop the readiness – of fully manned, trained, and equipped units – that are able to execute the full spectrum of operations.
- Fully fund modernization programs to accelerate the delivery of advanced technologies to Soldiers to increase their effectiveness and protection.
- Provide continued support to reset, repair, replace, or refurbish Soldiers' equipment needed for combat, training, and homeland defense.
- Support to implement Army Leader for the 21st Century policies, programs, and initiatives designed to build *pentathletes*.
- Fully fund planned infrastructure improvements – including new construction and upgrades to existing training facilities and ranges – to support our Combat Training Center Program and our capacity to conduct tough, realistic training at our home stations.
- Fully fund programs to expand our capacity to train Soldiers and grow adaptive leaders at our Combat Training Centers, at home stations, and across our institutional training base to enable the growth of the Army.
- Fully fund programs and initiatives to support the ongoing expansion of language and cultural awareness programs in our schoolhouses and in our unit based activities.



Sustain an All-Volunteer Force

- Fully fund and support critical recruiting and retention goals to enable the Army to grow by:
  - Achieving accession and retention goals across all components of the Army by providing incentives, recruiters, advertising, and other support.
  - Continuing support for Army initiatives designed to increase stability and enhance predictability for Soldiers and families in both our active and reserve components.
- Fully fund programs designed to sustain the propensity to serve – demonstrated by our Soldiers, their families, and our civilian employees – and to ensure a *quality of life* that matches the *quality of their service* by:
  - Supporting initiatives to provide quality housing for Soldiers and their families at our installations.
  - Supporting initiatives to improve medical care, in both active and reserve components, that attest to the Nation's concern for Soldier well-being.
  - Supporting construction of Child Development Centers, Youth Centers, Fitness Centers, Recreational Facilities, and Chapels.

Provide Infrastructure and Support

- Fully fund and support the execution of a carefully synchronized plan to achieve a new global basing posture – and to grow the Army – while fulfilling the requirements of the *National Defense 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 (a situation that will require continuous reevaluation in future years).
- Fully fund and support efforts to synchronize Global Defense Posture Realignment, Base Realignment and Closure, and numerous initiatives required to complete the realignment of our global infrastucture of bases, depots, arsenals, and other facilities.
- Fully fund Base Operations and Sustainment accounts to provide uniformly high standards of service for our Soldiers, families, and Army Civilians, while ensuring predictable spending levels needed to plan and execute operations at all of our installations.
- Fully fund Sustainment, Restoration, and Modernization accounts to slow the rate of deterioration of Army infrastructure.
- Fully fund the Installation Information Infrastructure Modernization Program.

www.army.mil/aps/07

Figure 2

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

In the five years since 9-11, the international security environment has become increasingly dangerous. Military commitments – requiring ground and Special Operations Forces – have increased on a global scale. Sustained levels of force deployment have stressed our Soldiers, their equipment, and the institutions that generate them. The likelihood of sustained strategic demand for Army forces underscores the need to improve our readiness for both current and future challenges.

We need sustained support and timely, predictable funding to keep requirements and resources in balance – in the face of growing threats to the Nation. We will continue to conduct operations to prevail in the war on terror and to execute a range of initiatives designed to improve our strategic posture to deal with the challenges we will face.

We are increasing our capabilities to deal with the challenges we face today. In light of the clearly foreseeable challenges now emerging, we must accelerate our preparation for those we will face tomorrow. We remain steadfast in our determination to:

- Transform and modernize to build a far more capable, relevant Army;
- Realign our global infrastructure of bases, depots, arsenals, and equipment sets; and
- Sustain our All-Volunteer Soldiers, their families, and our Army Civilians.

Recent decisions to expand the size of U.S. ground forces reflect clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers America faces, the importance of our mission, the central role that ground forces will perform to defend the Nation, and the stress that our All-Volunteer force is weathering.

This decision puts us on a path to greatly enhance the depth and breadth of Army capabilities, yet will require several years, considerable resources, and a sustained national commitment to bring to fruition. Over time, this decision will alleviate strategic risk. To implement the changes required to prepare for the future, while continuing our current pace of operations, we require timely, sufficient resources, and rapid implementation of policies designed to assure recurrent, predictable access to all of our components.

Figure 3

Complexity and Uncertainty

The *National Defense Strategy* identifies an array of traditional, irregular, catastrophic, and disruptive challenges that pose distinct threats to our Nation (Figure 3). These threats are growing increasingly more complex due to:

- The decline in the military primacy of *states*, resulting from the rise of *non-state* extremist movements and organizations;
- The corresponding deterioration in our adversaries' adherence to international law and norms, intended to govern the character and conduct of warfare;
- The rise of globalization, which is creating both opportunity and vulnerability due to the growing inter-dependence of international financial, commercial, information, and transportation systems;
- The diffusion of technology, which is increasing the availability and killing power of weaponry,

while creating new challenges for space and communications systems;

- The dramatic growth of the internet and cellular communications, which is creating low-cost, effective means to rapidly move information, transmit instructions, shift resources, and shape perceptions in unprecedented ways; and
- Growing disparities among *"haves"* and *"have nots"* in the international order, compounded by feelings of hopelessness and despair, which are creating fertile ground to sow the seeds of hatred and radicalism.

We will be confronted with increasing threats posed by a growing number of transnational organizations and movements, who will wage irregular warfare. We will continue to face threats, posed by nation-states that will involve large scale conventional military forces in more regular forms of warfare.

Fueled by ideologies that oppose our Nation's bedrock values, extremist groups like al-Qaeda and other enemies, supported by the states and groups who sponsor them, are committed to reducing America's global presence – and to destroying American society. They will seek to oppose the United States asymmetrically – by employing terror, information warfare, and the most deadly, casualty-producing weapons available. Al-Qaeda's goal is clear: to gain control in the Islamic world by establishing a unified caliphate, stretching from North Africa to Indonesia, and to expand its influence well beyond these regions.

Enemies like al-Qaeda are ruthless, unconstrained, and expert in distorting and exploiting the power of religion to further their ends. Ongoing counter-terrorism and counter-insurgency operations in Iraq, Afghanistan, and elsewhere reflect the tough challenges involved in confronting savage, extremist adversaries in highly complex environments. We are fighting smart, adaptive opponents who are leveraging the opportunities presented by globalization to conduct brutal, indiscriminate, and unprecedented attacks.

These adversaries will be neither deterred by nuclear or conventional forces nor defeated in battles with decisive outcomes. Previous concepts for intelligence and warning do not adequately address the threats we now face. To prevail in this struggle, the Nation must remain vigilant, improve interagency cooperation, and employ all instruments of national power – diplomatic, informational, military, and economic – in a rapid, concerted, and fully integrated manner.

Military conflict will be waged increasingly in the human dimension – *which underscores the need to be able to directly confront, to defeat, or to otherwise influence adversaries on the ground.* This need can only be met with *"boots on the ground,"* as U.S. ground forces have demonstrated so vividly since 9-11. Ground forces, able to conduct sustained operations, will be required to counter the spread of radical ideologies, to influence people, and to bring order and stability to troubled areas.

The security environment in which our Soldiers will operate is becoming increasingly uncertain and unpredictable. Their environment will be influenced by:

- International progress in the war on terror;
- The commitment and stability of key international institutions and the governments of allies and partners in the war on terror;
- The actions of states and non-state extremist movements and organizations who oppose democratic reform in the Middle East and elsewhere, particularly in Iraq, in Afghanistan, and in the emerging Palestinian State;
- The ability of existing governments to perform traditional state functions – and to deny safe haven for terrorist organizations – amidst increasing economic pressures and demands for energy, water, and other natural resources;
- Progress in controlling the proliferation of nuclear weapons and other weapons of mass destruction;
- The nature and outcome of military competition (on land, sea, air, and space) at both regional and global levels;
- The potential for adversaries to disrupt critical land based and space based communications systems; and
- Decisions in key areas which include: defense priorities amidst growing national fiscal pressures and the pace and level of resourcing for both Base Realignment and Closure and Global Defense Posture Realignment initiatives.

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 for both current and future challenges.

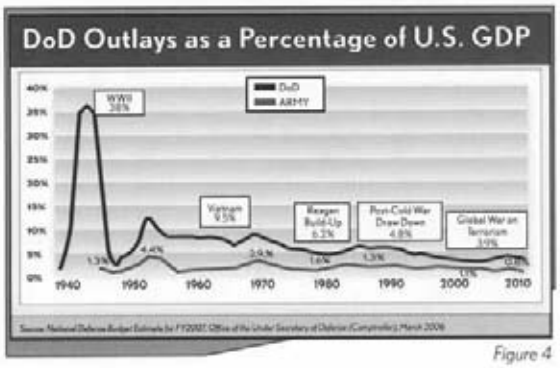


Figure 4

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. GDP increased over 300 percent between 1968 and 2005, from $3.7 to $11 trillion. Defense spending, however, increased only 62 percent, from $358 to $523 billion.

Defense Budget Trends

The allocation of Defense resources has changed little over time (Figure 5), despite changes in the focus and emphasis of the *National Defense Strategy*. Today, while providing the largest number of forces for the war on terror, the Army receives the smallest share of programmed Defense resources. The Army is the most manpower intensive Service. Unlike the other Departments, who are able to reduce manpower to offset rising personnel costs, the Army must *add* Soldiers to meet its commitments. Rising fuel, health care, and other costs – on top of steadily increasing costs to man the force – will continue to erode the Army's purchasing power.

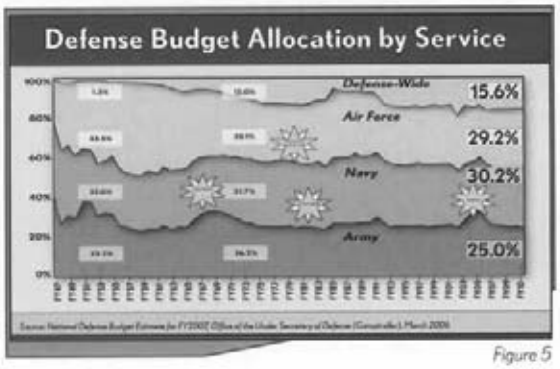


Figure 5

Army Budget Trends

The bulk of the Army's funds are committed to sustaining people, maintaining vital infrastructure, and preparing equipment for combat deployment. People accounts – including salaries for Soldiers and Army Civilians as well as the labor costs incurred in contracts and in procurement – amount to more than 80 percent of the Army's budget. As a result, our ability to fund investment accounts today is extremely limited (Figure 6) – and has diminished steadily over time. In 1984, for example, procurement and research, development, test, and evaluation amounted to 31 percent of the Army's budget, which by 2005 had diminished to only 17.5 percent. Caused in large part by rising manpower costs – to attract, to retain, and to provide for a competitive quality of life for an increasingly married force – this trend is indicative of the Army's continuing tension between current and future demands.

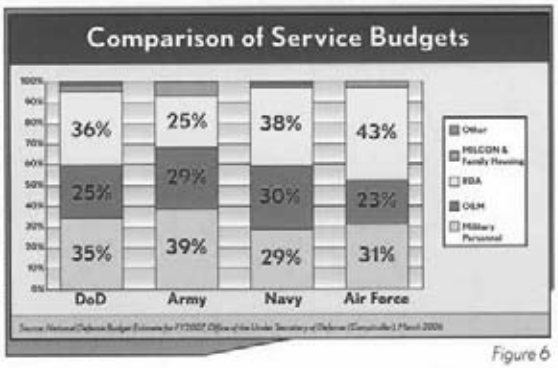


Figure 6

Army Investment Trends

Since 1990, the Army's share of investment dollars has been considerably smaller than that of the other Departments (Figure 7). The Army has received less than one-fifth, while the other Departments have each received approximately one-third. Consequently, the Army has been unable to invest in the capabilities needed to sustain a rising operational tempo and to prepare for emerging threats. Supplemental funds have enabled the Army to replace essential weapons and equipment lost or worn out during battle. They have sustained our capability to meet the operational demands of the war on terror. Supplemental funds have not, however, enabled the research and procurement required to be prepared for the future.

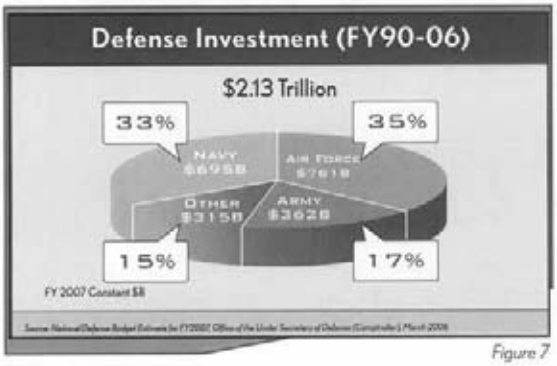


Figure 7

Implications for the Army

The implications of the 21st Century security environment for the Army are clear:

- **An Era of Uncertainty and Unpredictability.** The Nation will remain engaged in a long struggle of continuous, evolving conflict. As in Iraq and Afghanistan today, this conflict will manifest itself in both traditional and irregular settings involving conflict in the human dimension – necessitating the presence of forces on the ground. We will face adaptive adversaries (now carefully observing U.S. and allied forces) who will present unprecedented threats to our military establishment. We must prepare for disruptive challenges including cyberspace attack and attempts to disable national and international communications systems.
- **Need for Relevant Forces.** Landpower will perform an enduring, central role to underwrite U.S. commitment and resolve. More than ever before, we will rely on our ability to project power and to deploy rapidly across strategic distances – with relevant forces that are able to conduct combat operations immediately upon arrival in theater. Relevant forces will enhance our national strategic agility – and enable our leaders to create favorable strategic situations by foreclosing, and potentially preempting, enemy options. As described in the Army's capstone concept for the future force, The Army in Joint Operations, these forces must be able to operate effectively as part of joint, interagency, multinational, and coalition teams and to do so with little or no warning.
- **Trained and Equipped to be Ready in the Face of Uncertainty.** We must maintain the capacity to deploy trained, ready forces in response to emerging strategic contingencies as required by the *National Defense Strategy*, the *National Military Strategy*, and Combatant Commanders' plans. For this reason, our Soldiers, from all components, must be ready to conduct the full spectrum of operations needed to defeat the threats they will face – and to strengthen the capacity of friends, allies, and partners. We can no longer accept the risks associated with partially manning, equipping, or training our units. We will not be able to depend on significant warning to provide the time needed to mobilize, to train, and to prepare for deployment. Instead, our units designated for deployment will require their full complement of Soldiers and equipment. They must also be trained to conduct the full spectrum of likely operations: from engagement with friends, allies, and partners... to irregular warfare...to major combat operations.

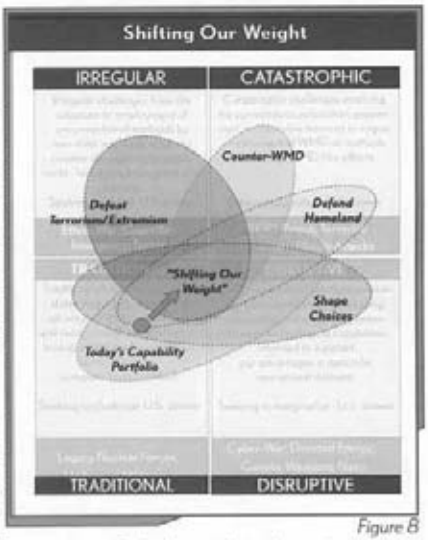


Figure 8

- **Capacity to Sustain the All-Volunteer Force.** Sustaining the overall viability of the All-Volunteer concept may well be our greatest strategic challenge. Our installations play a vital role in this effort – by providing homes and communities for our Soldiers and families as well as safe, modern workplaces for the many civilians who support our Army. To continue to attract and to retain the highest quality of Soldiers and civilians, we must provide a quality of life for our Soldiers, families, and Army Civilians that matches the quality of service that they provide to the Nation.
- **Infrastructure and Capacity to Project Power.** To prepare, to generate, and to sustain forces, we will demand more from our global infrastructure of bases, depots, arsenals, equipment sets, and the network which connects them. Our installations provide the foundation of our ability to execute the *National*

Defense Strategy. They enable us to project power and to train our Soldiers, leaders, and units. As such, we must invest in them accordingly to develop the strategic capabilities we need, and to overcome decades of underfunding. In addition, our Armed Forces must maintain a proper mix of airlift, sealift, and properly maintained equipment sets, positioned on land and afloat.

To remain relevant to the threats now clearly emerging, we must continue to "shift our weight" from our traditional focus to become more versatile across the full range of irregular, disruptive, and catastrophic challenges we will face. We must accelerate the ongoing adaptation of our leader development, training, and modernization programs, which is already well under way. Likewise, we must also continue our efforts to improve our strategic responsiveness and agility – as well as the overall effectiveness of our Operating and Generating Forces. In addition, we must continue our initiatives to create improvements in critical areas which include:

- Joint interdependence;
- Operational agility;
- Intelligence for our commanders and Soldiers that is timely, actionable, and draws upon all sources available;
- Lethality;
- Soldier and unit protection;
- Networks to improve common situational awareness and understanding needed for battle command;
- Information assurance and information security; and
- Cultural awareness and foreign language proficiency, and the ability to operate with the militaries and governments of other nations.

Building the capabilities required to execute the full spectrum of likely operations amidst increasing threats to the Nation will require prudent investment today. This level of investment must be sustained at predictable levels over time to reduce risk for our Soldiers, the Army, the Joint Team, and the Nation.

Investing in defense in this manner would reflect a significant departure from historic patterns of spending – that have resulted in corresponding cycles of unpreparedness – which have increased America's vulnerability at the outset of the major conflicts of the 20th Century and those occurring in the early stages of the 21st Century.

Figure 9

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, to preserve peace and freedom for the Nation. Maintaining our focus on Soldiers – who are well led and organized into flexible, adaptive formations in our Operating Force, and properly supported by our Generating Force – we will ensure that our Army continues to be relevant, in terms of its design, and ready, in terms of its capabilities, for whatever the Nation demands. America has entrusted us to preserve peace, maintain freedom, and defend democracy – a role we have performed for over 230 years. Today, because 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 defend the Nation, 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 recruits, organizes, trains, and equips Soldiers who, as vital members of their units and the Joint Team, conduct prompt, sustained combat and stability operations on land. The Army is also charged with providing logistics and support to enable the other Services to accomplish their missions, and supporting civil authorities in time of emergency, when directed.

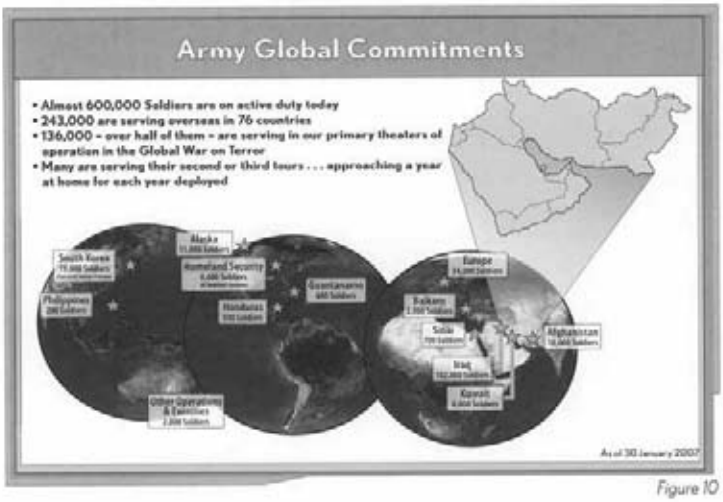


Figure 10

Accomplishing the Mission Today: Sustaining Global Commitments

Almost 600,000 Soldiers are on active duty today (currently 507,000 active component, 46,000 Army National Guard and 28,000 Army Reserve). Over 40 percent (243,000) of them are deployed or forward stationed, serving in 76 countries worldwide. More than 4,600 Army Civilians are serving side-by-side with them in the field, performing a variety of missions vital to America's national defense. At home, over 8,000 Soldiers are on duty in support of the war on terror. The Army's operational pace remains high, continuing the trend established during the post-Cold War era. Whenever and wherever needed, Soldiers are continuing to answer the Call to Duty, enabling America's ability to put "*boots on the ground*" – as demonstrated so vividly by the recent national decisions to reinforce our forces in Iraq and Afghanistan.

The Army continues to provide Combatant Commanders with a wide range of forces and capabilities to prevail in the war on terror, to sustain our global commitments, and to build effective multinational coalitions. First and foremost are the forces required for Operation Iraqi Freedom and Operation Enduring Freedom, which include forward-stationed units and those based in the United States. The Army's requirements, however, are far greater than those needed to support the war on terror.

They include support for:

- Multinational exercises which reflect our longstanding leadership of, and commitment to, an expanding North Atlantic Treaty Organization and many other alliances;
- The defense of South Korea, Japan, and many other friends, allies, and partners;
- Ongoing peacekeeping operations in the Sinai Peninsula, the Balkans, and elsewhere;
- The security of our borders, as evidenced most vividly by the major deployment of reserve component Soldiers to our Southwest Border this past year;
- Operations and equipment to counter the flow of illegal drugs; and
- Civil authorities in response to disasters and threats at home and abroad.

As a result of the dramatic changes in the security environment since 9-11 and the enduring requirements of the Global War on Terror, we are also engaged in South America, the Philippines, Africa, the Caucasus, Central Asia, and many other places. These operations, which depend on our Soldiers to put "*boots on the ground*," include

a wide range of combat and non-combat missions: from counter-insurgency, to humanitarian and civic assistance, to large scale reconstruction operations.

Our Soldiers are also working to accomplish a vital U.S. national objective – to build partnerships with foreign militaries and preserve the coalition formed to counter terror – by training and advising the military forces of many nations. In addition, through various forms of military to military exchanges, and other forms of assistance and cooperation, our Soldiers are helping to enhance the military capabilities of our international partners. Through international education programs, such as the Army War College, the Command and General Staff College, the Western Hemisphere Institute for Security Cooperation, and a variety of other cooperative studies initiatives, our Soldiers are helping to shape the strategic environment in favorable ways by building enduring security relationships and improving interoperability. In addition, the presence of U.S. forces assures friends and allies of our national commitment, while encouraging them to contribute their national resources to international efforts.

In the five years since 9-11, the Army National Guard has mobilized more than 610,000 Soldiers to perform both state and federal missions. On any given day, the Army National Guard provides vital capabilities in virtually every mission area. Today, more than 46,000 Soldiers from the National Guard are on active duty.

Besides their commitments in Iraq and Afghanistan, and in troubled regions around the world, National Guard Soldiers are protecting the homeland, performing key missions in support of U. S. Northern Command. They are helping the Department of Homeland Security to protect critical infrastructure and to patrol our southern borders (with nearly 5,000 Soldiers deployed). They are also continuing their service in areas ravaged by Hurricane Katrina and performing vital state-directed missions under the command of the Governors. Our current levels of operational commitment have created intense demand for National Guard Soldiers. Despite sustained levels of high operational tempo, Army National Guard Soldiers are performing superbly, accomplishing every one of their missions and serving with distinction worldwide.

Since 9-11, the Army Reserve has mobilized more than 164,000 Soldiers, who are also performing superbly. Today more than 28,000 Army Reserve Soldiers are serving on active duty, with more than 16,000 – almost half of them – deployed to serve in 18 countries worldwide. The Army Reserve provides vital capabilities across a diverse range of mission areas which include 88 unique skill sets. Our Army Reserve provides over 90 percent of the Army's civil affairs capability, and more than 50 percent of the Army's medical capability.

The unique skills resident in our Army Reserve are in great demand by Joint and Army commanders. The commitment to mission accomplishment and the values demonstrated by our Reserve Soldiers, coupled with their inherent capabilities, enable our Army Reserve to make an absolutely vital, essential contribution to the Joint Force. They are meeting every requirement for their special skills, accomplishing every one of their missions, and underwriting our capability as a Nation to put *"boots on the ground."*

Major Decisions in 2006 - 2007

During 2006 and 2007, the Army continued its efforts to "shift the weight" of its intellectual and organizational activities to be better prepared for both current and future challenges. Five key areas highlight the Army's efforts to accelerate change.

- **Accelerated the Pace of Modular Conversion of Operating Force.** To improve our capacity to meet global demand for Army forces and capabilities, the Army received support and initiated plans to convert two active component Brigade Combat Teams to modular designs far sooner than planned. Two Brigade Combat Teams will now become available for worldwide deployment, in their new modular designs, a year or more earlier than planned.

  We are also developing plans to accelerate the availibilty of other Brigade Combat Teams. Accelerating modular conversion will help to reduce stress on the force by increasing the time that Soldiers will be able to remain at their home stations prior to redeploying.
- **Received Approval to Grow Army Capabilities and for New Policies to Assure Access to All Components of Our Force.** In recognition of current levels of stress on the force, and the need to sustain high levels of force deployment for the foreseeable future, the Army has been directed to increase in size. During 2007, the Army will begin to execute a plan to field six additional Brigade Combat Teams by 2012 in the active

component and a diverse range of supporting organizations in our active component, Army National Guard, and Army Reserve. We will expand our rotational pool to 76 Brigade Combat Teams and approximately 225 Support Brigades. This decision will enable the Army to meet an anticipated demand for Brigade Combat Teams and vital supporting units from our active and reserve components.

While this plan will greatly improve the Army's ability to meet strategic demand, it will not reduce current levels of stress on the force, since it will take several years to accomplish. The recent changes to policy governing reserve component mobilization will help to fulfill sustained high levels of strategic demand for Army forces, and to better manage stress across the force. Growing the Army and improving access to all components of the forces are vital strategic initiatives, which will accelerate the momentum the Army has established to improve its capacity to execute the *National Defense Strategy*, today and tomorrow. All of the initiatives now underway – to reset the force, to improve readiness of non-deployed forces, to expand the size and condition of our operational force, to modernize the force, to realign and improve the condition of the bases and installations which comprise our global infrastructure, and many others – still require full financial support.

- **Reinforced the Concept of Full Spectrum Operations.** The *National Defense Strategy*, updated as part of the 2006 Quadrennial Defense Review, requires the Armed Forces to be able to conduct joint, multinational operations anywhere across the spectrum of conflict. This spectrum ranges from the low end – emphasizing stability and civil support operations – to the high end – emphasizing major combat operations (which focus on more familiar offensive or defensive operations).

  The change in the *National Defense Strategy* reflects the reality of the strategic environment: that due to the complexity of stability operations, the Armed Forces must develop readiness for these operations, in addition to developing readiness for combat operations, their more traditional focus. This change, is wholly consistent with the doctrine which has guided our transformation – and how we prepare Soldiers and leaders – since 9-11. It has also created unique, additional requirements for manning, training, educating, and equipping our operating forces and the forces and institutions that generate them. Put simply, we must plan for stability operations to be an integral, enduring component of any and all joint campaigns; therefore, we must organize, prepare, and provide resources for this aspect of our mission accordingly.

- **Restructured Our Approach to Fielding Future Combat Systems.** The Army is transitioning continuously from the current to the future force through the combined effects of transformation and modernization. The main focus of our transformation is modular conversion. Converting to a force that is built around brigade level modules is enabling the Army to become more capable, more flexible, more deployable, and ultimately, more relevant to current and future challenges. This transformation has already improved our ability to meet Combatant Commanders' needs and to conduct joint, expeditionary warfare.

  Our transformation is complemented by our modernization initiatives, which center on Future Combat Systems (FCS), aviation modernization, and more than 300 other advanced technologies and systems. Future Combat Systems will reflect the Army's first comprehensive modernization in decades. We have cancelled well over a hundred programs in recent years to free resources for our modernization. FCS is generating, or "spinning out," technologies to protect Soldiers, enhance battlefield understanding, and provide other tactical advantages for our Soldiers fighting in irregular environments *today*. FCS will produce fully equipped brigades that will begin to enter the force in 2015.

  FCS will provide significant tactical and operational advantages for our Soldiers and commanders in pre-insurgency environments and to counter insurgencies if they occur. It will also improve our ability to support civil authorities and to meet all anticipated operational requirements. In recognition of the importance of this initiative to the Army's current and future readiness, we activated and manned a special Army Evaluation Task Force and a supporting headquarters during 2006 to test, refine, and validate FCS technologies.

  As a result of the combined effects of budget cuts over the past three years, and fiscal guidance that will reduce

resources programmed for future years, we will reduce the scope and delay the schedule of FCS fielding. We will continue to develop the core operational capability envisioned for FCS, yet will do so with 14 instead of 18 interconnected systems. We will defer plans to develop two classes of unmanned aerial vehicles, one class of unmanned ground vehicles, and a whole class of intelligent munitions (except for the Korean Peninsula).

These projected reductions will put at risk our ability to reach the full tactical and operational potential envisioned for FCS. It will also delay our target date to field the first of 15 projected FCS equipped Brigade Combat Teams by five months, to 2015, and slow the rate of procurement to one per year. These adjustments will cause us to take five years longer, until 2030, to be able to field and employ all 15 Brigade Combat Teams. These program adjustments will decrease capabilities available to the Joint Force and therefore, increase levels of Future Challenges risk, as described in the *National Defense Strategy*.

- **Expanded the Scope of Army Business Transformation.** As we change the way in which we operate militarily, we are also changing the way in which we do business. As a parallel effort to the transformation of Army warfighting forces, we are transforming the business processes and functions to better support our forces – improving both effectiveness and efficiency. The scope of the effort is immense, touching every facet of Army activity.

  The goal of our effort is to free human and financial resources for more compelling operational needs. Realizing this goal depends upon improving processes, developing tools to enhance enterprise-wide situational awareness and decision making, and reducing organizational redundancy and overhead.

  We are now well underway in deploying the *Lean Six Sigma* methodology as a vehicle to seek continuous process improvement, eliminate waste, and improve quality across the force. This methodology is the foundation of the comprehensive review of all of our major commands and organizations, now in progress. The award of the coveted Shingo prize to four activities within our Army Materiel Command for improvements in business processes and manufacturing is but one example of our progress in this regard.

The Army Plan to Enable Mission Accomplishment

We are executing The Army Plan, which centers on our 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 Combatant Commanders with the capabilities needed to protect the Nation today and tomorrow.

The Army is continuing to:

- Provide Relevant and Ready Landpower for the 21st Century Security Environment;
- Train and Equip Soldiers to Serve as Warriors and Grow Adaptive Leaders;
- Sustain an All-Volunteer Force Composed of Highly Competent Soldiers that are Provided an Equally High Quality of Life; and
- Provide 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 Army to address strategic problems the Nation will face (See Figure 11). 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 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. 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:

- Increase Soldier and unit effectiveness and protection;
- Grow innovative, adaptive Soldiers and leaders through training and education programs that rapidly incorporate lessons learned from combat and prepare them to serve as warriors;
- Adapt the doctrine which guides how we fight, how we sustain our forces, how we train our Soldiers, and how we work to strengthen the capacity of friends, allies, and partners;
- Create far more capable, strategically deployable brigades designed to receive new technologies and equipment as soon as they become available; 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.

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: executing the National Response Plan, 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

- 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 11

Balancing Risk: The Tension Between Current and Future Demands

To be able to execute the *National Defense Strategy* (which includes the military requirements of the *National Military Strategy*), the Army must maintain readiness to deal with current challenges, while developing the capabilities to be ready for future challenges. Now five years after 9-11, the Army continues to fight the long war with high levels of force deployment.

This sustained demand for Army forces continues to exceed the demand envisioned in the *National Defense Strategy* established during the 2006 Quadrennial Defense Review. This level of demand is placing enormous strain on the Army's All-Volunteer force. Time between deployments for our active component has been steadily decreasing over the last five years, and is now approaching less than one year, on average.

The Army is incapable of generating and sustaining the forces required to wage the Global War on Terror, to respond to emerging challenges, and to sustain the full range of U.S. global commitments without all of its components – active, National Guard, and Army Reserve – fully available to deploy together. At current levels of demand, without recurrent, assured, and predictable access to our reserve components, we will be unable to manage current and projected requirements for Army forces.

The recent decisions by the President and the Secretary of Defense – to assure access to all components of the force – will fully enable our reserve components to perform their new role as an integral part of our operationally deployable force. In addition, these new policies will facilitate the deployment of our best led, and best equipped reserve units – *as whole cohesive units*. We are working rapidly to implement these changes and will require continued Congressional support to do so.

The decision to expand the size of the Nation's ground forces reflects clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the stress our Soldiers, families, and Army Civilians are enduring. This decision will enhance the depth and breadth of Army capabilities, yet will require several years and considerable

Army Actions to Mitigate Risk in 2006

Operational Risk

- Completed transformation of 31 of 42 AC Brigade Combat Teams (BCTs) to modular designs and initiated the conversion of an additional four AC BCTs and 16 ARNG BCTs (based on Fiscal Year 2005 baseline).
- Funded Reset Program to repair over 4,100 tracked and wheeled vehicles and over 540 helicopters.
- Continued Army Force Generation (ARFORGEN) implementation to generate a continuous level of forces – BCTs augmented by all enabling organizations – and to deploy additional, fully enabled BCTs, if required.

Future Challenges Risk

- Transitioned effort to develop Future Combat Systems – which are on cost, on schedule, and meeting performance parameters – to System Development and Demonstration phase, moving us closer to fielding Future Combat Systems.
- Manned and activated Army Evaluation Task Force to facilitate "spinning out" advanced technologies and systems to the current force.
- Developed new Army Prepositioned Stock strategy to meet global requirements for agile, flexible forces.
- Established Army Asymmetric Warfare Office to work with the Joint Improvised Explosive Device Defeat Organization to better understand and defeat asymmetric threats.

Force Management Risk

- Implemented improvements to ARFORGEN to better manage our forces, and improve predictability for Soldiers and families.
- Increased number of rebalancing actions to approximately 57,000 – reducing overstructure in certain areas, and increasing the availability of skills in greatest demand, such as Military Police, Civil Affairs, Infantry, and others.
- Increased number of military-to-civilian conversions to approximately 7,170 – moving Soldier positions from our Generating Force to better structure and man our Operating Force.
- Established reserve component Transient, Trainee, Holder and Student (TTHS) account to improve readiness, deployability, training, and education opportunities.

Institutional Risk

- Maintained focus on business transformation which is helping us to improve efficiency and effectiveness, to decrease cycletime, to lower the cost of doing business –and to increase quality, productivity, and morale.
- Implemented Lean Six Sigma methodology within all Army Commands, Direct Reporting Units, Army Service Components of Joint Commands, and across Headquarters, Department of the Army.
- Developed facilities support strategy to meet the target dates established by Base Realignment and Closure law, Global Defense Posture Realignment, and building the Army Modular Forces which requires the execution of approximately $38 billion in Military Construction and related projects between 2007 and 2013.
- Initiated consolidation of information technology services worldwide and implemented a range of initiatives to assure the availability of information to ensure network security.
- Completed technology demonstration for General Fund Enterprise Business System to enable better financial management and decision making.

resources to bring to fruition. Over time, this decision will alleviate strategic risk, as we assess it today.

In recent years, we have received considerable support to improve our capabilities; yet we still have much to accomplish to establish the levels of readiness – across all components of the force – needed to maintain risk at acceptable levels in wartime.

Since 9-11, we have used our resources carefully, making numerous decisions to allocate resources to immediate wartime needs, and to better prepare and protect our Soldiers. We have drawn upon the entire Army to meet requirements for forces and equipment. We have cancelled countless investment programs and deferred both maintenance and required investment in our infrastructure. To free human and financial resources for our most compelling operational needs, we have undertaken major Army-wide business transformation initiatives. We have also received the support needed to accelerate our schedule for modular conversion that will enable two Brigade Combat Teams to deploy much earlier than planned.

The combined effects of continuing high levels of strategic demand for Army forces, at home and abroad, compounded by longstanding deficits in equipment, modernization, and infrastructure investment place current and future readiness at risk. In addition, our capacity to meet current force requirements, and to grow our forces, depends on adhering to an extremely complex, intricate schedule to realign our entire global infrastructure of bases, depots, arsenals, and other facilities. Our ability to remain on schedule is jeopardized by our inability to execute a diverse range of military construction projects and supporting activities (e.g., environmental assessment studies and remediation projects). Timely passage of military construction appropriations is required to stay on schedule and to prevent the effects of construction delays from cascading into many other areas of Army activity that will unintentionally put at risk our ability to accomplish our mission – to provide trained, ready forces to meet the Combatant Commanders' needs.

The Army will require additional base and supplemental appropriations to achieve the levels of readiness needed to fulfill the requirements of the *National Defense Strategy*. Without sufficient resources, the Army cannot continue its current pace of operations and implement the changes

required to prepare for the future – in the face of growing threats to the Nation posed by state and non-state extremist movements and organizations.

To build readiness to sustain the current mission, to remain relevant and ready to meet future challenges, and to maintain risk at acceptable wartime levels the Army needs to:

- **Obtain Full, Timely, and Predictable Funding to Sustain the Army's Global Commitments.** *Full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations is required to build readiness needed to execute the National Defense Strategy and to pay for the costs of war.* Full funding is needed for the Army to fulfill its global responsibilities in the face of traditional, irregular, catastrophic, and disruptive challenges; to provide adequately for Soldiers, families, and Army Civilians; to accelerate key aspects of our transformation; and to maintain the momentum of vital training programs, modernization, and stationing initiatives..
- **Grow the All-Volunteer Force to Sustain the Long War.** *Support and full funding is needed to continue to achieve our goals for attracting and retaining high quality people in each of our active and reserve components.* This funding is enabling the expansion of our operational, deployable force pool, which is vital to sustaining the effectiveness and health of the All-Volunteer force, now being tested for the first time in a long war.

- **Improve Wartime Authorities and Resources for Soldiers and Commanders in Combat.** *Changes are needed to eliminate unintended constraints on programs such as the Commanders' Emergency Response Program, the Logistics Civil Augmentation Program, and in administering security cooperation and assistance programs, as well as furnishing humanitarian assistance.* Sufficient funding for programs to enhance security cooperation and provide assistance to friends and allies is required to build partner capacity and institutions that prove to be cooperative and enduring. In addition, continued Congressional leadership will be required to support programs and initiatives to protect Soldiers (to counter Improvised Explosive Devices, to provide up-armored vehicles, to field individual body armor, etc.) and to better equip Iraqi and Afghan police, security, and military forces.
- **Reset the Force to Ensure Readiness for Current and Future Challenges.** *Full funding is needed to restore units – a process with both materiel and human dimensions – to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions.* To be ready, we must not only ensure that battle damaged items are repaired, recapitalized, or replaced; we must also enable our Soldiers and families to recover from the stress of combat and prolonged separation. The requirement to reset our units will not be satisfied with a one-time infusion of funds; it will require a sustained, predictable commitment of funds for several years beyond major deployments.
- **Transform the Force to Sustain the Full Range of our Global Commitments.** *Full funding for Army transformation is needed to create an operational, deployable pool of 76 modular Brigade Combat Teams and approximately 225 Support Brigades.* By increasing the depth and breadth of our overall capacity, through conversion to more capable modular formations, our transformation is improving our ability to execute and support protracted campaigns. Our ability to meet the levels of force availability envisioned in the *National Defense Strategy* depends upon an Army-wide readiness model to support expeditionary deployment on a rotational basis. It is designed to improve the readiness of our non-deployed forces across all components; reduce stress on Soldiers, families, and equipment; improve predictability for employers; end the need to extend deployments in theater to provide active component Soldiers at least one year at home before redeploying them; and manage the force to achieve our goal of one year deployed with two years at home station for these Soldiers. This model depends upon assured, predictable access to our reserve component units who – because of strategic decisions and operational necessity – have become a vital part of our deployable force pool.
- **Modernize by Accelerating the Fielding of Advanced Technologies to our Soldiers Today.** *Full funding of the Army's modernization program is needed to accelerate aspects of Future Combat Systems (FCS) development, aviation programs, and over 300 other key modernization initiatives.* FCS is our first major modernization program in several decades and is our most critical investment program. In 2008, to enhance combat effectiveness today, FCS will begin to "spin out" key technologies to our current forces – a process projected to continue in roughly two-year intervals. FCS is enabling Soldiers – from our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns – to understand battlefield conditions in unprecedented ways. These improvements are better preparing them to deal with the full spectrum

of traditional irregular, catastrophic, and disruptive challenges they will face for the foreseeable future. Despite the benefits FCS will provide, as a result of the combined effects of budget cuts over the past three years, and fiscal guidance that will reduce resources programmed for future years, we will adjust the scope and schedule for fielding FCS. We will continue to develop the core operational capability envisioned for FCS, yet will do so with 14 instead of 18 interconnected systems. These adjustments will result in delaying development, acquisition, and delivery of this much needed capability to our Soldiers and the Nation.

- **Station the Force to Meet Emerging Strategic Demands While Providing Infrastructure and Services to Enable Mission Accomplishment.** *Full funding is needed to achieve the framework of a new global basing posture by 2011 and to enable our installations to deliver a quality of life for our Soldiers, families, and civilians that matches the quality of the service they provide to the Nation.* Our plan will improve our ability to fulfill national strategic requirements in an uncertain environment. Due to extensive streamlining and consolidation of facilities and activities, it will also improve our overall efficiency. Moreover, the funding provided to the Army will enable us to allocate significantly greater levels of resources to improve the quality and effectiveness of the facilities we depend on to: train, maintain equipment; house and care for our Soldiers, and provide safe, modern working conditions for our Army Civilians. The resources and support provided to the Army will have a pivotal outcome on our ability to execute our stationing plan, to meet the schedule established by law, and to sustain our All-Volunteer Soldiers and their families, now bearing the prolonged stress of more than five years of war.
- **Transform Business Practices to Better Enable Army Transformation.** *Continued support is needed to execute Army Business Transformation to achieve targeted efficiencies through management reform; acquisition reform; comprehensive redesign of the organizations and business processes that generate, deploy, and reset forces; consolidation of bases and activities; military to civilian conversion programs; performance measurement enhancements, and more.*

Preserving Peace and Freedom for the Nation

We remain resolute in our determination to preserve peace and freedom for America. Guided by the Army Vision, we are accomplishing our mission today while building the future force – of Soldiers, leaders, Army Civilians, Operating and Generating Forces, and the infrastructure that serves as our foundation – to ensure our ability to do so tomorrow.

We remain focused 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 that the Army, as a vital component of America's Armed Forces, is best prepared to defend U.S. interests in the face of traditional, irregular, catastrophic, and disruptive challenges?
- Are joint ground forces (Army, Marines, and Special Operations Forces) properly sized and structured to provide the capabilities needed to perform the missions the Nations will require?
- What additional actions are required to ensure that our forces are organized, manned, trained, and equipped to be relevant to, and ready for, the challenges they will face?
- How can we best prepare our leaders to become multi-skilled *pentathletes* able to operate with confidence amidst complexity and uncertainty?
- What will be the impact of protracted conflict on the All-Volunteer force? What combination of quality of life, compensation, incentives, service options, family programs, and other tools will be required to recruit, retain, and sustain the concept of the All-Volunteer force for the future?
- How do we ensure that our physical infrastructure (of installations, depots, arsenals, and the network which connects them) best supports our mission?
- How do we balance our resources to: provide quality of life to sustain our volunteers; maintain deployment facilities (air, ground, sea, rail, cargo, and other facilities) to support Combatant Commanders' timelines; and establish a training and education base to prepare our Soldiers, leaders, and Army Civilians 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?
- How can we *accelerate the momentum* we have established in recent years, in all of these areas, to properly position our force for the future?

Our continued effectiveness depends upon a national commitment to properly recruit, train, equip, and support the Army. We have received considerable support to execute current operations and to reset our forces. To provide for future readiness and to break our historic cycle of national unpreparedness, the Nation must invest prudently and predictably in defense, which it can afford to do.

ADDENDUM A
(PROVIDE RELEVANT AND READY LANDPOWER FOR THE 21ST CENTURY SECURITY ENVIRONMENT)

We are improving our capabilities to prevail in the war on terror and sustain all of our global commitments. While fighting, we are:

- *Accelerating our efforts to transform and to modernize.*
  - *Transforming to create an active and reserve component pool of 76 modular Brigade Combat Teams and approximately 225 Support Brigades.*
  - *Modernizing – for the first time in decades – to develop Future Combat Systems, new aviation systems, and over 300 advanced technologies and systems.*
- *Building a modular force in which brigades – not divisions – can "plug into" joint and coalition task forces in expeditionary and campaign settings.*
- *Improving readiness to deal with traditional, irregular, catastrophic, and disruptive challenges.*
- *Building depth (more) and breadth (more kinds) of capability to ensure Soldiers and units can adapt to these challenges.*
  - *Growing the Army and accelerating our schedule to field more brigades, to increase our strategic depth and to relieve stress on Soldiers and equipment.*
  - *Developing more kinds of capability by making our brigades more powerful, versatile, deployable, and relevant to new challenges.*
  - *Transforming our supporting organizations to better support combat and logistics operations.*
- *Creating improvements in: Sustaining the Force, Actionable Intelligence, Stability Operations, Homeland Defense, Operating in Complex Environments, and more.*
- *Ensuring that every investment in our current force benefits our future force.*

ACCOMPLISHMENTS

Since 9-11

- Soldiers helped to overthrow two terrorist regimes, rescue two nations from oppression, enable vital elections, train and equip Iraqi and Afghan security forces, and liberate over 50 million people.
- More than 360,000 Army National Guard (ARNG); 167,000 United States Army Reserve (USAR); and 498,000 Active Component (AC) Soldiers supported Combatant Commanders in Iraq, Afghanistan, Guantanamo Bay, the Balkans, the Sinai, and elsewhere.
- More than 150,000 ARNG, USAR, and AC Soldiers helped to secure the homeland by providing security augmentation for key assets, airports, special events, and Air Force bases.
- Began 51 of 70 planned Brigade Combat Team (BCT) modular conversions; 31 of these 51 conversions completed. Completed 131 of the over 200 planned Multi-functional and Functional Support Brigade conversions.
- Significantly increased depot output to refurbish and reset vehicles and equipment for future deployments.
- More than 52,800 Soldiers from all components, supported by a diverse range of Army Civilians and Army aviation, transportation, military police, medical, and other units, provided hurricane relief support (including support for Katrina and Rita).
- Soldiers also deployed to South Asia and Southwest Asia to provide tsunami and earthquake relief.
- Initiated $2.2 billion contract to procure 368 Armed Reconnaissance Helicopters – the Army's first new manned helicopter acquisition since 1983.

2006

- Completed conversion of 13 AC BCTs; initiated conversion of an additional 13 BCTs (4 AC, 9 ARNG). Completed conversion of 19 Multi-functional and Functional Support Brigades (4 AC, 12 ARNG, 3 USAR).
- Created an Intelligence, Surveillance, Reconnaissance (ISR) Integration and Synchronization Office to improve quick reaction capabilities and optimize ISR support to current Global War on Terror (GWOT) operations.
- Integrated space technology to guide munitions, track forces, protect against fratricide, and stream real-time battlefield video.
- Continued the transformation of Army Pre-Positioned Stocks (APS) of equipment, ammunition, and general support items worldwide to support operational deployments.
- Developed and fielded an unprecedented capability to identify individuals through an Automated Biometric Identification System.
- Developed and fielded the first operational headquarters to perform Weapons of Mass Destruction elimination missions at the Joint Task Force level.
- Fielded unprecedented intelligence fusion and analysis capability to 11 brigades and 73 battalions deployed in support of GWOT.

Support Current Global Operations with Relevant and Ready Landpower

The Army is transforming and modernizing to build a more capable and relevant force for the 21st Century, while fully engaged in the war on terror and sustaining the range of our global commitments. The combined effects of our transformation and modernization are improving our readiness to deal with traditional, irregular, catastrophic, and disruptive challenges, as a vital member of the Joint Force.

Modular conversion is the main effort of our transformation. To sustain a steadily increasing demand for military forces, we are building a modular force centered on Brigade Combat Teams as the basic building block of our fighting capability. Our modular conversion of active and reserve components is designed to create brigade based modules able to "plug into" joint and coalition task forces in expeditionary and campaign settings. These forces will be better organized to accept advanced new capabilities and technology in order 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 is creating a rotational pool of 76 BCTs: 48 in the active component and 28 in the Army National Guard. These BCTs are organized into one of three standard designs: Infantry, Heavy, or Stryker. We will support these BCTs with approximately 225 Support Brigades. Our BCTs require the capabilities of our Support Brigades to accomplish the missions they are assigned. Our Support Brigades also provide essential capabilities to other Services, as well as to civil authorities in homeland defense missions, which include consequence management and disaster relief.

Our Support Brigades are organized into two categories: Multi-functional Support Brigades and Functional Support Brigades. Multi-functional brigades perform operational roles including: Combat Aviation, Combat Support (Maneuver Enhancement), Sustainment, Fires, and Battlefield Surveillance. Functional brigades perform broad support roles on a theater-wide basis including: Air Defense, Engineer, Chemical, Military Police, Signal, Medical, Logistics, and Intelligence.

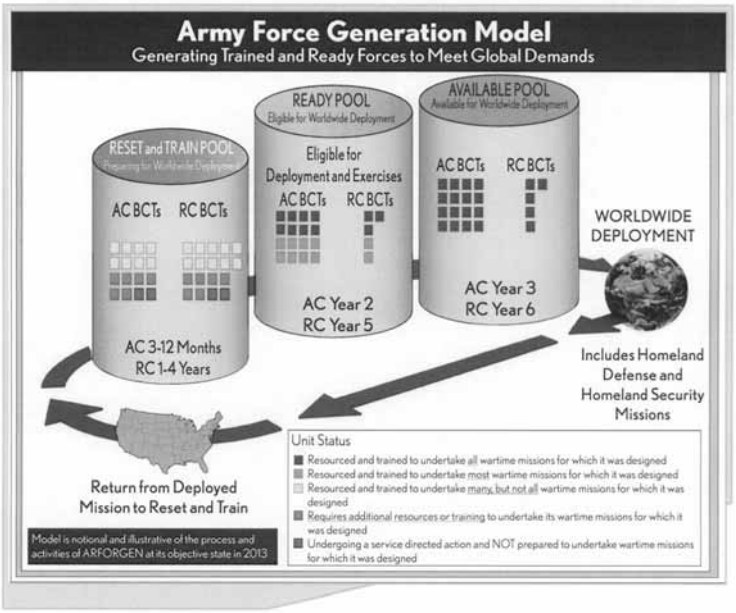
Like our theater commands, our corps and division-level operational command posts and headquarters, Support

Brigades are also converting 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 improving the readiness of our reserve forces that are making vital contributions on a daily basis – and have transitioned them from a strategic reserve to an operational force as our global commitments have increased. We are also working to improve access to these forces in order to support our strategic requirements. Strength reporting, educational opportunities and special skills training opportunities have been improved by reducing overstructure. These improvements, coupled with modular conversion, are enhancing 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 high demand units and to assign 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 Operating Force and our Generating Force.

- 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, logistics, Special Forces, chemical, civil affairs, and psychological operations units – and have identified approximately 116,000 positions



to rebalance. We have accomplished more than half of this rebalancing and project to be completed by 2013.

- We are redistributing skills from our Generating Force to increase the size of the active component of our Operating Force. We are continuing military-to-civilian conversions (that have already returned approximately 7,200 Soldiers to our Operating Force) and improving management of our individual Soldier assignment processes to ensure full manning of our operational units and command posts.

The combined effect of rebalancing, redistributing, and increasing our Operating Force is improving 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 links other Army programs together through replacement, repair, and recapitalization. This 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 many of them to their new modular designs. Several of these units have already returned to theaters of war in their new configurations.

The Army's readiness model, Army Force Generation (ARFORGEN), is used 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** (recovering from deployments, resetting equipment and other activities), **READY** (eligible for deployment and exercises), and **AVAILABLE** (immediately available for world-wide employment).

ARFORGEN establishes a basis to schedule deployments on an Army-wide scale. Our planning objective is to be able to generate a continuous output of trained and ready forces that will be ready to support one operational deployment and two years at home station for the active component. The planning objective for involuntary mobilization of the Army National Guard and Army Reserve units is one year mobilized and five years demobilized. This goal will be achievable only after completion of all projected modular conversions.

Current levels of operational demand–to include the Balkans, the Sinai, and other global commitments in addition to Iraq and Afghanistan– exceed the levels which had been projected. To meet sustained global demand for Army forces, we require timely implementation of policies intended to ensure recurrent, assured, and predictable access to our Army National Guard and our Army Reserve units. Without full access to our reserve component units, our active component units will continue to deploy for a year, return home for a year, and then redeploy – a situation which is creating unsustainable levels of stress on the force.

When fully operational, ARFORGEN will enable the development of a schedule to bring units to full readiness – with people, equipment, and training – before they are scheduled to deploy. It is also designed to enable 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 level of BCTs, augmented by all required supporting organizations (given appropriate mobilization authority); and
- Surge additional BCTs, augmented by all required supporting organizations (given appropriate mobilization authority).

Build a Campaign-Quality Modular Force with Joint and Expeditionary Capabilities for Today and Tomorrow

The war on terror 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 21st Century necessitates a highly versatile Army that can handle a diverse array of operations and missions. The combination of transformation, to build a modular Army, and continuous modernization, to field Future Combat Systems (FCS) new aviation systems, and other advanced technologies and systems, is methodically producing the and future force.

FCS is a system of interconnected weapons, communications, and intelligence systems (which include sensors, manned and unmanned ground and aerial vehicles, as well as improved linkages to national and theater level surveillance and imagery systems) that will be immediately responsive to Soldiers and commanders. When fielded, FCS will provide a persistent, ubiquitous intelligence, surveillance, and reconnaissance capability. In addition, it will create an integrated, distributed network to leverage the value of intelligence and facilitate the rapid employment of all weapons system available.

FCS is the Army's first major step toward modernization in several decades and is our most critical investment. FCS, and Army modernization as a whole, is incorporating lessons learned from current operations, at home and abroad.

The capabilities provided by FCS will directly benefit all U.S. ground forces, including the Marine Corps and the Special Operations Forces from all Services. These capabilities will fundamentally alter how we deploy, employ, and sustain our ground forces. They will greatly improve our ability to put

"boots on the ground," to stabilize contested zones, and to support joint, an interagency and multinational teams.

FCS capabilities are providing Soldiers with significant tactical and operational advantages which are dramatically improving our ability to address the dilemma of irregular warfare and to conduct operations to prevent and to counter insurgencies.

FCS provides enhanced awareness of friendly and enemy situations and improves the ability to operate across larger areas with fewer Soldiers. FCS enables the ability to defeat weaponry which includes Improvised Explosive Devices, anti-tank weapons, and small arms. Because of improved understanding of battlefield conditions and better protection, Soldiers will be able to operate from extended distances, remote locations, and the protection of their vehicles for longer periods which will result in fewer casualties. They will also benefit from greater precision and responsiveness of their weapons, which will improve their ability to operate in urban terrain and other complex environments.

By "spinning-out" FCS and advanced technologies into our formations – as soon as the capabilities are ready – we are strengthening our current forces and working to stay ahead of enemies who are constantly adapting their tactics and methods. Through "spin outs," we are working to improve both our current and future capabilities.

- The first "spin out," on track for delivery in 2008, will introduce Unattended Ground Sensors, Non-Line-of-Sight Launch Systems, 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 on track for 2010 and 2012 respectively. These "spin outs" will introduce new unmanned ground and air systems and to better support 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, effectiveness, and enhance the precision of their weapons.

- The 2012 "spin out" includes the technologies required to complete the fielding of the Network. 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, while providing unparalleled connectivity and situational awareness.

When BCTs are fielded with the full complement of FCS systems, these units will contain more fighting vehicles and more infantry squads than the units we field today. By leveraging technologies, and the power of the Network, the number of Soldiers in an FCS BCT will be significantly fewer than current formations, decreasing in size from about 3,850 today to 3,200 in the future. These BCTs will have double the amount of critical infantry Soldiers, enabling these formations to operate far more effectively in irregular environments. Soldiers and commanders will enjoy far greater ability to see and to act first – ahead of their adversaries – while dealing with the full spectrum of challenges they will face.

FCS will produce numerous advantages in tactical and operational capability. It will:

- Enable more efficient use of fuel and supplies, and reduce other logistical requirements;
- Reduce costs associated with both manpower and procurement; and
- Improve the ability of modular brigades to operate as self-sufficient, independent formations over increasingly larger areas in far more complex environments.

Eventually, as key technologies are fielded across the force, battalions will be capable of similar levels of self-sufficiency – dramatically increasing the capability and effectiveness of U.S. ground and special operations forces at lower levels than today.

Despite the benefits FCS will provide, budget cuts and overall reductions to the scope of this initiative will delay the development and delivery of this much needed capability to our Soldiers and the Nation.

The future force comprises more than just FCS-enabled, modular BCTs. It includes all of the improvements in strategic agility found in the formations above the BCT and efficiencies that will result from implementing Base Realignment and Closure and Global Defense Posture Realignment decisions. These decisions will enable the repositioning of forces to better respond to emerging strategic 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 strategic mobility provided by airlift, sealift, and prepositioned equipment. To increase both strategic agility and efficiency, we began modernizing our prepositioned equipment sets to the extent that resources allowed. However, current operational demands require us to use prepositioned stocks to provide forces today.

We lack sufficient funding to realign our prepositioned equipment sets to support the global footprint we need to achieve. Future agility and responsiveness will depend on establishing the right balance among forward stationed forces, prepositioned equipment, and strategic mobility. In addition, our need to rapidly move forces and equipment from home station and between theaters of operation will become an increasingly important determinant of our ability to execute the *National Defense Strategy*.

Another key aspect of our plan for our future force is standardization. We are reducing the number of variants of our heavy combat vehicle fleet. This initiative will promote standardization, decrease the number of systems that we must train active and reserve Soldiers to operate, and reduce maintenance costs.

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 nontraditional missions such as:

- Sustaining the Force is paramount to the Army's success in defeating our adversaries. It enables modular Army logistics units to better anticipate requirements and provide rapid, precise capability to Army, joint, and multinational partners. We are creating 360 degree visibility of all the assets and resources, both deployed and in-transit, and improving theater wide distribution systems needed to support military operations.
- Actionable Intelligence is providing Soldiers and leaders with expanded situational understanding by distributing intelligence with more speed and accuracy, ultimately leading to successful operations.
- Improve Capabilities for Stability Operations is developing and improving our capability and capacity to conduct stability, security, transition, and reconstruction operations within joint and coalition operations and to support other U.S. Government agencies 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 broaden the options available to civil authorities.
- Increase Army Capabilities to Dominate in Complex Environments is focusing on improving the Army's ability to operate in complex human, informational, and physical environments by increasing Soldiers' and organizations' cultural awareness, regional familiarity, and language skills.

The combination of transformation and modernization, reinforced by our commitment to learn and adapt to traditional and nontraditional missions of this type, and continued improvements in training Soldiers, developing leaders, and improving facilities is producing relevant and ready landpower for the 21st Century.

The following initiatives (found at Addendum G) reinforce our efforts to Provide Relevant and Ready Landpower:

- Develop Operational Capabilities in LandWarNet
- Execute Major Acquisition Programs
- Restructure Army Aviation
- Enhance Joint Interdependence
- Stabilize Soldiers and Units to Enhance Cohesion and Predictability
- Leverage Science and Technology

Compelling Needs

- Full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations are required to build readiness needed to execute the *National Defense Strategy* and to pay for the costs of war.
- Resource the Army's requirements for resetting the force. Full funding is needed to restore units—a process with both materiel and human dimensions—to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions.
- Support the Army's efforts to grow our operational forces, and restructure our Operating and Generating Forces in our active and reserve components, to meet global commitments now and in the future.
- Fully fund continuous modernization of the current force through Future Combat Systems and key supporting programs including: increasing Soldier protection, sustaining development of advanced technologies, transforming LandWarNet, transitioning Joint Network Node to Warrior Information Network–Tactical (WIN-T), and rebalancing active and reserve component units and skills.
- Accelerate momentum established in transforming the force through modular conversions scheduled in Fiscal Years 2007 and 2008, and support plans to grow our Operating Force, to meet current and future requirements:
  - Continue or complete conversion of 17 Brigade Combat Teams (1 AC, 16 ARNG).
  - Continue or complete conversion of 27 Multi-functional or Functional Support Brigades (12 AC, 8 ARNG, 7 USAR).
  - Begin conversion of 16 Brigade Combat Teams (4 AC, 12 ARNG) and 2 ARNG Headquarters.

ADDENDUM B
(TRAIN AND EQUIP SOLDIERS TO SERVE AS WARRIORS AND GROW ADAPTIVE LEADERS)

We are better preparing our Soldiers for the rigors of war and developing our leaders to serve as multi-skilled pentathletes able to thrive amidst complexity and uncertainty. Recognizing that intellectual change precedes physical change, we are:

- *Producing Soldiers armed with the mindset, values, and combat skills to serve as competent, resilient warriors.*
- *Reinforcing a commitment to our Warrior Ethos among all of our Soldiers and Army Civilians.*
- *Enhancing education and training programs throughout the Army: at home stations, at our Combat Training Centers, within our schools, by leveraging distance learning methods – and by increasing opportunities for graduate level education.*
- *Growing innovative, adaptive leaders through training and education programs that quickly apply lessons learned during combat, stability operations, reconstruction, and in providing support to civil authorities.*
- *Enhancing our capabilities by providing the best possible training, weapons, sensors, protection, and equipment to our Soldiers.*
- *Expanding our emphasis on language training and enhancing cultural awareness in our military education programs.*
- *Improving our Soldiers' abilities to operate in complex environments overseas and with other governments and militaries to strengthen the capacity of partner nations.*

ACCOMPLISHMENTS

Since 9-11

- Continued to adapt Combat Training Centers to replicate current cultural and language environments, emphasizing urban operations, live-fire convoy training, defeating Improvised Explosive Devices, and working with joint and allied forces.
- Continued to enhance Soldier protection by fielding flame resistant uniforms and improving individual body armor. Today, every Soldier serving in Iraq and Afghanistan is issued improved body armor.
- Continued to meet Combatant Commanders' requirements for Tactical Vehicle Armor, delivering over 14,000 Up-Armored HMMWVs to key theaters of operation.
- Equipped over 800,000 Soldiers with mission enhancing equipment through the Rapid Fielding Initiative.

2006

- Distributed and pre-positioned over 7,000 items of equipment to better posture the Army National Guard to respond to hurricanes and other missions.
- Applied combat lessons to continue improvements in training on essential Warrior Tasks and Drills provided for all Soldiers, in all specialties, during initial military training.
- Improved quantity and quality of language training. Soldiers and Army Civilians can now study 30 languages available via the internet including Arabic, Chinese, and Tagalog. To date, more than 66,000 personnel have completed over 85,000 units of instruction.
- Reduced combat vehicle fatalities by 71 percent from the previous year by using a composite risk management process in all plans and operations.
- Conducted over 1,700 different resident, non-resident, and distance learning training courses in Fiscal Year 2006 for Soldiers and civilians across all Army components, other services, and many partner nations.
- Expanded our institutional training instruction – from training provided to Soldiers entering the Army to the education provided to our most senior officers – to increase development opportunities for Soldiers, military and civilian leaders, and students from partner nations.
- Added cultural awareness training to all professional military education courses, providing training for over 260,000 Soldiers and leaders.
- Deployed a new Joint Precision Airdrop system to reduce numbers of cargo trucks on the road and limit Soldier exposure to enemy fire.

Reinforce our Centerpiece: Soldiers as Warriors

Soldiers are the Army. This idea is foremost in our thinking. It is the Soldier—well trained, equipped, and led—who serves as the ultimate expression of the capabilities the Army provides to the Joint Force and the Nation. For this reason, Soldiers are the centerpiece of our formations. Their *"boots on the ground"* provide capabilities that no technology could ever replace.

Our Soldiers operate in the human dimension—interacting with the populace, facing their enemies in close combat, while preserving the lives of innocent civilians around them. We reinforce these *warriors* by preparing them with the mindset, training, and equipment they need to accomplish their mission in an increasingly uncertain, unpredictable security environment.

The Warrior Ethos, a set of principles we live by, is imbued and reinforced through adherence to Army Values, and exemplary standards of conduct and discipline. Our Warrior Ethos serves as the bedrock to prepare Soldiers and leaders to face danger and uncertainty, think critically, and solve the complex problems they face on today's battlefield. These values are reflected in three sets of guideposts for key groups within our Army: the Soldier's Creed, the Noncommissioned Officer's Creed, and the Civilian Corps Creed. To reinforce our commitment to values, we work aggressively, in our units and across the training base, to build pride in the Army's traditions and our record of service to the Nation.

Our Soldiers believe in their mission. They are making enormous sacrifices so that others may live in peace and freedom. Their continued honorable, selfless service against ruthless, adaptive enemies is a testament to our values-based Army. Our nation must remain equally committed to them by providing the capabilities and support they need to succeed in their mission.

Train Soldiers

To accomplish our mission, we are preparing our Soldiers from all components to conduct the full spectrum of operations as part of joint, interagency, and coalition teams. This spectrum ranges from engaging with friends, allies, and partners to strengthen their capacity to conducting major combat operations.

We are transforming how we train and educate our Soldiers to better prepare them to deal with the challenges they will face today and tomorrow. We take a "lifelong approach" to enhancing knowledge and skills. We begin upon entry into service and furnish opportunities for professional growth and learning throughout their careers.

To better prepare Soldiers for combat, we have enhanced the rigor and relevance of training for newly enlisted Soldiers and recently commissioned officers. Today, every Soldier and officer, regardless of specialty, becomes a *warrior first*. A grouping of carefully selected Warrior Tasks and Battle Drills, developed from lessons learned on the battlefield, builds proficiency and confidence to function in today's

operational environment. We conduct a biannual review of these tasks and drills to ensure continued relevance.

Through a program we call *Operation Warrior Trainer*, we are using the recent combat experiences of junior leaders from the Army National Guard and the Army Reserve to better prepare leaders for the challenges they will encounter. This program relies upon officers and noncommissioned officers who volunteer to serve in our Training Support Brigades. They teach, coach, and mentor their fellow Soldiers in the tactics, techniques, and procedures that were successful during their recent combat tours.

We are increasing our investment in our Soldiers to develop foreign language capability and to increase their appreciation, understanding, and respect for other cultures. These two areas establish the foundation for improving our Soldiers' abilities to operate in complex environments overseas and to work closely with other governments and militaries to strengthen the capacity of partner nations.

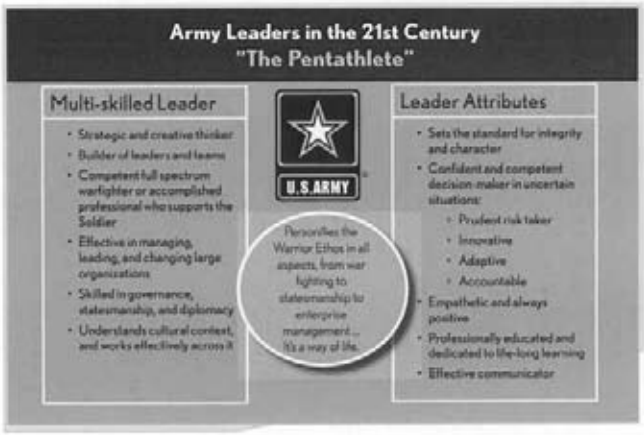
Our operations in recent years have underscored the important role that language proficiency plays in the execution of successful operations. It accelerates the process of building rapport with the local populace, partner nations, and other organizations. In addition to language training in our schoolhouses, we also provide training on 30 languages to all Soldiers and Army Civilians through modern distance learning methods. Language proficiency, coupled with focused instruction, is helping to improve cultural awareness and enhance leader development. In addition, we are expanding opportunities for graduate level studies in all aspects of foreign cultures, which has the additional benefit of helping to retain our junior officers.

In addition to these enhancements in training Soldiers and leaders, we are improving how we develop the readiness of our units. Our Combined Arms Training Strategy is designed to provide trained and ready forces to meet the Combatant Commanders' operational requirements. This strategy features specific activities throughout what we refer to as multiple training domains: institutional, unit, and self-development. The cycles of Army Force Generation (ARFORGEN) – **RESET and TRAIN, READY,** and **AVAILABLE** – allow commanders to optimize available training time in each of these domains, in a progressive manner, from individual training and education to more complex tasks in which whole units are involved. We carefully manage the flow of equipment throughout the cycles of ARFORGEN to ensure units have the tools they need to conduct demanding, realistic unit training. Applying the latest technology to use simulated training experiences and other tools is helping us to remain ahead of our adversaries and to quickly adapt our doctrine and training methods to prepare for a complex, dynamic environment.

We are also expanding our distributed learning program to enhance opportunities to develop our Soldiers and Army Civilians. On an average day over 22,000 Soldiers participate in one or more of the over 2,600 available online courses, including foreign language and cultural awareness training, to improve job proficiency and to work toward civilian degrees. Army Knowledge Online, the largest and most mature of all Department of Defense (DoD) portals, is the model for development of Defense Knowledge Online (DKO). Defense Knowledge Online will be established as the DoD portal for personnel from all services, and will be the interface for providing DoD users with the services needed to accomplish their mission.

Enhance the Combat Training Centers

To better prepare our forces for the rigors of an increasingly uncertain, complex, and dangerous environment, we are continuing to enhance our Combat Training Center Program. We maintain three Combat Training Centers (CTC) which support large scale training operations. A fourth center supports the execution of the Battle Command Training Program, which facilitates training through



advanced simulation based exercises. We are adapting the settings, conditions, and scenarios used at all of our centers based on operational experience. To better prepare our Soldiers, leaders, and units, our goal is to accurately reproduce the complex environments—terrain, culture, language, and information—in which they will operate.

At the CTCs, our Brigade Combat Teams and other units conduct pre-deployment training on their core mission skills. As units practice their missions at the CTCs, they will encounter nongovernmental organizations, media, coalition forces, hundreds of civilians, interagency organizations and often, special operations forces. This training is crucial to developing readiness for combat. It enables our units to hone their skills and to develop into effective, cohesive teams before they deploy to our theaters of operation.

As we transform to a larger, more capable operational force, we require additional training capacity. In addition, our training centers are exceeding their capacity because of sustained high levels of strategic demand for Army forces. To meet the increasing need for world-class training to certify our units before they deploy, we are developing an exportable training capability. This capability is providing an experience that is close to what is provided at our actual centers at units' home stations. This initiative provides greater flexibility to meet the schedules established by the Combatant Commanders. It can also serve to reduce the time that our Soldiers are away from their home stations.

Our Battle Command Training Program provides realistic, stressful training, and leader development for corps, division, and brigade commanders and their staffs. We use the latest simulation technology and developments in operational scenarios to create the challenging, dynamic conditions these headquarters will encounter when deployed. This program prepares them to serve as joint and coalition task force operational headquarters in combat.

The rigor and relevance of our CTC Program is enhancing our capabilities across the full spectrum of operations. By improving pre-deployment preparation, it is also reducing risk to our Soldiers.

Grow Adaptive Leaders

Today's security environment requires more of Army leaders at all levels. The evolving Transition Team mission that our officers and noncommissioned officers are performing – to train foreign nation's security forces – is but one example of the challenges our leaders are dealing with. As we have seen in Iraq, Afghanistan, Korea, Europe, across the Americas, in peace enforcement operations around the world, and while providing civil support, the actions of individual Soldiers and leaders are vital to success and can have strategic consequences.

Accelerating Force Protection Equipment to Soldiers

Area	Where We Were September 2003	Where We Were January 2006	Where We Are January 2007
Individual Body Armor (IBA)	Estimated 10 percent of Soldiers in Iraq equipped	All Soldiers and DoD civilians in theater equipped; and 60,000 Deltoid Auxiliary Protectors issued	All Soldiers and DoD civilians in theater equipped; more than 900,000 IBA fielded; (more than 271,000 Deltoid Auxiliary Protectors issued; and more than 276,000 Ballistic Side Plates 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 14,700 Up-Armored HMMWVs in Iraq, Afghanistan and Kuwait
Tactical Wheeled Vehicle Add-on Armor Kits	Contingency mission only	More than 19,000 vehicles in theater have add-on armor kits	More than 26,000 vehicles in theater have add-on armor kits
Armored Security Vehicle (ASV)	No ASVs in theater	Resurrected a terminated program; more than 80 ASVs in theater	Provided more than 540 ASVs in theater
Unmanned Aircraft Systems	8 aerial vehicles in theater	591 aerial vehicles in theater	Provided more than 1,200 aerial vehicles in theater
Rotary Wing Aircraft Survivability Equipment (ASE)	In process of upgrading rotary wing aircraft with basic ASE	New ASE system in theater, limited fielding to aircraft	All theater rotary wing aircraft upgraded with new ASE system
Buffalo Armored Vehicle	No systems deployed in theater	No systems deployed in theater	More than 40 systems deployed

To better prepare our leaders to develop creative solutions to the complex, ambiguous problems they will face, we formed a special task force to Review Education, Training and Assignments for Leaders. We drew upon the ideas and experiences of the finest leaders inside and outside of the Army.

The results of this task force's work are now being incorporated into Army Leaders for the 21st Century (AL21) – a comprehensive initiative designed to build leaders akin to *pentathletes*, skilled in many disciplines and able to rapidly transition between complex tasks with relative ease.

We are evolving our training and education programs for our officers, noncommissioned officers, and civilians to grow military and civilian *pentathletes*. We are teaching our leaders critical thinking skills – emphasizing *how to think*, not *what to think*. Our focus is to develop highly adaptive leaders who have the intellectual agility needed to thrive in adverse, dynamic situations.

For our newly commissioned officers we implemented the Basic Officer Leader Course (BOLC). Consistent with our *warrior first* approach, this tough, standardized, small-unit leadership experience ensures that all junior officers, in all of our branches, master the skills they will need to lead in combat. Our warrant officer and noncommissioned officer programs are experiencing similar improvements in the rigor and relevance of training and education.

Guided by AL21, we are also overhauling our Civilian Education System. We are creating a progressive, sequential program to enhance leader development and provide structured education opportunities for our Army Civilians throughout their careers. Our goal, is to create Army Civilians who, as *pentathletes*, exemplify the Civilian Corps Creed in dealing with the full range of challenges they will face in providing our Soldiers with the resources, quality of life, infrastructure, and other support they will need to accomplish the Army's mission.

Equip Our Soldiers

Providing our Soldiers with the best possible equipment is our highest priority. The changed conditions of warfare necessitate that we can no longer accept risk in how we equip all of our Soldiers. Since there are no front lines in today's battlefields, we must now equip all of our units with night vision goggles, crew served weapons, communications equipment, and other critical items they need to survive. We must also provide them with every means available to protect them and to minimize the risks to which they are exposed.

One of the many programs we have designed to increase individual Soldier capabilities is the Rapid Fielding Initiative.

This initiative accelerates the fielding of commercial, off-the-shelf technologies to quickly deliver state-of-the-art equipment to our Soldiers to enhance their performance. The Rapid Fielding Initiative provides a specific set of equipment to every one of our deploying Soldiers. We provide additional items of equipment to our Soldiers assigned to Brigade Combat Teams. Since its inception, this initiative has equipped nearly 800,000 Soldiers.

Recent experiences in operational theaters help us to determine the items we furnish to our Soldiers. Key examples of Rapid Fielding Initiative successes include: the Advanced Combat Helmet, which enhances protection, comfort, and permits better hearing; and the Improved First Aid Kit, which improves the ability to treat bleeding from wounds and remove airway obstructions. We plan to complete fielding these items to all operational forces by October 2007.

Another key program, in which we restore battle losses and repair worn equipment, is our Reset Program. During "reset," we restore Soldier and unit capability by repairing or replacing key items of their equipment, or issuing whole new types of equipment to them. We also provide training on new equipment that our Soldiers are issued.

Like other aspects of support for an Army at war, our Soldiers' effectiveness and protection depends upon a sustained national commitment to train and equip them properly. Since 2003, we have issued over 900,000 sets of improved body armor. We have delivered more than 14,000 up-armored HMMWVs to our theaters of operation. In addition, we have deployed manned and unmanned systems to detect and to defeat Improvised Explosive Devices (IEDs). We have also fielded new systems such as the Armored Security Vehicle and the Buffalo Armored Reconnaissance Vehicle to better protect our convoy formations.

The IED is the deadliest terrorist method being used against our Soldiers. We are investing unprecedented resources to counter this threat. The Army Asymmetric Warfare Office is our focal point to integrate a diverse range of asymmetric warfare initiatives. These initiatives include countering IEDs and to provide specific training. This office also serves as our link to Defense Department initiatives in this area.

Our Rapid Equipping Force is another means we are using to better protect our Soldiers. This force works in partnership with industry, academic, and military leaders to quickly support unit equipping needs. It furnishes commanders with readily employable solutions to enhance lethality and survivability, using both off-the-shelf and new technologies. The Rapid Equipping Force is enabling us to remain ahead of adaptive enemies and save Soldiers' lives. Examples of Rapid Equipping Force successes include the deployment of language translators, vehicle scanning systems, and robots able to inspect possible IEDs.

The following initiatives (Addendum G) reinforce our efforts to Train and Equip Soldiers to Serve as Warriors and Grow Adaptive Leaders:

- Army Initiatives to Improve in Irregular Warfare Capabilities
- Expand Cultural Awareness and Foreign Language Capabilities
- Support the Joint National Training Capability

Compelling Needs

- Full funding for Army operations and maintenance accounts to ensure readiness – of fully manned, trained, and equipped units – able to execute the full spectrum of operations.
- Full funding of equipment modernization programs to accelerate the delivery of advanced technologies to our Soldiers to increase their combat effectiveness and protection.
- Continued support to reset unit equipment, needed to train Soldiers and to develop readiness to meet current and future challenges and defend the homeland.
- Support to implement Army Leader for the 21st Century policies, programs, and initiatives designed to build *pentathletes*.
- Full funding of infrastructure improvements – new construction and upgrade of existing training facilities and ranges – to support our Combat Training Center Program and at our installations.
- Full funding to expand our capacity to train Soldiers and grow adaptive leaders at our Combat Training Centers, at home stations, and across our institutional training base to accommodate the expansion of the Army.
- Full funding to support the continued expansion of our language and cultural awareness programs in our schoolhouses and in our unit based activities.

ADDENDUM C
(SUSTAIN AN ALL-VOLUNTEER FORCE COMPOSED OF HIGHLY COMPETENT SOLDIERS THAT ARE PROVIDED AN EQUALLY HIGH QUALITY OF LIFE)

Our continuing success in accomplishing the Army mission is directly attributed to the talented men and women of our Army who provide "boots on the ground" around the world. We are sustaining the All-Volunteer force by:

- *Honoring our commitment to care for these versatile young Americans and their families.*
- *Enhancing numerous programs for housing, education, health care, and other areas to improve how we support our Soldiers and their families.*
- *Promoting a greater sense of belonging to units and communities to build readiness and cohesion while reducing uncertainty.*
- *Executing a full range of initiatives to recruit and retain Soldiers with the right aptitudes and attitudes.*
- *Working to match the quality of life that our Soldiers enjoy to the quality of service they provide to the Nation.*

ACCOMPLISHMENTS

Since 9-11

- Exceeded combined active and reserve retention goal each year.
- Built over 26,500 barracks spaces and modernized over 12,200 existing spaces through our Barracks Modernization Program.
- Dramatically improved family housing by privatizing 73,000 sets of quarters at 34 different installations through the Residential Communities Initiative.
- Consistently improved care for injured and severely wounded Soldiers upon their return from theater.
- Established a comprehensive Well-Being framework to integrate, resource, and measure quality-of-life programs for Soldiers and families.
- Provided rest and recuperation opportunities for more than 400,000 deployed Soldiers and Army Civilians.

2006

- Exceeded retention objectives in all three components.
- Achieved Active Component recruiting objective of 80,000 Soldiers – most Soldiers recruited since 1997.
- Improved support to families by improving family support programs at installations.
- Increased command support for Family Readiness Groups at all levels of organization.
- Expanded Virtual Family Readiness Groups to improve support for families in remote locations.
- Expanded community-based Child and Youth Services programs for child care, youth outreach, and school transition to support more than 200,000 Army children and youths.
- Expanded the Residential Communities Initiative to include construction of 392 apartments to house bachelors and unaccompanied Soldiers.

RECRUIT AND RETAIN THE ALL-VOLUNTEER FORCE

Sustaining the All-Volunteer force as an enduring institution is a fundamental strategic objective for the Army. It serves as a vital investment in the future security of our Nation.

We enjoyed great success in manning the Army during 2006. More than 184,000 qualified men and women answered the Call to Duty by choosing to serve. We exceeded our 80,000 total accession goal for the active component by 635 Soldiers – the most we have accessed since 1997. Our Army National Guard met 98.6 percent of its total annual goal (69,042 of 70,000) – achieving its highest number of accessions since 1993. Our Army Reserve finished the year at 95.4 percent of its total annual goal (34,379 of 36,032).

The success we enjoyed during 2006 is significant in light of changing public attitudes toward the war and an improving economy and job market. Less than one-third of our primary recruiting market (17 to 24 year old males) is fully qualified to serve in the Army (see Figure C-1). We compete with the other Services for this relatively small pool of eligible candidates. Our challenge is perhaps the most difficult in the Armed Forces because we are the largest, most manpower-intensive Service. We recruit more new enlistees each year than all of the other Services combined.

With the support of the Congress and the Department of Defense, we accomplished our objective in 2006. We attribute our success to improved advertising, an expanded recruiter base, and enlistment incentives program enhancements. New programs, such as the Army Referral Bonus and the Recruiter Incentive Pay Program, along with several recruitment policy

Figure C-1

changes and improved processes, also contributed to these successes. We will require continued resources and support in the coming year to attract and access the best possible Soldiers to man our formations.

In October, we announced a new Army Recruitment Advertising Campaign: Army Strong. This campaign highlights the physical, mental, and emotional strength of Soldiers. It draws from past successes the Army has achieved and underscores the strength and pride our Soldiers demonstrate daily while serving the Nation, at home and abroad. We are optimistic that this campaign, reinforced by the support of the Congress and the American people, will enable our 2006 recruiting successes to continue during 2007.

The Army continues to retain Soldiers at tremendously high levels. While fighting the war on terror, we have surpassed our combined Army-wide retention goals, each year, since 2002. In 2006, we exceeded our retention goals in the active component by five percent, in the Army National Guard by eighteen percent, and in the Army Reserve by three percent.

Our Soldiers value the Army's tradition of service to the Nation. They appreciate the opportunity to contribute to national security in a meaningful way. We continue to reenlist two out of every three eligible Soldiers who reach the end of their term of service. We are particularly proud that one out of every two first-term Soldiers decides to reenlist. We believe that our success in retention results from the high quality of leadership that our Soldiers experience in their units.

The continued support of spouses, parents, and veterans, along with the employers of our reserve component Soldiers, plays a huge role in recruiting and retaining our All-Volunteer force. Their support directly affects the pride and morale of each of our Soldiers. We have recognized over 800,000 of these key influencers through the Freedom Team Salute Program.

Care for Soldiers, Civilians, and Army Families

Caring for Army families plays a vital role in sustaining the commitment of our Soldiers and Army Civilians. Our leaders concentrate on this critical aspect of their duties. We apply resources carefully to maintain and to improve the programs that are of the greatest concern to our family members. We constantly work to assure our Soldiers, their families, and our civilian employees that they will be well taken care of and that their needs will be met.

Army Well-Being programs provide leaders a variety of ways to care for our people. We have integrated numerous Army-wide quality of life functions into a comprehensive Well-Being framework to better enable us to focus resources, measure success, and address the needs of an Army at war. Our expanding Morale, Welfare, and Recreation Programs are a key part of this framework. These programs help to reduce the stress of daily challenges and enhance mental and physical fitness for our Soldiers, their families, and our Army Civilians.

Family Readiness Groups, to include Virtual Family Readiness Groups, continue to be the centerpiece of our efforts to care for families before, during, and after Soldier deployments. Our new Family Readiness Deployment Assistant Program, which provides administrative and logistical support to Family Readiness Group leaders and Rear Detachment Commanders, has been a great success. In 2006, The Army Chaplaincy's Strong Bonds Program reached more than 40,000 active and reserve Soldiers. This program is designed to help our Soldiers to maintain healthy family relationships.

Other programs and initiatives designed to reduce the stress of war for our Soldiers, families, and Army Civilians include:

- U.S. Central Command Rest and Recuperation Program
- Deployment Cycle Support Program
- Military One Source
- Multi-Component Family Network
- Child and Youth Services School Transition Services
- Spouse Employment Partnership
- Family First Household Goods Shipping Initiative

Health care is another critical aspect of caring for our Soldiers and their families. The Army provides world-class health care for over 3.5 million beneficiaries, on the battlefield, and at hospitals and clinics worldwide. To fulfill 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 exemplifies our commitment to honor the Soldier's Creed by "never leaving a fallen comrade." This program provides continuous, comprehensive transition and support services for our severely wounded Soldiers. These services continue, even if a Soldier is medically retired, to help our *wounded warriors* receive the support they have earned through their service to the Nation.

Improve Soldier and Family Housing

Our commitment to providing quality housing for our Soldiers is reflected in the progress we are making in our Barracks Modernization Program and in our Residential Communities Initiative. We have been working aggressively, over many years, to improve the quality of the barracks which house our Soldiers. By the end of 2006, we had funded 85 percent of our goal for Army-wide modernization. We expect to complete the funding of this vital initiative by the end of 2011. In addition, we are planning for 36 percent of our barracks for new Soldiers entering the force to be modernized by 2013. We are continuing to modernize the barracks used by our Army National Guard and Army Reserve Soldiers during their annual training.

Through the Residential Communities Initiative, we are providing better family housing for our Soldiers by employing an innovative privatization process. This program leverages private investment capital to improve

housing at much faster rates than traditional methods of financing and contracting for military construction. When completed in 2010, over 98 percent of Army housing in the United States will have been privatized – over 86,000 units at 45 installations. We have also constructed more than 7,600 family homes and renovated over 8,000 existing homes using traditional military construction.

Improving housing is one of the most effective ways to provide our Soldiers and families with a quality of life that recognizes their service to the Nation. Our programs in this area have a positive, enduring effect on morale, enable our Soldiers to provide for their families, and contribute immeasurably to our ability to sustain our All-Volunteer force.

The following initiatives (found in Addendum G) reinforce our efforts to Sustain an All-Volunteer Force:

- Provide Competitive Compensation
- Develop Resilient Army Families
- Provide a System that Promotes Continuous Personal and Professional Learning Development

Compelling Needs

- Support and full funding for critical recruiting and retention goals that enable the Army's effort to grow the Army by:
  - Achieving accession and retention goals across all components of the Army by providing incentives, recruiters, advertising, and other support.
  - Continuing support of Army initiatives to provide greater predictability and stability for Soldiers and their families in both our active and reserve components.
- Support and full funding for quality-of-life programs that sustain the propensity to serve demonstrated by our Soldiers, their families, and our civilian employees and ensure a quality of life that matches the quality of their service to the Nation by:
  - Supporting housing initiatives to provide quality housing for Soldiers and families at installations impacted by current operations, Base Realignment and Closure, and the Global Defense Posture Realignment.
  - Supporting initiatives to improve medical care in both active and reserve components that attest to the Nation's concern for Soldier well-being.
  - Supporting construction of Child Development Centers, Youth Centers, Fitness Centers, Recreational Facilities, and Chapels.

ADDENDUM D
(PROVIDE INFRASTRUCTURE AND SUPPORT TO ENABLE THE FORCE TO FULFILL ITS STRATEGIC ROLES AND MISSIONS)

To better enable the force to fulfill its strategic roles and missions, we are:

- *Adjusting our global footprint to be better positioned for the challenges of the 21st Century and the long war on terror.*
- *Transforming our installations, depots, and arsenals – and the information network that connects them – to become more efficient and better able to support the Army's mission, at home and abroad.*
- *Challenging the way we conduct the business of the Army – constantly finding ways to improve, to increase productivity, and to maximize the use of every dollar.*
- *Transforming the Army's structure, systems, processes, and logistics automation to enable Soldiers to sustain the full range of our global commitments.*

ADJUST GLOBAL FOOTPRINT TO CREATE "FLAGSHIPS OF READINESS"

We are repositioning all of our bases and facilities in one of the most sweeping structural and basing changes in our history. Our plan directs, by 2013, the movement and consolidation of major elements of our operating and generating forces through over 1,800 individual moves. We are working now to establish the environmental foundation and to initiate the renovation and construction required to reposition many of our schoolhouses, headquarters, and major supporting activities.

We are committed to creating "Flagships of Readiness," a concept that is an imperative for our Army and the Nation. To be ready to execute the *National Defense Strategy*, in wartime, we are working to dramatically improve our capacity to train Soldiers and leaders and to generate combat power in time of war.

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 Base Realignment and Closure, Global Defense Posture Realignment, Army Modular Force initiative, and the demands and realities of the Global War on Terror.
- Optimized Power Projection Platforms – enabling wartime mobilization and facilitating over 700,000 Soldier deployments for the war on terror.

2006

- Developed facilities support strategy to meet the target dates established by Base Realignment and Closure law, Global Defense Posture Realignment, and to build the Army Modular Forces which requires the execution of approximately $38 billion in Military Construction and related projects between 2007 and 2013.
- Implemented *Lean Six Sigma* methodology within all Army Commands, Direct Reporting Units, Army Service Components of Joint Commands, and across Headquarters, Department of the Army.
- Received four Shingo Prizes for the Public Sector for improving business practices at key Army Materiel Command depots.
- Activated the Army Sustainment Command to serve as our national logistics integrator.

Our plan is guiding the overall transformation of our support infrastructure to better enable our ability to:

- Furnish tough and realistic training;
- Prepare and deploy forces;
- Provide standards for quality of life that our Soldiers and families deserve;
- Establish modern working conditions for our Army Civilians; and
- Establish the infrastructure needed to support and sustain the All-Volunteer force.

Our plan integrates Base Realignment and Closure decisions, Global Defense Posture Realignment, and the actions required to build a modular Army – which will allow us to divest Cold War era bases and facilities to create the global infrastructure required for a new era. This plan depends on careful synchronization of our stationing, construction, and deployment schedules to support the war on terror and other missions. If done efficiently, this consolidation will yield tremendous savings over

Major Stationing Moves in 2007

- 1st Brigade, 1st Armored Division moves from Germany to Fort Bliss.
- 2nd BCT, 4th Infantry Division moves to Fort Carson.
- 17th Fires Brigade moves from Fort Sill to Fort Lewis.
- 5th Brigade, 2nd Infantry Division (Stryker Brigade Combat Team 7) activates at Fort Lewis.
- Support Brigade (Maneuver Enhancement) activates at Fort Polk.
- 3d COSCOM moves to CONUS and will reflag as the 3d Expeditionary Sustainment Command.

time – while posturing our forces, logistics activities, and power projection platforms to respond to the demands of the Nation as efficiently and as effectively as possible.

In support of our plan, we have received significant support from the President, the Secretary of Defense, and Congress; however, we require significant resources to improve training, housing, and deployment facilities on our installations and infrastructure. We are continuing to assess the impact of budgetary challenges on the timing of our comprehensive global restationing plan. We started Fiscal Year 2007 under a continuing resolution for the Military Construction, Quality of Life, and Veterans Affairs (VA) Bill. This measure kept dollars flowing, yet greatly affected the timing of our ability to construct vital facilities needed to house and to train our Soldiers.

We are at the forefront of an extraordinarily complex challenge, one that must be supported with timely funds to adhere to an intricate, complex schedule. Repositioning our forces worldwide impacts not only the lives of our Soldiers and their families; but also, our overall ability to execute the *National Defense Strategy*. To execute our plan according to schedule, and to continue to meet strategic requirements for forces and capabilities, we require timely, sustained funding. Failure to underwrite this commitment with sustained and timely resources will increase risk for the Army and the Nation.

Implement Business Transformation

As we are changing the way we operate militarily, we are also changing how we do business. We are aggressively transforming our business methods and our workforce culture to reflect best practices in civilian industry. These changes will enhance the Army's ability to deal with the challenges we will face today and tomorrow.

Successful business transformation is essential to our long-term health. It is freeing human and financial resources that we are directing to our core warfighting missions. In addition, by "taking work out" of our processes – reducing waste in all its forms – we are accelerating the rate of our transformation.

The centerpiece of our business transformation is continuous improvement. Through the application of Lean Six Sigma (LSS), we are critically analyzing how we do business. Using this methodology, now increasing its appeal throughout civilian industries, we are constantly identifying ways to increase productivity, reduce cycle time, and decrease our overall resource demands.

The initial focus of our LSS deployment has been on processes used within our operating and generating forces. We currently have over 500 active projects designed to improve efficiency across the Army. We have already enjoyed great success from completed projects in certain areas, as evidenced by continued improvement in manufacturing and repair processes at several depots and arsenals within our Army Materiel Command (AMC). During the past year, four of these AMC depots received the coveted Shingo Prize in 2006 for their efforts to improve manufacturing practices. We will continue to work toward full implementation throughout the Army and to replicate these successes in all our activities.

Develop the LandWarNet Institutional Infrastructure

We continue to invest in information technology (IT) at our installations and reserve component facilities. We are working to establish the architecture to provide the foundation for LandWarNet, the Army's portion of the Global Information Grid. LandWarNet moves information through a seamless network to better support our combat forces and the infrastructure that generates and supports them. Our IT infrastructure will also enable operational forces to "reach back" for data in the form of high definition intelligence products, voice, video, and data.

Consolidating IT network services is helping to increase LandWarNet's efficiency and effectiveness. LandWarNet is enabling us to establish Area Processing Centers to better facilitate and consolidate support for operations in many diverse regions. LandWarNet is reducing vulnerabilities, while increasing both access to and security of our information. Our investment in LandWarNet is helping to improve the Army's ability to conduct joint, interagency, and multi-national operations. This capability will fully leverage the potential value of the network to promote common understanding, move data in real-time, and support operations, at home and abroad.

We are improving how we manage our network. We are applying new technologies and implementing sound investment guidance. We are also dramatically improving the quality of available data by transforming the processes used to analyze and distribute it. While helping to avoid information overload, this initiative will enable the sharing of knowledge needed to optimize decision making. It will also facilitate more effective and more efficient mission planning and performance across the Army.

Enhance Logistics Readiness

While the Global War on Terror remains our top priority, we must also prepare the Army for future challenges. To be successful, we are transforming the Army's structure, equipment, and processes, while sustaining the Army's ability to fulfill the full range of its global commitments.

The Army Force Generation (ARFORGEN) process identifies emerging equipment requirements and permits a complete corporate view of equipment readiness. Our Reset Program enables us to meet those requirements and quickly restore the capabilities of our units. Congress has funded this restoration process for this year and must continue to do so in future years. Our Retrograde Program enables us to account for and redistribute millions of dollars in excess equipment to meet warfighting requirements.

We are ensuring that Logistics Transformation keeps pace with broader Army transformation initiatives by:

- Providing commanders with transformed logistics organizations that are fully embedded in their formations to provide more immediate, more responsive support;
- Deploying logistics headquarters that are fully able to operate with other members of the Joint Team and provide unified, theater-wide command and control of logistics operations and activities; and
- Improving home station and wartime accountability by implementing an aggressive Logistics Automation Governance Strategy which is rapidly creating and fielding an automation architecture to better support and sustain our modular forces.

The following initiatives (found at Addendum G) reinforce our efforts to Provide Infrastructure and Support:

- Execute Base Realignment and Closure
- Implement Army Sustainability Strategy
- Implement Logistics Automation Governance Strategy

Compelling Needs

- Support to execute a carefully synchronized plan to achieve a new global basing posture, and grow the Army, while fulfilling the requirements of the *National Defense 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 (a situation that will require continous reevaluations in future years).
- Support Army efforts to synchronize Global Defense Posture Realignment, Base Realignment and Closure, and stationing of modular forces.
- Fund Base Operations and Sustainment accounts to meet minimum support levels while providing a predictable spending level to Army installations.
- Fully fund Sustainment, Restoration, and Modernization accounts to slow the rate of deterioration of Army infrastructure.
- Fully fund the Installation Information Infrastructure Modernization Program.

ADDENDUM E: DATA REQUIRED BY NATIONAL DEFENSE AUTHORIZATION ACT OF 1994

Sections 517 and 521 of the National Defense Authorization Act (NDAA) for FY1994 require the information in this addendum. Section 517 requires a report relating to the implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA for Fiscal Years 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard, including information relating to the implementation of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102-484, and referred in the addendum as 'ANGCRRA'). Section 521 reporting was later amended by Section 704, FY 1996 NDAA. U.S. Army Reserve Information is also presented using Section 521 reporting criteria.

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

	AC in RC*	Army Average**
FY 2005		
Major	93.6	97.7
Lieutenant Colonel	42.1	88.7
FY2006		
Major	93.9	97.5
Lieutenant Colonel	68.7	90.9

**Active component officers serving in reserve component assignments at time of consideration. All figures represent percentages.*

***Active component officers not serving in reserve component assignments at the time of consideration. All figures represent percentages.*

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

	AC in RC***	Army Average****
FY 2005		
Major	4.1	6.2
Lieutenant Colonel	2.9	6.0
FY2006		
Major	5.1	6.8
Lieutenant Colonel	3.2	8.1

**** Below the zone active component officers serving in reserve component assignments at time of consideration.*

***** Below the zone active component officers not serving in reserve component assignments at the time of consideration.*

Section 521(b).

1. **The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.**
   - Army National Guard (ARNG) officers: 20,284 or 55.0 percent.
   - Army Reserve officers: 7,088 or 26.6 percent.
2. **The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.**
   - ARNG enlisted: 114,560 or 37.0 percent.
   - Army Reserve enlisted: 29,498 or 26.6 percent.
3. **The numbers of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:**
   a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:
      - In FY06, no officers were released to the selective reserve to complete their obligation.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:
   - In FY06, no waivers were granted by the Secretary of the Army.

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

   a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:
      - In FY06, no distinguished Reserve Officers' Training Corps (ROTC) graduates were released before completing their active duty service obligation.

   b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:
      - In FY06, no waivers were granted by the Secretary of the Army.

5. **The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year;**
   - In FY06, five ROTC graduates were released early from their active duty obligation. Of this number, all five are completing the remainder of their obligation through service in the ARNG, and none through service in the Army Reserve.

6. **The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).**
   - 1,960 ARNG officers from units were recommended for position vacancy promotion and promoted.
   - 89 Army Reserve officers from units were recommended for position vacancy promotion. A total of 82 were favorably considered.

7. **The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver.**
   - In FY06, no waivers were granted by the Secretary of the Army.

8. **The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the Army Reserve is also provided.)**
   - In FY06, the number of ARNG non-deployable personnel was 63,839. The National Guard Bureau (NGB) maintains the detailed information.
   - In FY06, the Army Reserve had 20,080 Soldiers that were considered non-available for deployment for reasons outlined in Army Regulation 220-1, Unit Status Reporting (i.e., pending administrative/legal discharge or separation, medically non-available).

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

24 months after entering the National Guard. (Army Reserve data also reported).

- The number of ARNG Soldiers discharged during the previous fiscal year pursuant to section 11115(c)(1) of ARNGCRRA for not completing the minimum training required for deployment within 24 months after entering the ARNG is 170 Officers and 12,435 enlisted Soldiers, which includes all 54 States and Territories. The breakdown by each State is maintained by NGB.
- The number of Army Reserve Soldiers discharged during the previous fiscal year for not completing the minimum training period required for deployment within 24 months after entering the Army Reserve is 173 officers and 547 enlisted Soldiers. Those Soldiers who have not completed the required Initial Entry Training (IET) within the first 24 months are discharged from the Army Reserve under AR 135-178, Separation of Enlisted Personnel.

10. **The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.**
    - In FY06, no waivers were granted by the Secretary of the Army.
11. **The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).**
    a. The number and percentage who did not meet minimum physical profile standards required for deployment:
       - In FY06, approximately 96,603 ARNG Soldiers underwent a physical. Of these personnel, 4,386, or 4.5 percent, did not meet the minimum physical profile standards required for deployment.
       - In FY06, approximately 23,146 Army Reserve Soldiers underwent a retention physical. Of these personnel 3,214 or 13.8 percent were identified for review due to a profile-limiting condition or failure to meet retention standards.

    b. The number and percentage that were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).
       - In FY06, 12,042 ARNG persons were transferred from a deployable to a non-deployable status.
       - FY06, 2,474 Army Reserve Soldiers were considered non-available for deployment. This is a decrease of 1,748 from the beginning of FY06 (21,828).
12. **The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.**
    - Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.
13. **The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.**
    - Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.
14. **The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.**
    - Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

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

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

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

- Estimated time for post mobilization training is reported through the Unit Status Report, is classified, and is maintained by the Department of the Army, G-3, Operations, Readiness and Mobilization Division.
- Information on the type of training required by units during post-mobilization is maintained by the appropriate Army Command (ARCOM) or Army Service Component Command (ASCC), i.e., FORSCOM, USAREUR, and USARPAC).
- During FY 2006, the ARNG began transforming enhanced Separate Brigades (ESBs) and Divisional Brigades to Brigade Combat Teams (BCT). To reduce post-mobilization training time, ARNG BCTs will train in accordance with the Army Force Generation Model (ARFORGEN). This six-year model, executed prior to mobilization, culminates with ARNG BCTs achieving company level training proficiency prior to arrival at the mobilization station. The post-mobilization training for ARNG BCTs will then focus on theater specific training requirements. Additionally, ARNG BCTs will conduct collective training in order to attain brigade level training proficiency. This training focuses on combat tasks associated with attack, defend, and support/stability operations.
- The Army Reserve no longer manages units through the Force Support Package (FSP) model, but is transitioning into the ARFORGEN. The Army Reserve has 77 percent of their units integrated into the ARFORGEN model. Post mobilization training for Army Reserve units typically consists of common task testing, NBC defense, force protection, sustainment, command and control, weapons qualification, tactical communications training, and branch-specific technical training. Virtually all units require branch-specific technical training to meet deployment standards. Five additional days are required to conduct convoy lane training (includes live fire and immediate action drill training).

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

- During FY 2006, the ARNG synchronized the use of existing and ongoing Live, Virtual, and Constructive Training Aids, Devices, Simulations and Simulators (TADSS) programs with the training requirements of the ARFORGEN. By synchronizing the use of TADSS with the ARFORGEN, the ARNG will improve unit training proficiency prior to mobilization.
- To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped BCT's the ARNG continued the fielding of the Advanced Bradley Full-Crew Interactive Simulation Trainer (AB-FIST) which provides a full crew simulations trainer for M2A2 units and the Conduct of Fire Trainer (COFT) XXI. When fully fielded these devices in addition to the Abrams Full-Crew Interactive Simulation Trainer (AFIST) XXI will be the primary simulations trainers to meet the virtual gunner requirements of M1 and M2 crews. In order to meet the virtual maneuver training requirements in the ARFORGEN, M1 and M2 units utilize the Close Combat Tactical Trainer (CCTT) and the Rehosted Simulations Network (SIMNET).
- In order to train all ARNG units on the Tactics, Techniques, and Procedures (TTPs) of convoy operations, the ARNG is fielding the Virtual Convoy Operations Trainer (VCOT). The VCOT, through the use of geo-specific databases, also provides commanders with a unique and critical mission rehearsal tool. Currently, there are 21 VCOT systems positioned in the ARNG force to train the fundamentals of convoy operations.

- In order to meet basic and advanced rifle marksmanship requirements, the ARNG is fielding the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship training device. The EST 2000 is also used to provide unit collective gunnery and tactical training for dismounted Infantry, Special Operations Forces, Scouts, Engineer, Military Police Squads, and Combat Support and Combat Service Support elements. These systems also support units conducting vital homeland defense missions. Additionally, in order to more quickly provide critical marksmanship training capability to ARNG units, the ARNG is using the Fire Arms Training System (FATS) as an in lieu of training system for the EST 2000.
- The ARNG supplements its marksmanship training strategy with the Laser Marksmanship Training System (LMTS). The ARNG currently has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition. The LMTS is utilized for developing and sustaining marksmanship skills, diagnosing and correcting marksmanship problems, and assessing basic and advanced skills.
- Through the ARNG Distributed Battle Simulation Program, civilian infrastructure commanders receive assistance from Commander's Operational Training Assistants, TADSS facilitators, and Janus Technical Team Exercise Support in the planning, preparation, and execution of simulations-based Battle Staff training that augments the support provided by Training Support XXI Soldiers and greatly enhances unit proficiency and readiness.
- In order to provide the critical culminating training event of the ARFORGEN, the ARNG has implemented the eXportable Combat Training Capability (XCTC). The XCTC program provides the method to validate that ARNG combat units

have achieved the company level maneuver proficiency prior to mobilization. The XCTC incorporates the use of advanced live, virtual, and constructive training technologies to replicate the training experience until now only found at one of the Army's Combat Training Centers. The centerpiece of the XCTC is the Deployable Force-on-Force Instrumented Range System (DFIRST). DFIRST utilizes training technologies that allows for full instrumentation of the training area from major combat systems down to the individual soldier, role player and civilian on the battlefield.

- The most important part of every training exercise is the After Action Review (AAR). By fully instrumenting the training area units receive an AAR complete with two dimensional, three dimensional and video playback of the actual training exercise. This allows Commanders and Soldiers to see what occurred during the training exercise from a different prospective further enhancing the training experience.
- The Army Reserve continues to focus on integrating simulations, simulators, and TADSS into training plans. As part of the Army Campaign Plan Decision Point 72, the Army Reserve has created an entire Battle Command Training Division with simulations brigades strategically placed throughout CONUS. These brigades provide Army Reserve units train-up exercises which culminate in participation in Corps Warfighter and Battle Command Staff Training exercises to enhance training readiness.
- The Army Reserve remains an active member of the Army's simulation community by participating in the Live, Virtual, Constructive (LVC) Training Environment Periodic Review and as a member of the LVC Integration Concept Team. The Army Reserve continues to press PEO-STRI and the National Simulation Center on the priority for the development of combat support and combat service support functionality within the Army Constructive Training Federation to ensure training capabilities for the entire spectrum. The Army Reserve has also identified the need for increased Digital equipment fielding for the Reserve Components. Current and future forces need digital capability to train effectively in the Contemporary Operating Environment (COE) and the Joint National Training Capability (JNTC) environment of Army capabilities.
- The Army Reserve continues to investigate alternative training mechanisms to simulate urban terrain and potential terrorist activities, including the Virtual Emergency Response Training System (VERTS). The Army Reserve continues to develop the Simulations Operations functional area assessment to ensure that capabilities exist to support the DoD Training Transformation goal of integrated live, virtual, and constructive training in a joint environment.
- At the tactical level, the Army Reserve is using paintball weaponry to simulate conditions in battle. Convoy live-fire training, using paintball technology, teaches valuable combat skill at the cost of Soldiers having to wash off paint stains rather than blood. The Army Reserve continues to work on a Joint learning process that develops leaders who are agile and adaptive, ready to participate in any theater of operation.
- The Army Reserve is prepared to meet any challenge as we move towards the future to combat persistent adversaries in the Global War on Terror, Homeland Defense, and Weapons of Mass Destruction.

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

a. Explanations of the information:
   - Readiness tables are classified. This information is maintained by the Department of the Army, G-3.

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

- Summary tables and overall assessments are classified. This information is maintained by the Department of the Army, G-3.

19. **Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of section 105 of title 32, together with explanations of the information shown in the tables, and including display of:**

a. The number of such inspections;
b. Identification of the entity conducting each inspection;
c. The number of units inspected; and
d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

- During FY06, ARNG state level Inspectors General conducted extensive inspections throughout the United States. State level Inspectors General (IG) conducted approximately 1,410 inspections during the year, visiting 361 separate units. Because IG inspections focus on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of inspections conducted by Inspectors General may be requested for release through the Inspector General of the Army.
- Operational Readiness Evaluation Data for FSP and eSBs is unavailable as these inspections were eliminated as requirements in 1997. Data available under the Training Assessment Model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data is maintained at the state level and is available upon request from state level training readiness officials.
- In accordance with AR 1-201, Army Inspection Policy, the United States Army Reserve Command (USARC) conducts inspections of RRCs/DSUs within requirements of the USARC Organizational Inspection Program (OIP). Per the Army Regulation, at division levels and above, OIPs are comprised primarily of staff inspections, staff assistance visits and IG inspections. Staff inspections are only one aspect by which the Commanding General can evaluate the readiness of their command. The Inspector General conducts inspections and special assessments based on systemic issues and trends analysis; issues that may possibly impede the readiness of the Army Reserve.
- The Chief, Army Reserve directed the Inspector General to conduct a Special Inspection in FY 06 derived from concerns about a myriad of Soldier Support issues, such as pay and promotions procedures, awards processing and evaluations. This inspection also covered the particular special interest item of Motorcycle Safety, an additional concern due to increasing motorcycle accidents throughout the command.
- The Army Reserve is meeting regulatory requirements through a combination of Battle Focused Readiness Reviews (BFRR) and Staff Assistance Visits, with the assistance visits conforming to regulatory requirements listed in AR 1-201. The BFRR is the tool used by major subordinate commanders to provide the Army Reserve Commanding General a lay-down on the readiness and resource status of their command, and resolve systemic issues/trends in order to achieve continuous improvements in readiness. The Army Reserve conducted 16 BFFR in FY06. BFRRs were halted until the new Deputy Commanding General was selected and resumed in December 2006, with a Review of the 104th Division (IT). The staff assistance visits are more assistance oriented in nature.

20. **A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment**

of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRA.

- There are no longer ground combat active component (AC)/reserve component (RC) associations due to operational mission requirements and deployment tempo.
- As Forces Command's executing agent, First Army executes the legislated Active Duty Associate Unit responsibilities through both their pre-mobilization and post-mobilization efforts with RC units. When RC units are mobilized, the units are thoroughly assessed in terms of Manpower, Equipment, and Training initially by the appropriate RC chain of command and that assessment is approved by First Army.
- Validation of the compatability of the RC units with the active duty forces occurs through the mobilization functions with the direct oversight of First Army and FORSCOM at the Mobilization Centers.
- The Army's transformation from a Division-centric to Brigade-centric organization under the ARFORGEN model, coupled with the acceleration of the ARNG Modularity and recognition of the combat experience of deployed RC personnel and units; should render the reporting requirement as specified in U.S. Code: Title 10,10542.Army National Guard Combat Readiness Annual Report as no longer appropriate.

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

As of 29 September 2006, the Army had 3,327 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act of FY 05 (PL 108-767, Section 515). The Army G-1 and U.S. Army Human Resources Command carefully manage the authorizations and fill of Title XI positions.

Title XI (FY 06) Authorizations				
	OFF	ENL	WO	TOTAL
Human Resources Command	0	5	0	5
U.S. Army Reserve	37	147	0	184
TRADOC	97	167	0	264
FORSCOM	1358	2318	129	3805
ESGR	1	3	0	4
USARPAC	30	58	1	89
TOTAL	1523	2698	130	4351

ADDENDUM P
(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.aflo.org/skins/WBLO/home.aspx?AllowSSL=true

U. S. Army Wounded Warrior Program. This site provides information on the Army's Wounded Warrior Program which provides support for severely wounded Soldiers and their families. https://www.aw2.army.mil/

Deputy Chief of Staff for Personnel, G-1. For information on personnel issues. http://www.armyg1.army.mil

Deputy Chief of Staff for Intelligence, G-2. For information on intelligence issues. http://www.dami.army.pentagon.mil

Deputy Chief of Staff for Operations, Plans, and Policy, G-3/5/7. For information on Army plans and operations. http://www.g357extranet.army.pentagon.mil/#

Deputy Chief of Staff for Logistics, G-4. For information on Army logistics. http://www.hqda.army.mil/logweb/

Chief Information Officer, CIO/G-6. http://www.army.mil/ciog6/

Deputy Chief of Staff for Programs. 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://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 the Army Posture Statement which includes amplifying information not found in the print version. 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/2006/

ADDENDUM Q
(ADDITIONAL INFORMATION ON ARMY RELATED TOPICS)

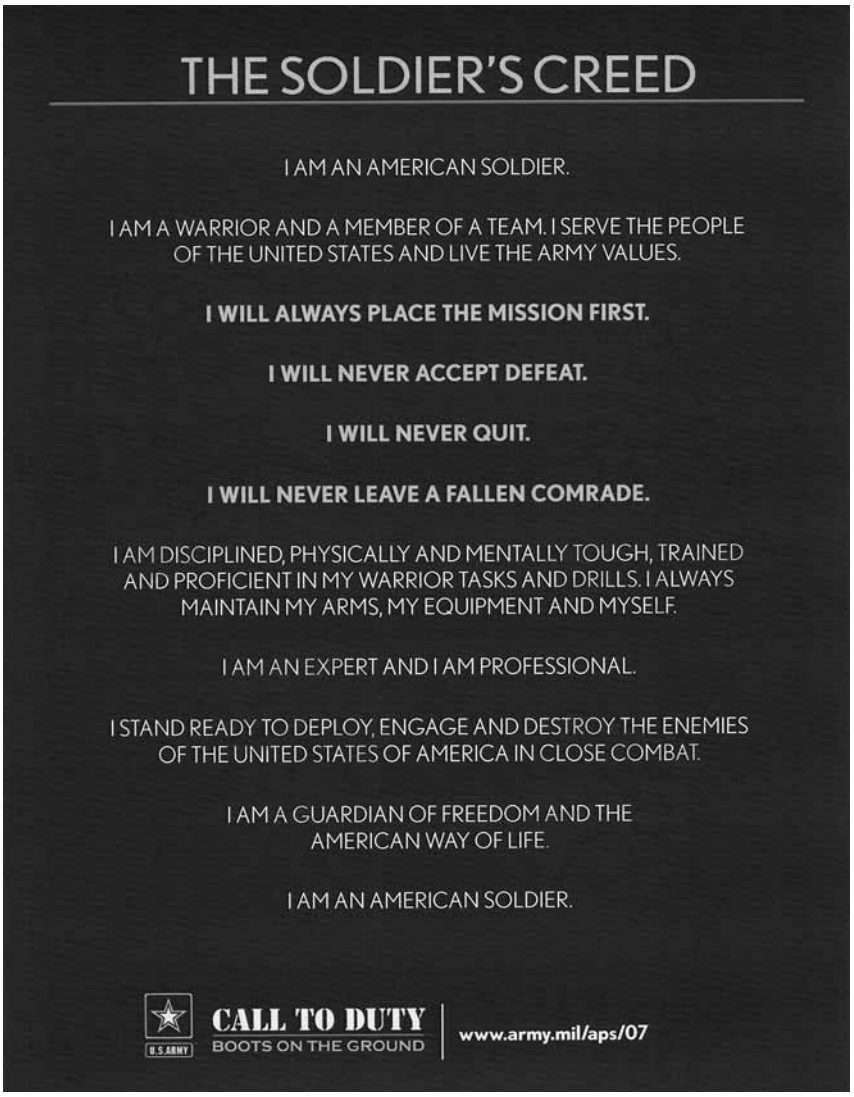
We have provided additional information on the following topics in the CD-ROM and web-based versions of the 2007 Army Posture Statement. They are available as in-text links and may be accessed through this addendum either on the CD-ROM or the Web.

2006 Army Modernization Plan
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 Equipping and Reuse Conference
Army Family Action Plan
Army Initiatives to Improve in Irregular Warfare Capabilities
Army Knowledge Online (AKO)/Defense Knowledge Online (DKO)
Army Leaders for the 21st Century
Army Leads Biometrics Integration
Army Prepositioned Stocks
Army Referral Bonus Pilot Program
Army Reserve: All-Volunteer Force and the Army Reserve
Army Reserve: Army Reserve Child and Youth Services Program
Army Reserve: Army Reserve Education Services
Army Reserve: Army Reserve Employer Relations
Army Reserve: Army Reserve Facility Management Transformation
Army Reserve: Army Reserve Family Programs
Army Reserve: Full-Time Support Revalidation
Army Reserve: Regional Personnel Service Centers
Army Reserve: Reserve Components Separate Competitive Categories for Officer Promotions
Army Reserve: Selected Reserve Incentive Program
Army Reserve: Sexual Assault Prevention and Response Program
Army Reserve: Trainees, Transients, Holdees and Students Account
Army Reserve: Voluntary Selective Continuation of Alerted and Mobilized Selected Reserve Lieutenant Colonels and Colonels
Army Retention Program
Army Sexual Assault Prevention and Response
Army Spouse Employment Partnership
Army Strong
Army Sustainability
Army Training Support System
Army Transferability of GI Bill Benefits to Spouses Program
Army Values
Asymmetric Warfare Group
Base Realignment and Closure Decisions for the Army
Basic Officer Leader Course
Battle Command (Annex)
Battle Command (as a Weapons System)
Battle Command (Equipping)
Building Partnership Capacity through Security Cooperation
Campaign Quality Force
Child and Youth Services
Child and Youth Services School Transition Support
Civilian Creed
Civilian Education System
Clinger - Cohen Act Title 40, Subtitle 3 Compliance & Certification
Combating Weapons of Mass Destruction (WMD)
Composite Risk Management
Concept Development and Experimentation
Consolidated IT Services
Core Enterprise Services
Cultural Awareness and Foreign Language Capabilities
Defense Integrated Military Human Resources System
Defense Support to Civil Authorities - (Annex)
Defense Support to Civil Authorities
Defense Support to Civil Authorities (Establishment of Army North)
Defense Support to Civil Authorities (Hurricane Katrina Response)
Defense Support to Civil Authorities (Pandemic Flu Preparation)
Defense Support to Civil Authorities (Special Events for 2006)
Deployment Cycle Support Process
Expeditionary Capabilities
Families First Program
Family Readiness Group Deployment Assistant Program
Family Readiness Group
Force Stabilization

Freedom Team Salute
Full Spectrum Operations in Army Capstone Doctrine
Global Force Posture
Information Assurance and Network Security
Installation Design Standards
Interceptor Body Armor
IT Interoperability Testing
IT Portfolio Management
Joint Interdependence
Joint Knowledge Development and Distribution Capability
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: Armed Recon Helicopter
Major Acquisition Programs: Black Hawk Utility Helicopter
Major Acquisition Programs: CH47 Medium Lift Helicopter
Major Acquisition Programs: Future Combat Systems
Major Acquisition Programs: Light Utility Helicopter
Major Acquisition Programs: Longbow Apache Attack Helicopter
Major Acquisition Programs: Medium Extended Air Defense System
Major Acquisition Programs: Unmanned Aircraft Systems (Raven)
Major Acquisition Programs: Unmanned Aircraft Systems (Shadow)
Major Acquisition Programs: Unmanned Aircraft Systems (Warrior)
Medical and Dental Readiness
MILCON Transformation
Military Family Life Consultants Programs
Military One Source
Military–to–Civilian Conversions
Modular Force Conversion
Morale Welfare and Recreation (MWR)
Multi–Component Family Network
National Guard: Chemical, Biological, Radiological, Nuclear and High Yield Explosive Enhanced Response Force Package
National Guard: Counterdrug Program
National Guard: Education Support Center
National Guard: Every Soldier A Recruiter
National Guard: Exportable Combat Training Capability
National Guard: Family Assistance Centers
National Guard: Family Readiness Programs
National Guard: Recruiting Assistance Program
National Guard: Historical Armory Activities
National Guard: Homeland Defense
National Guard: Operational Support Airlift Agency
National Guard: Personnel Services Delivery Redesign
National Guard: State Partnership Program
National Guard: Strategic Reserve to Operational Force
National Guard: Weapons of Mass Destruction Civil Support Teams
National Security Personnel System
Non-Commissioned Officers Creed
Officer Retention
Rapid Equipping Force
Rapid Fielding Initiative
Recruiter Incentive Pay Pilot Program
Recruiting Incentive Program
Recruitment Policy Changes
Red Team Education and Training
Reset
Residential Communities Initiative
Restructuring Army Aviation
Retrograde Task Force
Review of Education, Training and Assignment 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
Strong Bonds Program
Sustainable Range Program
The Army Distributed Learning Program
The Digital Training Management System
U.S. Army Combat Training Center Program
U.S. Army Wounded Warrior Program
U.S. CENTCOM Rest and Recuperation Program
Unit Combined Arms Training Strategies
Up–Armored Vehicle Program
Utilities Privatization
War Reserve Secondary Items
Warfighter Information Network – Tactical
Warrant Officer Education System
Warrior Ethos
Warrior Tasks and Battle Drills
Western Hemisphere Institute for Security Cooperation

ADDENDUM R
(ACRONYMS)

AC	Active Component
ACOM	Army Command
AMC	Army Materiel Command
APOE	Aerial Port of Embarkation
APS	Army Prepositioned Stocks
ARFORGEN	Army Force Generation
ARI	Army Research Institute
ARNG	Army National Guard
ASC	Army Sustainment Command
ASCC	Army Service Component Command
ASV	Armored Security Vehicle
AW2	U. S. Army Wounded Warrior Program
BCT	Brigade Combat Team
BfSB	Battlefield Surveillance Brigade
BOLC	Basic Officer Leader Course
BRAC	Base Realignment and Closure
BT	Business Transformation
CBRN	Chemical, Biological, Radiological, and Nuclear
CBRNE	Chemical, Biological, Radiological, Nuclear and High Yield Explosives
CES	Civilian Education System
CM	Consequence Management
COIN	Counterinsurgency
CPI	Continuous Process Improvement
CS	Combat Support
CSS	Combat Service Support
CT	Counter Terrorist
CTC	Combat Training Center
CWMD	Combating Weapons of Mass Destruction
DCGS-A	Distributed Common Ground System - Army
DMDC	Defense Manpower Data Center
DoD	Department of Defense
ES2	Every Soldier a Sensor
FCS	Future Combat Systems
FTS	Full Time Support
FY	Fiscal Year
GBIAD	Ground Based Integrated Air Defense
GCSC-A	Global Combat Service Support - Army
GDP	Gross Domestic Product
GDPR	Global Defense Posture Review
GFEBS	General Fund Enterprise Business System
GWOT	Global War on Terrorism
HMMWV	High Mobility Multipurpose Wheeled Vehicle
HSDG	High School Diploma Graduates
HST	Home Station Training
HUMINT	Human Intelligence
IBA	Improved Body Armor
IED	Improvised Explosive Device
ISR	Intelligence, Surveillance, and Reconnaissance
IT	Information Technology
JIEDDO	Joint Improvised Explosive Device Defeat Organization
JIOC-I	Joint Intelligence Operations Capability - Iraq
JTF	Joint Task Force
LMP	Logistics Modernization Program
LSS	Lean Six Sigma
METL	Mission Essential Task List
MFO	Multinational Force and Observers
MI	Military Intelligence
NCO	Non-Commissioned Officer
NDAA	National Defense Authorization Act
OA&D	Organizational Analysis and Design
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OPTEMPO	Operational Tempo
O&M	Operations and Maintenance
PLM+	Product Lifecycle Management Plus
QDR	Quadrennial Defense Review
RC	Reserve Component
RCI	Residential Communities Initiative
RDA	Research, Development, and Acquisition
REF	Rapid Equipping Force
RFI	Rapid Fielding Initiative
SDDC	Surface Deployment and Distribution Command
SIGINT	Signals Intelligence
SMS	Strategic Management System
TPFDD	Time Phased Force Deployment Data
QOL	Quality of Life
UAS	Unmanned Aerial Systems
USAR	United States Army Reserve
VA	Veterans Affairs
WMD	Weapons of Mass Destruction


THE SOLDIER'S CREED
I AM AN AMERICAN SOLDIER.
I AM A WARRIOR AND A MEMBER OF A TEAM. I SERVE THE PEOPLE OF THE UNITED STATES AND LIVE THE ARMY VALUES.
I WILL ALWAYS PLACE THE MISSION FIRST.
I WILL NEVER ACCEPT DEFEAT.
I WILL NEVER QUIT.
I WILL NEVER LEAVE A FALLEN COMRADE.
I AM DISCIPLINED, PHYSICALLY AND MENTALLY TOUGH, TRAINED AND PROFICIENT IN MY WARRIOR TASKS AND DRILLS. I ALWAYS MAINTAIN MY ARMS, MY EQUIPMENT AND MYSELF.
I AM AN EXPERT AND I AM PROFESSIONAL.
I STAND READY TO DEPLOY, ENGAGE AND DESTROY THE ENEMIES OF THE UNITED STATES OF AMERICA IN CLOSE COMBAT.
I AM A GUARDIAN OF FREEDOM AND THE AMERICAN WAY OF LIFE.
I AM AN AMERICAN SOLDIER.
U.S ARMY
CALL TO DUTY
BOOTS ON THE GROUND
www.army.mil/aps/07

Chairman LEVIN. Secretary, thank you so much for your commitment to the troops that you laid out relative to the Walter Reed, so-called, type problem, which is much broader than Walter Reed, for your other comments about the needs of the Army, and for your comments about General Schoomaker. Thank you for all of that.

General Schoomaker.

STATEMENT OF GEN PETER J. SCHOOMAKER, USA, CHIEF OF STAFF, UNITED STATES ARMY; ACCOMPANIED BY LTG JAMES J. LOVELACE, USA, DEPUTY CHIEF OF STAFF, U.S. ARMY; LTG CLYDE A. VAUGHN, ARNG, DIRECTOR, ARMY NATIONAL GUARD; LTG JACK C. STULTZ, USAR, COMMANDING GENERAL, U.S. ARMY RESERVE COMMAND; AND LTC COLL S. HADDON, USA, DEPUTY DIRECTOR, OPERATIONS PROGRAM MANAGER, FUTURE COMBAT SYSTEMS, BRIGADE COMBAT TEAM

General SCHOOMAKER. Sir, thank you very much. Mr. Chairman, distinguished members of the committee: Chairman Levin, thanks very much for your kind words. Pete, thanks very much. I could not be prouder of the United States Army and the young men and women that are in it, and it has been a distinct privilege to be able to be associated once again with these young people.

I am not going to provide a long opening statement because I want to introduce these soldiers, but also because I would like to associate myself officially with your statement that you just read. I think that I could not make a better opening statement than the one that you just did and I hope that we continue to achieve the support out of this committee that we have enjoyed over the 4 years of my tenure, because I think it is important.

I would like to introduce these three soldiers that represent our young men and women. They do represent each of the components. The first one is Staff Sergeant David W. Hatton from Macon, Georgia. He is a member of the Georgia Army National Guard. He deployed to Iraq for Operation Iraqi Freedom 3 as a military police squad leader in the headquarters company of the 48th BCT serving out of Camp Stryker in Baghdad.

Staff Sergeant Hatton and his squad provided security for explosive ordnance disposal personnel for destroying improvised explosive devices (IEDs) detected by patrols, and on one such mission Staff Sergeant Hatton was injured in an IED strike. Although injured, he continued to set the example for courage in the face of adversity as he resumed leading his squad and was then given added responsibility for providing security for other logistics convoys delivering supplies to the forward operations base (FOBs) and camps throughout Iraq.

Staff Sergeant Hatton conducted more than 250 combat patrols from May 2005 through May 2006, and for his leadership and courage he has been awarded the Purple Heart Medal, the Bronz Star Medal, and the Army Commendation Medal with the V Device for Valor. Staff Sergeant Hatton. [Applause.]

From our Army Reserve, Sergeant First Class Robert Groff. A native of Bartonville, Illinois, he currently works as a recruiter in Peoria, Illinois. As a soldier on Active, Guard, or Reserve status, Sergeant First Class Groff also represents a critical aspect of what

our Reserve component soldiers provide, full-time support to enable our Guard and Reserve units to sustain a high operational tempo to support both their mobilization and recruiting activities.

I have invited Sergeant First Class Groff to be here today because from February 2004 through February 2005 he served as a platoon sergeant in the 724th Transportation Company during Operation Iraqi Freedom 2. On 9 April 2004, Sergeant First Class Groff was the assistant commander for a critical fuel convoy. The ground convoy consisted of 42 personnel and 26 vehicles, manned largely by civilian drivers, with soldiers providing security and command and control. Of the 26 vehicles, 17 were fuel tankers, each loaded with 7,500 gallons of JP–8 jet fuel.

Sergeant First Class Groff was responsible to ensure that the convoy stayed together and that each vehicle made the proper turns. Although inherently dangerous, the convoy should have been a routine mission. Instead it became one of the largest enemy ambushes in the history of Operation Iraqi Freedom. Over a 4.5 mile stretch of the convoy route, an enemy force of 200 to 300 insurgents armed with small arms, heavy machine guns, rocket-propelled grenades (RPGs) and mortars, augmented by IEDs along the street, sat waiting for the convoy to enter into the kill zone.

Within minutes, the convoy was ambushed and the convoy commander was among the first casualties, leaving Sergeant First Class Groff in charge and at the rear of a now very intense firefight. Several vehicles were disabled or destroyed, including a number of fuel tankers, leaving the vehicle crews and passengers stranded in the kill zone.

Sergeant First Class Groff acted quickly and decisively, ordering his driver to enter the kill zone and move to the front of the convoy. He then exposed himself to further danger by proceeding slowly in order to check the disabled and burning vehicles for personnel left behind. Under fire, he proceeded to extract ten personnel, two soldiers and eight civilians, who would have otherwise been killed or captured by an overwhelming enemy force.

As a result of his actions, he was awarded the Bronze Star Medal with V Device for Valor. However, I am told that an official effort is under way to have his Bronze Star upgraded to the Silver Star. [Applause.]

Finally, Sergeant Christopher Fernandez, a native of Tucson, Arizona, an Active Duty soldier, an artilleryman assigned to the fires brigade of the Fourth Infantry Division. Sergeant Fernandez was deployed most recently as the noncommissioned officer (NCO) in charge of the personnel security detachment responsible for protecting the command group.

In that role, he led more than 200 highly successful escort missions in the Multi-National Division Bravo area of operations. Like many of our soldiers, Sergeant Fernandez owes much of his knowledge to previous training and real life experience. Nearly 3 years ago, then Private Fernandez played a pivotal role in protecting the lives of his fellow First Cavalry Division soldiers when their convoy was suddenly and violently struck by an IED and immediately came under attack by small arms and automatic weapons.

On the night of 5 May 2004, the three-vehicle convoy with soldiers from the 21st Field Artillery was returning to base after a

night of dismounted patrols in a Baghdad neighborhood. The blast from the IED left two of the convoy's three vehicles disabled in the kill zone. They were dangerously exposed and receiving heavy volumes of enemy fire.

With complete disregard for his own safety and in order to protect the occupants of the disabled vehicles and prevent the enemy from employing RPGs, Private Fernandez took up an unprotected position in front of his vehicle. He provided suppressive fires with the squad automatic weapon. After expending all of his ammunition and without prompting or hesitation, Private Fernandez ran through the enemy fire to retrieve a second machine gun from one of the disabled vehicles. He then shouldered the machine gun and, despite the fact that it did not have protective hand rails because it was a vehicle-mounted machine gun, he continued firing. Private Fernandez eventually suffered burns to his hands from the machine gun's unguarded barrel, but his efforts allowed the casualty recovery team to move the wounded to an operational vehicle without further loss of life.

For his heroic and selfless deeds that night, Sergeant Fernandez was awarded the Silver Star Medal and the Combat Action Badge. He has subsequently earned the Bronze Star Medal. However, the thing that he would probably tell you he is most proud of is the work that he does in San Antonio in the Fort Hood community, where he actively volunteers to serve our wounded warriors and their families. [Applause.]

These three soldiers epitomize why I am so absolutely proud of the young men and women that serve with us.

I would like to very quickly show some things that our Future Combat System (FCS) is now providing, spinouts, to help these soldiers as they put their boots on the ground. If you will notice the screen up here, we will run the little robot out. This robot represents—we have several hundred of these deployed right now in Iraq. These are the kind of things you can throw into a building, run down into a cave, run along a route, find wires. As you can see, it has a camera on it. Turn it around. It can climb stairs with a 12-inch rise.

These in fact are in Iraq today and are part of the spinouts that we are doing out of our FCS program. Turn that thing around to show the members.

Chairman LEVIN. You said this can climb stairs?

General SCHOOMAKER. It can climb stairs with a 12-inch rise. There is a larger version of this that we have several hundred of them now in Iraq.

Then on the table over here to my left—and what is interesting is, because of the communications systems now that we have and because we are building the FCS around a very robust transport system, communications, information system, all of this is available all the way from the top of the chain all the way down to the lowest tactical level in terms of these pictures and the other sensors.

The same is true with these unattended ground sensors on my left here. These sensors also connect into the same bandwidth and they provide acoustic or seismic or aural kinds of sensors, to include infrared, electro-optical, and the rest, and also allow us now to cover ground, where you do not have to put soldiers on the

ground and you can watch things, like where people may be implanting IEDs or where you have cleared a piece of urban terrain and need to watch it and all this.

Again, this is part of this network that we are building and part of the spinouts. It is in the first spinout, as a matter of fact, of our FCS.

Finally, you see this little thing that looks like a beer can down here. You start it like you would start a lawnmower, but that thing is an unattended aerial vehicle that a soldier can carry. That thing will fly and hover, so that you can hover up on top of a building or you can hover in a space and stare at things.

Chairman LEVIN. Which are you pointing to now, because there is a number of items there.

Senator WARNER. It is that rather large beer can that he referred to.

Chairman LEVIN. Yes, because I never saw a beer can that looked quite like that. I have seen a few in my life, too. [Laughter.]

General SCHOOMAKER. Maybe it is more like a beer mug. But you saw he picked it up with one hand and carried it out there.

Chairman LEVIN. That flies? That can fly and it is mobile, easily carried?

General SCHOOMAKER. This thing can be carried with a soldier. He starts it and it will fly and hover. So you can sit and stare at something, which is a lot different than having to orchestrate orbits. Again, there is a larger version of this as well that of course has more station time, and you can put all kinds of sensors on it. You can also put on there such things that, like laser designation. It has global position system on it. So you can direct fires, precision fires with this kind of thing.

Chairman LEVIN. Is that deployed now?

General SCHOOMAKER. This will be. This will be deployed.

There are 50 units with the 25th Infantry Division and they will be deploying with these things. They will be the first unit that will deploy with this level of unmanned aerial vehicle (UAV).

Mr. GEREN. The signal comes out and hooks up into the network, so it does not just go to a single soldier; all levels will be able to use it. It is situational awareness all the way from the company level up to the brigade level.

General SCHOOMAKER. So all of these enter the network and all of them are available. This is what now allows very agile units with a great deal of precision, a great deal of lethality, to now operate in this irregular warfare environment. This is not Cold War stuff. This is stuff that takes a very lethal force and extends it into the irregular warfare arena in a way that is very, very important to us.

So when people talk about the FCS and we tell them that the most important things we are doing in that is this communications system that is associated with it and the spinouts of technology that we are putting on our current units—this is not something way down the road. This is something that is helping our units today as we transform the Army.

So I wanted to show that because it is this kind of technology coupled with these kinds of young men and women that make such a difference and are so important as we go forward in the future.

So with that, sir, I would like to close. Again, I thank you very, very much for your kind words. The one thing I would like to say about the Walter Reed situation that needs to be reinforced is that the medical professionals associated in Army medicine, we must never forget that these are great heroes out there and that they are performing every day in ways that—I am talking about the doctors and the nurses and the clinical technicians that are taking care of our wounded warriors. I would hope that as we fix the system, which needs to be fixed, that we recognize that these people 24–7 are operating and performing heroic efforts in support of our soldiers.

So thank you very much.

Chairman LEVIN. Thank you, General.

Senator WARNER. One question on these. Chief, what is the vulnerability and the battlefield survivability of these units? You must have some estimate of that.

General SCHOOMAKER. These things basically can be destroyed. They are throw-away kinds of things. They are not armored. Their survivability has to do with the ability to maneuver them and to hide them and this kind of thing. For instance, these sensors, these are all prototype sensors, but these would all be camouflaged, some of them being fake rocks and trees and things like that.

Chairman LEVIN. The UAV, though, is not a prototype. That is being deployed.

General SCHOOMAKER. These are prototypes.

Chairman LEVIN. Okay.

General, thank you, and again thank you for introducing the soldiers. We share your pride in them. We share your gratitude for their work, their bravery, their patriotism. They represent, of course, their own courage, but as well the courage of their buddies, their families that support them. I know that everybody in the country who could have heard just about what your heroics were would join that applause that you received from the committee. So we thank you. We join your Chief in thanking you.

Secretary Geren, on the Army—we will have 8-minute rounds, by the way.

The Army posture statement points out that the defense budget allocation by Service has changed very little over time, with the Air Force and the Navy around 30 percent and the Army around 25 percent. Since the Army is manpower intensive and personnel costs eat up a large part of its budget, only 25 percent of the Army's budget goes toward research, development, and acquisition, as compared to 38 percent in the Navy and 43 percent in the Air Force.

The Army's overall share of the DOD investment dollar is only 17 percent as compared to 33 percent for the Navy and 35 percent for the Air Force. As a result, the Army has been unable to invest in capabilities that are needed to sustain a rising operational tempo and to prepare for emerging threats. That is according to the Army posture statement.

Now, Secretary Geren, have you discussed this with the Secretary of Defense, this problem? If so, what is his response?

Mr. GEREN. Sir, over the last year we have been working with the Secretary of Defense and working with the Office of Management and Budget and working hand-in-glove on developing the

Army budget. It has been a process that has involved a good deal of give and take. The percentages are important, but we are very manpower intensive, obviously, and so we are always going to have a disproportionate share of our budget in manpower. But the Secretary certainly understands our need for modernization and supports the FCS, which is our primary modernization investment.

Over the POM we are going to be able to make the investment in FCS and in our modernization that our plan requires. The readiness issues and many of the other investments, we have to look more broadly at the benefit to the Army. But we are rebalancing the active component and the Reserve component. We are moving people from low demand positions to high demand positions. We are doing a better job of utilizing the Guard and Reserve. We are making a greater investment in the Guard and Reserve.

So overall we are, the Army is stepping up to meet the challenge. But we understand that in time of war particularly the difficulty of making the modernization investment. Over the history of this country, we often have neglected modernization in time of war. We are trying to make sure we do not make that mistake this time, sir.

Chairman LEVIN. There is a discrepancy here which your own posture statement points out. General, have you talked about the specific effects of that funding discrepancy with the Chairman of the Joint Chiefs and what does he say about it? How will this discrepancy be addressed?

General SCHOOMAKER. Yes, sir, I have. I have testified over the last several years in terms of my concerns about our funding profiles. My personal belief is the Nation can afford to raise the top line of defense and that we should not do this on the backs of the Navy and the Air Force. That is exactly the discussion I have had with the other chiefs.

We need a strong Navy and Air Force and Marine Corps. But I do believe the Army has been traditionally underfunded and that we find ourself always trying to catch up. It is just the way that it works.

My view has been that this is not just about dollars; it is about readiness. I know that you have had several readiness hearings and I have personally spoken with you and the ranking member about my readiness concerns and strategic depth. But I have had those conversations in spades with the Chairman of the Joint Chiefs and the Secretary of Defense, both the previous Secretary of Defense and the current one.

Chairman LEVIN. General, you submitted a list of unfunded requirements which total over $10 billion. The top two unfunded requirements in your 2008 list are $2.25 billion for mine-resistant ambush-protected (MRAP) armored vehicles and $207 million for aviation survivability equipment. I am just wondering whether or not those items were requested for your budget and did the Office of the Secretary of Defense turn them down, and if so why?

General SCHOOMAKER. The MRAP vehicle, that requirement came in after the budget was closed and so it was included—we asked for it—in the supplemental.

Chairman LEVIN. It is in the supplemental?

General SCHOOMAKER. We did, we asked for it in the supplemental.

Chairman LEVIN. The other one?

General SCHOOMAKER. We are funded only partially in the supplemental for that. The aircraft survivability equipment is part of the effort that we had in the Comanche cancellation and what we are asking for there is to accelerate it. The answer is yes, we did request that.

Mr. GEREN. Sir, if I can just make sure we are clear on that. In the supplemental we have approximately $770 million requested for the MRAPs, for 700 MRAPs, not that full amount that you read on there, just to be clear, make sure the record is clear.

Chairman LEVIN. You got $700 million of the total $2.25 billion which is needed for it. So it is only one-third funded in the supplemental?

General SCHOOMAKER. Sir, those vehicles are a million dollars apiece, not just for the vehicle but for 1 year of contracted logistics service and basically a turnkey operation. So our current funding provides us about 700 vehicles.

Chairman LEVIN. But it is still one-third of the requirement, is that correct?

General SCHOOMAKER. That is correct.

Mr. GEREN. I have had a discussion with the Deputy Secretary on that very point. We have production issues. These are not in production yet. We will enter into contract this summer. As we identify additional requirements and also examine the production capacity, he is going to work with us to identify reprogramming and ensure that we are able to buy and work towards meeting the total requirement.

Chairman LEVIN. Is the constraint here then production capability or is it financial?

Mr. GEREN. We do not have a line up and going at this point, so we are projecting into the future.

Chairman LEVIN. Is this as many of those vehicles as can be produced? Does that $700 million cover all that can be produced, or is it a financial deal?

Mr. GEREN. I could not answer that right now, but I would expect that we would have a difficult time spending all of that money between now and the fall considering where we stand in relation to that production line. It is a joint program with the Marines. We will be entering into a contract soon. But you have the uncertainty of predicting when the production will come off the line, and that is what I discussed with the Deputy Secretary. As we understand better the production capacity, we want to revisit this issue.

General SCHOOMAKER. Sir, if I could add to that. I think we owe you an answer for the record with some specifics, but my information is that this is a matter of funding, not capacity for some of these vehicles.

Chairman LEVIN. We need to know that fact, is it a funding issue or is it a capacity issue. If you would let us know for the record. Check it out, because this is an area where we have been determined that we are going to provide whatever is needed. This is an area we have taken an awful lot of losses.

[The information referred to follows:]

The maximum production capability for Mine Resistant Ambush Protected (MRAP) systems is a function of funding amounts, the timing of funding, each individual firm's production capacities, the complex interrelationships and interdependence of the prime and subcontractors, and the distribution of vehicles between the four Services and Special Operations Command. Given the number of unknowns, the Army believes the 440 vehicle per month estimate to be reasonable and achievable.

The Army's intent is to limit the number of manufacturers and thereby ease the burden on theater to train, utilize, and maintain MRAP. Our estimates are based on using a portion of the capacity from two of the larger manufacturers. If enough manufactures make it through testing and the other Services do not order through the same manufacturers as the Army, production capacity should be greater. If only a few manufacturers are able to produce the systems, then production will likely be lower.

Chairman LEVIN. General or Secretary, either one. Let me in fact address this to the Secretary first. Everybody understands that a disability rating of 30 percent or more results in medical retirement and eligibility for military health care for the member and his family, the wounded member and his family, and that a rating of less than 30 percent results in separation pay and eligibility for care for the member, but not for the family, from the VA.

What we do not understand and what the soldiers do not understand is why the disability ratings from the Army are so much lower than disability ratings awarded by the VA and, for that matter, so much lower in terms of the percentage that reach that 30 percent threshold than the Air Force. I understand that the Army awards disability ratings of 30 percent or higher in only about 4 percent of the cases of our wounded troops, while the Air Force awards 30 percent or higher in about 25 percent of its cases. So it is about six times as many percentagewise.

What is the explanation for the disparity in the disability ratings awarded by the Army compared to the VA and the Air Force?

Mr. GEREN. That 4 percent that you cited, Mr. Chairman, understates actual numbers of disability ratings that qualify for medical retirement. We have a category where a soldier goes into a hold position. If you add that category in, we get up into the low 20s.

But the fundamental question that you ask, is this system fair, is it right, is it up-to-date, does it meet the needs of the soldier today, why is it different from the VA? Both systems in my opinion are out-of-date. Both systems do not reflect many of the types of threats and the injuries and the illnesses that soldiers experience today and also what we are able to do for those soldiers long-term.

Part of our charge both in the Army and as an administration is to examine those and look at our disability rating. I would not stand here and try to defend it. I think it is out-of-date. I think it has not been looked at for a very long time, and that is one of the charges that we have taken on as an Army, to review that system and make sure that it reflects the needs of soldiers and their families. I do not believe it does right now.

Chairman LEVIN. Are you saying that over 20 percent then of the Army disability ratings end up at 30 percent or more so that they are eligible then for a medical retirement?

Mr. GEREN. Yes, sir.

Chairman LEVIN. That figure is not 4 percent, but it is over 20?

Mr. GEREN. 4 percent understates it.

Chairman LEVIN. But it is over 20 that are eligible——

Mr. GEREN. Yes, sir. I believe the number is 21 percent, but I will get it for you for the record.

[The information referred to follows:]

The 4 percent figure and disparity with the other Services comes from the following quotation from the February 25, 2007, Washington Post Magazine, "The Defense Department reports that the Army, which handles more than half of the military's disability cases, put less than 4 percent of the 10,460 active duty soldiers and reservists it evaluated last year on permanent disability retirement and less than 15 percent on the temporary list. (Temporary retirees undergo periodic reassessments of their conditions for as much as 5 years before a final decision.) By comparison, the Navy (including the Marine Corps) retired about 35 percent of its injured, temporarily or permanently, and the Air Force about 24 percent the Defense Department says." Although not stated in the article, these Department of Defense figures are from fiscal year 2006 only.

Approximately 19 percent (4 percent plus 15 percent mentioned above) is the appropriate Army disability retirement figure to compare to Navy and Air Force. Further refinement of the Army disability retirements: fiscal year 2006—18.7 percent and fiscal year 2007 through February 28, 2007—21.36 percent.

Chairman LEVIN. That are medically retired, not discharged; medically retired?

Mr. GEREN. Yes, sir.

Chairman LEVIN. Thank you.

Mr. GEREN. Let me confirm that for the record, but that is within a percentage point or two.

Chairman LEVIN. Then we also need the explanation as to why the VA is significantly higher than that.

Mr. GEREN. They have a totally different rating system. They look at different criteria, different issues. That is also, it does not make sense to a soldier. It is confusing. We have to rationalize those two systems and bring them——

Chairman LEVIN. This committee is going to be making that effort with our Veterans Committee. We are going to have joint hearings. We are going to attempt to see what the reasons are for those discrepancies between the VA and the military, because it is incomprehensible to our troops. It sounds unfair. It probably is unfair. We are going to do everything we can from the congressional side to eliminate the delays, which is one big problem we are determined to in any event going to correct, but also the conflicts between the approaches taken between the VA and the military in terms of what that disability rating is. We are going to work on both of those jointly, both those issues, the long delays as well as the discrepancies between VA and military disability ratings. We are going to work on those jointly with our Veterans Committee.

Mr. GEREN. We welcome the opportunity to work with you. Just real quickly, the Army rating system rates their ability to serve in the Army and VA aims at a different evaluation entirely. We are looking, can the soldier continue to serve, and it is a different approach.

Chairman LEVIN. Thank you.

Senator Warner.

Senator WARNER. Mr. Chairman, the Committee on Environment and Public Works is having a hearing and I am going to now yield to the ranking member of that committee such that he can join his hearing upstairs.

Senator INHOFE. Thank you, Senator Warner. I have made this request of you several times and you are always so generous to do this, and I appreciate it.

I hope, Mr. Chairman, that maybe we can get together with some of the other chairmen and try to avoid some of these conflicts. It is very difficult to deal with.

Let me say to both Petes here, you are great guys and you came in and served at a most difficult time. We all know that. You have both conventional and unconventional types of conflicts, resetting, retraining. Of the 92,000 increases in ground forces, you have 65,000 in the Army. You are going to have to put that together, transform the Army through the BRAC process that is underfunded right now, and modernize the FCS.

We have talked about these things, and you two have done a great job under the most difficult of circumstances and I compliment you. If this is your last hearing, General Schoomaker, thank you so much for coming out of retirement and helping us along.

Last year when the supplemental was delayed, General Cody came over and several others and talked about how serious it was. A week ago when the Democrats came out with their $124 billion supplemental plans, that both increases spending and sets limits on the war and the upcoming war supplemental and sets the stage for withdrawal from Iraq—now, I am going to read the Army's posture statement and I want you to listen carefully: "Full, timely, and predictable funding of the Army's budget request and supplemental appropriations will ensure the Army is ready, fully manned, trained, equipped to sustain the full range of its global commitments and to achieve victory in the war on terror."

Now, I would like to know right now in advance, not when it is too late, not when we find out that we are getting down to the wire, not when we have to be looking at the possibility of not being able to pay widows benefits or having reenlistment bonuses shelved for a period of time. Just imagine what the New York Times would do with something like that.

So before that happens, I would like to have each one of you, maybe starting with you, Mr. Secretary: In this supplemental, if it gets delayed in a similar fashion as last year's, what are the consequences? Now is the time to be very bold about answering that question.

Mr. GEREN. Thank you, Senator. We do not have to imagine what would happen if the supplemental is delayed. We experienced it last summer and the impact on the soldiers and on training and on soldiers' families was significant. Last summer we had to lay off temporary workers. We had to lay off contract workers. We had to cut back on recreation opportunities for children in the summer. We had to reduce a wide range of services, and we also had to cut back on many essential contracts on programs that were supporting procurement and refit operations around the country.

So we had to slow everything down. We had to start reprogramming. In the words of Dick Cody, we had to do a lot of dumb things in order to make sure that we had the resources for the soldiers that are on the front line. I have a list of specific actions that we took last summer. Those were draconian actions. They affected a

lot of folks. But it was necessary in order to meet the obligation to the 130,000 troops on the ground, and if this slides into the summer again we are going to be faced with those same kind of decisions. We are going to have to pull those same levers and we are going to have to——

Senator INHOFE. Is it overreacting for me to say—and General Schoomaker, I would like to have your answer, too—that it could infringe upon widows benefits and reenlistment bonuses? It could get that serious; could it?

General SCHOOMAKER. Sir, again going back to last year, the answer is yes. It impacted a lot of things. Of course, the place that we have to go is to our personnel accounts to help fund the kind of things we need to do to operate. That is how you have to reprogram.

So if you take last year as an example, a fiscal year runs from October 1 to September 30. Last year we received our base funding and the first increment of the supplemental after Christmas, 3 months into the fiscal year, and we received the second piece of the supplemental for the war at the end of June. So we had to take great draconian measures.

This year, through the help of this committee and others, we received our reset funding in time for the fiscal year to start and we have obligated that money and are on a great roll. But if you take a look at—we still do not have a veterans bill. We do not have our BRAC and we do not have our military construction bill, and we are 6 months into the year right now.

So on top of that, a delay in getting the supplemental, which we must have by April—we have to have it in April. Otherwise we will have to start doing the kind of lever-pulling that we did last year.

Senator INHOFE. I did not mean to cut you off, Secretary Geren. But I think I have the drift of the seriousness of this.

Let me ask you another question for both of you here, I would say primarily you, General Schoomaker. In terms of a program that is going to have benchmarks and time lines, we have heard from General Peter Pace, we have heard from General David H. Petraeus, and Lieutenant General Raymond T. Odierno, and I think that they feel, and they have made the statement, that if you give them a road map it is not to our benefit. But the argument is always, what other ways do we have to hold, to apply pressure to the Iraqis, to tell them that they have to come forward in doing this.

I personally disagree with both time lines and benchmarks, but I would like to hear your comments about that, General Schoomaker.

General SCHOOMAKER. Sir, that is, quite frankly, a little bit out of my lane, although at the strategic level as a member of the Joint Chiefs we do discuss strategy.

Senator INHOFE. They have already expressed themselves on this and you are the only military at the table right now, so go ahead.

General SCHOOMAKER. Right. So I would have to associate myself with their assessment, because they are very close to it. My day-to-day life is looking forward several years trying to make sure that we have the resources to be able to support people like General Odierno and General Petraeus and others.

Senator INHOFE. One last thing, because I do not want to go over my time. The Non-Line-of-Sight Cannon (NLOS–C) and the FCS is still on the Spinout 1. I have taken a lot of time going out and looking at it, seeing why this is so necessary. I went to Fort Lewis, I say to my friend Senator Warner, Fort Lewis, Washington, when they were actually working on this and rode in it at that time and observed it, then went over to Mosul the day that it arrived over there and saw it in action.

The chief complaint about that, of course, it was supposed to be self-propelled and it is not self-propelled. Obviously the first step of the NLOS–1 on the FCS is. Are we seriously looking at filling that requirement and eventually putting the NLOS–C in the Stryker Brigade?

General SCHOOMAKER. I do not know about putting it in Stryker. It is the lead vehicle in our FCS.

Senator INHOFE. That answers the question. Thank you very much. I appreciate it. I would hope, Mr. Secretary, that we will have a chance to talk in the future because this is a very serious thing looking down the road. The propensity right now, with all the problems we have, is let us put out the current fires without preparing for the future, and this is an area I think it is very important that we attend to, the FCS.

Thank you, Senator Warner, for giving me your time.

Senator WARNER. Senator Reed, I think it's your turn.

Senator REED. Thanks very much.

Secretary Geren, welcome. It is good to see you as a colleague and friend from the House of Representatives, now as the acting Secretary. Good luck.

General Schoomaker, thank you for your service, courageous service over many, many years.

General SCHOOMAKER. Thank you, sir.

Senator REED. Looking forward to getting back in that pickup truck, I think.

Shortly, I believe that the Army is going to have to generate nine brigades of Reserve component forces for the sustainment operation in Iraq. When is that notice going to come down to these units, or it already has? General Schoomaker?

General SCHOOMAKER. I missed right at the tail end. What is—

Senator REED. My understanding is that the current surge is being supported by regular component forces, but that within 6 months you are going to have to generate up to nine brigades of Reserve component forces for Iraq. When are you prepared to notify those forces? What is the strain on the Reserve component, since they have been through the mill a couple of times? Their equipment status is poor. I think you have seen all the reports.

Can you give me an update on that situation?

General SCHOOMAKER. Under the current rules as approved now by Secretary Gates, under the new mobilization deal our intention is to alert units 1 year prior to their mobilization date. So Reserve component brigades that you are describing—and I cannot attest to nine of them, but I do know we have several—they should get 1 year alert, and we should get focused attention on those brigades prior to mobilization, and their mobilization time should be limited to 1 year.

Senator REED. To sustain, though, the increase in forces—right now we have a plus-up of about 30,000 forces in Iraq. The first tranche is regular forces——

General SCHOOMAKER. The first two brigades have gone.

Senator REED.—extending people. My understanding, though, is that at some point very quickly you have to get additional Reserve Forces in. Are you saying that you will not deploy Reserve Forces into Iraq unless they have 1 year's notice?

General SCHOOMAKER. No. I was talking specifically about BCTs. Obviously, during this transition period there are smaller units of the Reserve component, both Guard and Reserve, that have less notice than that; talk about detachments, companies, in some cases battalions. But the transition we are moving to is that Reserve component units under the new mobilization criteria should receive a year's alert and get the focused attention I am talking about.

Senator REED. I think that is a very sensible approach. But I am just wondering in terms of the manpower that you are going to need to sustain. Again, General Odierno now is talking about this operation stretching into next February or March. You are going to need brigade-sized units and I cannot understand how you are going to get them unless you bring in National Guard and Reserve component brigades.

General SCHOOMAKER. It is absolutely essential that we have National Guard and Army Reserve units to help us meet this demand.

Senator REED. Well then, I would think these notices would go out immediately if you are going to give them a year's notice and training opportunities. Is that fair?

General SCHOOMAKER. It is fair, and notices are going out, and in some cases people are getting less than a year's notice. But what I am saying is as we transition through it, once this thing gets in balance, our intention is to give people a year's alert.

Senator REED. When do you think you will reach the point where you are on a steady state year-to-year notice? Not right away?

General SCHOOMAKER. No. No, I think—in fact, the G3 is here. I do not know if you have an estimate. Where is he?

Senator REED. General Lovelace?

General LOVELACE. Sir, we are more than 18 months out.

Senator REED. So in the intervening 18 months we are going to be notifying at some point upwards of nine brigades of National Guard with short timeframes?

General LOVELACE. Sir, I am like the Chief; I cannot testify to the number nine. I do not have that. Several is the current number. We are giving them more notification—we are giving as much notification as we can. We are trying to get to a year, just like the Chief said. We have recently held a sourcing conference for what is, in fiscal year 2008, to begin to attempt to understand, to identify those units, in order to be able to notify them, like the Chief said, in this transitional period.

Senator REED. Thank you.

There is another issue that is I think a reflection of the great operational tempo that the Army is serving, the increase in promotion rates to cover the shortfall in company grade officers, which I think you are acutely aware of. One of the first signs that the or-

ganization is showing stress is that company-grade officers, E–6s, E–7s, the good ones start leaving.

Are you concerned that these promotion rates are beginning to pick up, that we cannot maintain the same level of quality that we have over the last several years?

General SCHOOMAKER. First of all, of course we are concerned when we see good people leaving the Army. But I have a different perspective on this perhaps. We started combat operations in both Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) back in 2001 with a shortage of captains. The reason we had a shortage of captains was because we underassessed lieutenants when we drew the Army down to only 40 percent of the size that it was in the Cold War.

So one of the ways that you have to do that is you have to cut off the numbers of lieutenants you bring in. Of course, that bubble then goes through the system. So we started the fight short of company-grade officers. Those shortage of captains is now a shortage of majors, because 5 years has gone by and we have moved into that.

Second, we are now growing the Army bigger, and of course as we grow it bigger we now have an additional I think about 8,000 requirements for captains and majors. So we stared in the hole, we have a bigger threshold to jump, and so we have this.

The acceleration of promotion—for instance, to major, we moved the promotion date from 11 years time in service to 10 years time in service. That is consistent with what the other Services are doing. We were promoting a little bit slower. But I will remind you that during the Vietnam period we were promoting some people to major with 5, 5½ years. We were promoting people to captain with 2 years.

Senator REED. That might be my point.

General SCHOOMAKER. Yes, and we do not want to go there. We were making staff sergeants in 6 months. We do not want to do that.

So I think that the fact that we are promoting captains now at 38 months of service, which is over 3½ years of service, and the fact that we are promoting majors at 10 years, my view is this is realistic. I think it is a necessary move. But I do not think it is anywhere near being a crisis. I think it is the appropriate thing to do and proper management.

Senator REED. Do you see this as a trend, though, that if it continues to accelerate will cause problems?

General SCHOOMAKER. I think that if we started approaching the kind of things we had to do in the Vietnam War it would be a big problem. I would never advise that we do that. I think that would be very, very dangerous. But I think that what we are doing right now is appropriate.

Senator REED. Can you give us a feel for the status of equipment in the prepositioned stocks, particularly in conjunction with the surge?

General SCHOOMAKER. I could tell you that the—in an unclassified sense, and you know I have testified in closed hearings—that without the prepositioned stocks we would not have been able to meet the surge requirement. So we have used a certain percentage

of them. It will take us 2 years to rebuild those stocks. That is part of my concern about our strategic depth. So unless you want to go to a closed session, I think I probably ought to leave it about there.

Senator REED. Just a final question which may or may not be appropriate here. That is, does this budget contain the resources to replenish those stocks in a 2-year time?

General SCHOOMAKER. It contains some of the resources to start that replenishment.

Senator REED. But not all?

General SCHOOMAKER. In fact, let me——

General LOVELACE. Not all of it, sir.

Senator REED. Thank you very much.

Chairman LEVIN. Senator Warner.

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

I want to first deal with this issue of Walter Reed. I am going to read what I understand was testimony given yesterday before the Senate Appropriations Committee. In a hearing yesterday before the Senate Appropriations Defense Subcommittee, General Schoomaker, you are represented as saying, "Rather than reopening BRAC and changing the decision on Walter Reed, we need to make sure that Walter Reed is fully operational, able to deliver 100 percent quality care up until the moment that the Bethesda Center and the Belvoir Center are open and ongoing." You went on to note that not all the facilities currently available at Walter Reed will be duplicated at Bethesda.

Now, here is where I have communicated my views to the Secretary of Defense. I think it would not be wise to try and alter BRAC by pulling Walter Reed out. The BRAC process—and Senator Levin and I in our 29 years here have seen it all. All five of them we worked on together. To the best of my knowledge, we have never gone back and altered a BRAC decision, because Walter Reed is certainly a very important issue to address by Congress working with DOD. But if we do make a substantial change by eliminating Walter Reed or so forth in BRAC, it could provide a precedent for other Members to bring forth their problems at home, which may not be as serious as Walter Reed, but in the view of their States and those Members of Congress it could be.

So what is the best thing to do? It seems to me we could look at what I call a stay of the date, simply make the most modest modification, just saying we will not try and meet the dates, or put in some contingency to make certain that the Bethesda and Belvoir objectives are up and running so there can be a seamless turnover of Walter Reed's responsibilities to those two institutions.

I am going to try and work with DOD and others in Congress to see whether or not that can be done. So it would be just a minor modification in my judgment, while in some sense it would be precedent-setting. It seems to me this situation drives the requirement to do it that way.

Then at the same time, take such steps to accelerate the funding provided by Congress for both Bethesda and Belvoir such that those projects can hopefully be advanced in their startup time and then move forward. So I do not necessarily put this in the form of a question, but I would simply ask both of our witnesses today to

frankly give me your comments on the approach that I have outlined.

Mr. GEREN. Senator Warner, I think it makes great sense. having lived through three of those BRACs myself, I appreciate the intensity of emotion associated with those decisions, how hard they are. We have to make sure—and the Army and DOD and Congress are all committed to make sure—that our soldiers and their families receive the best quality care, whatever we need to do to make sure that happens—accelerate Bethesda, accelerate Belvoir. Get it done, but make sure that we do not stop delivering quality care before those open, and make sure that there is a seamless transition between the Walter Reed facility and the two new facilities.

But I agree with you, reopening BRAC would be a dangerous precedent and not only impact what we have done in this BRAC, but I think make future realignments and closings very difficult for our Congress to ever consider again. So I agree with you, sir.

Senator WARNER. Do you wish to add a word, Chief?

General SCHOOMAKER. Sir, since you quoted me——

Senator WARNER. Did I quote you accurately? I want to make sure.

General SCHOOMAKER. Yes, sir, I think so. What I meant by that quote, I was glad to hear—I was not recommending reopening BRAC. I do not think that is a smart idea.

Senator WARNER. No, I am not saying you did.

General SCHOOMAKER. No, my concern is that we are underfunded in BRAC and that we are not right now currently replicating—we do not have the funding to replicate some of the things that are at Walter Reed.

Senator WARNER. That is troublesome. For instance, what is it, the pathologic center?

General SCHOOMAKER. There is that. There are things like the Mologne House, the Fisher House, barracks for soldiers. There are lots of things that need to be done. So what my statement was intended to do was to say exactly what you have said, and that is we need to accelerate the build at Belvoir and accelerate the build out at Bethesda. Until those things are in place and we can make a seamless transition, we should not underfund Walter Reed. We should not be in a retrograde motion at Walter Reed, because there are lots of unknowns in this long war we are in and Walter Reed is essential to provide the care to our wounded warriors that we need. That was what my concern was and I am sorry that I was not more clear.

Senator WARNER. No, I was not suggesting you were not clear. But I just picked that out because what I would like to ask of the Secretary is that we work together. Now, there may be others that are going to be participating. But I am going to take the initiative and see what I can do to provide both legislative actions.

But I agree with the Chief. Walter Reed has to be fully operational up until there is a turnkey type of transfer from Walter Reed to this new bifurcated sort of Bethesda and Belvoir situation. Now, no shovel has gone in the ground at Belvoir. So that gives you some idea of how quickly we have to move. I do not look at this simply because I am privileged to represent that region of

Belvoir. I am doing this in the interest of our Defense Department and particularly the Army.

But this is the direction in which I am going to move. Secretary Geren, I think my staff and your legislative team, the great team you have, are working this. But I wonder if you could give it your own personal attention as we go along.

Mr. GEREN. I assure you that I will, Senator.

Senator WARNER. I thank you very much.

Senator Reed and others talked about the readiness issue. Was there any further comment you might wish to make, because I keep going back to your comment about what will it take to prevent the breaking of the Army. That we have to do. I think you put us on alert. Do we have the steps in place so that that statement which you made just 3 months ago—that was before the surge, the surge was finalized. It may well be that you were in the process, and I hope you were, in the planning process for the surge. But that statement ranks right up there with old Shy Meyer's statement, we have a hollow Army.

So what can we do to prevent that breaking that you referred to? Are those steps in place today?

General SCHOOMAKER. Sir, the——

Senator WARNER. This is the greatest army in the world.

General SCHOOMAKER. It is. The Army we fielded is the greatest we have ever fielded and I think it is the greatest in the world. But we are paying a price at home, providing the equipment at the rates that we are, and we are turning the Army too fast.

If you go back to the QDR, in normal times we ought to have one increment of deployment for three increments of dwell. When you go to a surge situation, it should be two increments of dwell for every increment of deployment. We are now at one increment of dwell for one increment of deployment. That is not sustainable. I have said this now for quite some time. It is not sustainable to do that for a long time and that is why we have to have the Guard and Reserve, the operational Reserve, more readily available to sustain this deal.

Now, that means that they are going to have to deploy more frequently than what we would like the normal situation to be, with 5, in some cases 6, years of dwell for an increment of deployment. So any way you cut it, if we need to use the force at the speed that we are using this force and we are going to train the force to perform the missions we are asking them to do, then what we give up is the recuperation period, the respite with family, and the rest of it.

This is where I have deep concerns. I know we are training and equipping and leading these forces correctly for what they are doing. But I am concerned about the back side price that is being paid.

I am on the supply side of this equation. I do not have control of the demand side of it, and if the demand is going to be where it is then we are going to need a significantly larger Army. Again, I go back and say that the Army is about 40 percent the size it was during the Cold War and it is being used at 300, 400 percent of the rate that it was, and we still have people, even in the DOD, that say that we do not have needs for boots on the ground and

that there is going to be a day when we are not going to have to have an Army and all that stuff. I just think it is ludicrous.

Senator WARNER. You point out quite accurately that, while you are on the supply side and you do not have control over the operating requirements, but you have on your desk a requirement to do 21,500 plus another, what is it, about 5,000 individuals? What is that add-on?

General SCHOOMAKER. It is continuing to evolve. So it could get bigger.

Senator WARNER. It even could get bigger above the 5,000? In your professional judgment, can you meet that?

General SCHOOMAKER. With National Guard and Reserve. We would need National Guard and Reserve to meet that and we will meet it. But again, I was concerned before the surge with the strategic depth of the Army and the resourcing of the Army, and of course with additional things it deepens my concerns. I have already testified that we have used our prepositioned stocks, which is a concern for me. That has a lot to do with our strategic agility.

Senator WARNER. All right. But you are on record you feel you can meet it.

General SCHOOMAKER. Sir, we will meet the surge as we know it right now. But sustainment of that is going to continue to be a challenge.

Senator WARNER. Lastly, and I do not say this by way of criticism of any Member of Congress, but there has been a lot of publicity about a formulation which would go to some criteria by which the President is going to have to certify that each of the units that you as a supplier are providing to the operators are fully trained and fully equipped, and I am not sure to whose standards. I would be hopeful that Congress is not going to set the standards, but that the DOD and specifically the Department of the Army is going to set the standard.

Do you have any comment on how, if that formulation—and I hope it will not become law—but should it become law, what problems it would cause you?

General SCHOOMAKER. I think, first of all, only we can determine what standards are required to meet things. I need to remind everybody that we have a requirement to be a full-spectrum force, but once we get a requirement for, let us say, a brigade and they tell us what they are going to use that brigade for, that is what we focus our training on. So we are sure that the brigades and the other units that we are sending, that they ask for, and they tell us what it is they want them to do, we are sure that we train them and equip them to do the mission.

Now, the problem is if they want units to do something different, and we have seen in the past, especially with some of our Reserve component units, where they have been asked for to do one thing and they have re-missioned them over there, where there has been difficulties in the re-missioning process. So I think we are working through that. I am very confident that we are sending trained and equipped and well-led units.

But again, what I am concerned about is the depth we have and what it is costing us to be able to sustain that. Again, I will tell you a surge in my view means that it is a temporary——

Senator WARNER. I do not know what your definition of temporary is. This original surge was characterized to those of us in Congress as perhaps a couple of months, and then slowly with Odierno and now Petraeus this thing looks like it is going to be maintained at full tempo once you reach the 21,500 plus the add-ons through the end of this calendar year. Would that be correct?

General SCHOOMAKER. I think that is in discussion. Again, I want to go back. In my view there is a difference between a surge and a plus-up. A surge in my view is a temporary condition, whether it is 4 months, 6 months, 8 months, but there is a plan to come off of that. A plus-up, which means you are raising up to another level that is going to be expected to be sustained, is a whole different story. My view is this is not a plus-up.

Senator WARNER. You are operating it as it is on a surge basis.

General SCHOOMAKER. I am operating on the belief it is a surge basis.

Senator WARNER. Which means we will have some terminal end where you do not have to maintain this?

General SCHOOMAKER. That is my understanding.

Senator WARNER. That could be what duration?

General SCHOOMAKER. Sir, that is in discussion. Right now my understanding is somewhere between August and the end of the year.

Senator WARNER. That is pretty indefinite.

Thank you. My time is up, Mr. Chairman.

Chairman LEVIN. Thank you.

Senator Akaka.

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

I want to thank you, Mr. Secretary and General, for being here. This hearing is of particular importance and interest to me as chairman of the Subcommittee on Readiness and Management Support, and I am very concerned with ensuring that our military has everything it needs to be able to respond whenever our Nation calls. We all are trying to do the same.

I believe the Army's posture statement outlines many of the challenges the Army faces in transforming itself into an Army that is ready to deal with and carry out the missions of support for our Nation in the 21st century. The briefings we have had already on it are very compelling and I look forward to carrying that out.

But General Schoomaker, in the posture statement it says, "Changes are needed to eliminate unintended constraints on programs such as the Commander's Emergency Response Program (CERP), the Logistics Civil Augmentation Program (LOGCAP), and the administering security cooperation and assistance programs, as well as furnishing humanitarian assistance."

Can you elaborate on what these changes are being referred to, whether these changes will be in the Defense Department policies, and are they changes that may require congressional action?

General SCHOOMAKER. Sir, I think it is well-accepted that all of us have been saying that this war is not going to be won militarily; it is going to be won in political and in a hearts and minds way by changing the nature of life for people. One of the most important tools that commanders have in this war both in Afghanistan and in Iraq has to do with their ability to influence the local popu-

lation through things like the CERP funds, to be able to put people to work, to be able to get projects that make a difference in the towns, villages, and people's lives. I think that is well accepted, that people now understand that this is a very, very important tool.

So all that was is reinforcement of this notion. I think that we need to continue to enable our commanders out there to have tools beyond bullets coming out of the end of the gun, but actually changing people's lives in a way that would bring them over and establish the kind of stability and security that is required for governance to take hold and to return to normalcy.

So that is what that statement is intended to do. My belief is that the DOD understands this very well and that certainly the commanders on the ground understand it.

Senator AKAKA. Secretary and General, I am pleased to see that the Army is trying to achieve targeted efficiencies through management reform, acquisition reform, comprehensive redesign of the organization and business processes that generate, deploy, and reset forces, consolidation of bases and activities, military to civilian conversion programs, and performance measurement enhancements.

Again as chairman of the Readiness and Management Support Subcommittee, I have been concerned about the problems in DOD's acquisition program. DOD's IG and the Government Accountability Office have identified significant problems, and we call those high risks, with DOD's acquisition program that has led to significant waste of taxpayer dollars.

Mr. Secretary and General, can you please elaborate on the efficiencies you are targeting for acquisition and how you are intending to achieve these efficiencies? Mr. Secretary?

Mr. GEREN. There are many challenges in the field of acquisition. We have seen the acquisition budget increase 254 percent over the last 5 years. It has put an extraordinary strain on our dedicated professionals in that area. We also have an aging workforce in that area. We have 34 percent are eligible to retire, 20 percent are expected to retire. It is an area that Secretary Harvey focused on a great deal of his time. It is not just an Army issue. It is across the DOD. Under Secretary Krieg has just delivered a report to Congress on defense acquisition transformation.

It is going to be something that all the Services are going to work together. I believe former Secretary of the Army, Dr. Francis J. Harvey, made great advances in that area with his Lean 6 Sigma and other transformation, get the depots working better, get the acquisition workforce working better. But we have a lot of work to do in that area. We have to make investment in people. We have to make investment in training, make sure that we have the high performing and agile and ethical workforce. That is our commitment going in. We have to have cost-effective logistics support. We have to have improved governance and decisionmaking.

Again, this was a focus of Dr. Harvey. We made steps forward. The DOD is going to work together on this issue and I can assure you it will remain a high priority for me and the DOD as we move into—it is a big challenge, though. We are asking a lot of that acquisition workforce, just as we are a lot of our soldiers, and we are going to have to make investments in them to ensure that they are able to do the job.

Senator AKAKA. Thank you.

General, would you comment on that?

General SCHOOMAKER. Sir, I think Secretary Geren has answered very well. I would just reinforce one thing. If you are frustrated with bureaucracy, the acquisition community is one of the places that can take you right over the top. I do not know of a bureaucracy that is worse. I do not know of a system that is built on risk avoidance. It will not, under the current method of doing business, be able to keep up with the demands of this century. It is not agile enough, it is not focused enough.

So I agree with Secretary Geren. I think we have made great progress in this regard and I think that the transformation is absolutely essential.

Senator AKAKA. In the early 1970s the Army was reorganized so that the regular Army could not conduct an extended campaign without mobilizing the Guard and Reserve. This was asked by Senator Reed as well. It is not clear, however, that the Defense Department leadership at the time anticipated the kind of protracted conflict we are facing today with the global war on terror.

Secretary Geren and General Schoomaker, will the Army, looking at the 21st century, be more reliant on National Guard and Reserves to meet its global commitments? Also, have we reduced our capability to deal with threats and natural disasters at home by being so reliant on the National Guard and the Reserve to support national interests abroad?

Mr. GEREN. The role of the Guard and Reserve has changed from being a strategic Reserve to part of the operational force. It is a total force now. We train as one, we fight as one. A third of the combat veterans of OIF and OEF have come out of the Guard and Reserve. So unquestionably they are part of the total force today, and this budget reflects that—$38 billion worth of investment in equipment for the Guard over 5 years.

We are making a large investment in aviation modernization for the Guard and Reserve. The Light Utility Helicopter and the Armed Reconnaissance Helicopter that we are purchasing, 40 percent of those are going into the Guard. Sixty-five percent of all our medium and heavy trucks are going into the Guard.

So part of this is making up for underinvestment in the past, but part of it is just recognizing the role that the Guard plays now, the Guard and Reserve play, and will continue to play. We will not be able to meet our global commitments without having them part of the operational Reserve.

You raise the issue of domestic crises, whether it is hurricanes, floods, or another terrorist attack. The Guard has left some of its equipment behind in theater, some of its best equipment. Part of the refit money that you gave us last summer, $2 billion of that, is going to replace that equipment for the Guard.

We also have under way, and we did it last year in anticipation of the hurricane season and we are doing it right now, working with the The Adjutants General (TAGs) and working with the governors to assess what the needs are, anticipating the hurricane and storm season. The Active Army and the Reserve are going to provide resources, provide people, provide transportation. We looked first across the Gulf States and then the States that go up the east

coast, but we are looking ahead, we are planning ahead, to make sure that, just as we are looking for the Guard to be part of everything we do around the world, we are going to stand in support of them in meeting domestic crises as well, looking ahead, planning together.

But bottom line, they are part of the operational force now. The total force is a reality and our budget reflects that, sir.

General SCHOOMAKER. Sir, I think Secretary Geren said it very well, but I would just like to simplify this whole thing. The Army is 40 percent of what it was in the Cold War. Today 55 percent of the total Army is Guard and Reserve, over 50 percent. So if we are going to operate at 300 percent of what we used to operate on when we had an Army that was 60 bigger, it is unreasonable to not expect 55 percent of the total force not to participate.

So it is out of necessity that the Guard and Reserve, both for operations outside the United States as well as operations inside the United States in homeland security, homeland defense, are going to be called on more than they have in the past. I think it is that simple.

Senator AKAKA. I thank you both for your responses. General Schoomaker, I want to say that you have done such a great job for our country and God bless you and your family.

General SCHOOMAKER. Thank you very much.

Senator AKAKA. Thank you.

Senator LIEBERMAN [presiding]. Thank you, Senator Akaka.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

General Schoomaker, let me also thank you for your extraordinary service to our country and wish you well in a well-deserved retirement. We will see how long this retirement lasts.

To soldiers who are here, thank you so much for the extraordinary work you do day in and day out to keep our country safe and strong and secure.

Secretary Geren, welcome and good to see you again, and we look forward to working with you again in your new responsibilities.

General Schoomaker, the 2007 Army Posture Statement identifies a set of core objectives which the Army must achieve, one of which is to modernize by accelerating the fielding of advanced technologies to our soldiers today. This objective requires funding for the Army's FCS, as you mentioned earlier, which is a critical investment program that will protect troops and enhance combat effectiveness.

I want to point out there was a February 2007 Congressional Budget Office (CBO) report, I guess you would call it, that developed various budget options for altering Federal spending. One of the options presented in that report was—and this is a copy of the report—was to cancel the Future Combat Program and invest more in existing heavier combat vehicles that have a proven track record.

Now, since the Army must continue to sustain their current mission while transforming at the same time to meet future challenges, could you just explain why cancelling or delaying the FCS program would be such a mistake?

General SCHOOMAKER. Sir, I would be glad to. First of all, it is prohibitively expensive to take the current force and carry it into the future for another 40 or 50 years or even 25 years.

Second, the kinds of threats that we are facing and the kinds of systems that we are facing, we must put these new technologies on these systems to be able to survive these kind of threats, and we must have the kinds of capabilities, some of which are demonstrated here, to be able to enhance the human dimension of war to meet the kind of irregular challenges that we face as well as the future conventional challenges.

So I would tell you it is both an issue of affordability and it is an issue of necessity. We do not manufacture tanks and Bradleys any more. What we are doing is remanufacturing the hull. We are taking old hulls and upgrading them. But we are going to run into a point that this is just financially unattainable, to do this any more.

So I think in the long run the FCS is not only a more effective solution, but it is also the most affordable solution to the kind of things that we have to do. It is the first modernization program we have had in what, 40 years, for the United States Army.

Senator THUNE. Of course, we all know and anybody who has visited Walter Reed knows very well that most of the injuries that our soldiers are sustaining, the guys who are coming back wounded are IED-related. That unmanned ground vehicle, that unit that you had rolling around out here today, is that currently being used? Can it be used to detect or to trip those IEDs before personnel come in or our convoys come in?

It seems to me that if that thing is effective at doing that, we ought to be using it.

General SCHOOMAKER. Sir, we have several hundred of these deployed right now, the smaller ones going into buildings and in caves and wells and things and larger ones that are doing precisely what you said. Of course, these things are becoming more sophisticated and are absolutely essential to provide the stand-off that we need to deal with—and again, it goes back to, this is FCS technology.

Senator THUNE. I know it is a part of FCS. I guess the reason I ask the question is you mentioned they are deployed over there, but specifically with regard to the IED threat, if that is an effective counter to that.

One just more broader philosophical question. The Services have to balance near-term requirements with long-term investments and ongoing operations with military modernization. When faced with the budgetary constraints, oftentimes you are forced to spend on today's forces rather than invest in tomorrow's. I do not believe that we can afford to take another procurement holiday, so how do you recommend that the Army balance their immediate needs against those long-term modernization needs?

General SCHOOMAKER. From my perspective, I think that's exactly the program that we presented. What we are doing is we are bringing our current force into the future and we are augmenting it with future capabilities like this that we are bringing down into the force, and we are actually transforming ourselves as we fight

by bringing the current to the future and pulling some of the future back on top of the current.

I know that sounds a little bit strange, but this is not peacetime and this is not a time that we can afford to run an old system up to some kind of a point of then introducing comprehensively new systems. These things have to be brought in as we fight.

So I think we have presented a program that does precisely what you are saying, and this is the most dramatic transformation that this Army has been through, quite frankly, since World War II, and we are doing it in a very accelerated fashion. Of course, our experiences that we have in combat are helping us focus and giving us the sense of urgency that is required to do this.

Senator THUNE. Secretary Geren, I appreciated your comments about the expansive investment in the National Guard, the Army National Guard. We all had our TAGs in town last week and we all heard the stories about the wear and tear on equipment. I am just wondering maybe if you could give me a little bit of perspective. You talked about $38 billion over 5 years for equipment, and how that compares with previous investment, what the sort of trend line has been there, because they do—and General Schoomaker, you mentioned that 55 percent of the total Army is Guard and Reserve. We are riding those guys hard, our Guard units across this country and in my State of South Dakota, and everybody is feeling the consequences of that.

So could you just give me a little bit, put in perspective the $38 billion in equipment that you are talking about and how that compares?

Mr. GEREN. I am not able to give you an historical trend line, but I know that as a general principle we have underfunded the investment in the Guard and the Reserve. The Guard had many, to use the words of the Chief, holes in the yard, had many of the units that did not have the equipment that they needed, and we are working now to fill those backlogs and equipment needs and invest into the future so that they have the same kind of equipment, they are able to train and fight just as the Active Duty is.

As I mentioned, we are not limiting it to any area. It is aviation modernization, they are going to participate in that. Trucks; the modernization of the tanks and the Bradley fleets in the Guard is actually going to get accomplished before the active component. It is going to finish in 2011.

We are making up for lack of investment in the past. We are reorganizing. We are also, when you look at the nature of the Guard force as we are moving forward, moving more from heavy combat into combat service and combat support, more versatile Guard units that will not only be able to help us around the world, but also be able to better help us here at home.

General SCHOOMAKER. Sir, I think, rough order of magnitude, the level of funding from 2005 to 2013 for the Guard and Reserve is an order of magnitude about five over historical levels, about five times. If you take a look, one of the important things to understand is we complete the total transformation of the Army out by 2019. So from what, 2013 to 2019, there is another $52 billion. Inside that $52 billion is another $24 billion required for Guard and Reserve to complete their transformation out there.

My view is what we ought to be looking at is how much of that can we accelerate to the left. How much of that can we pull closer to where we are, not only for the Guard and Reserve, but for the active Force, to complete this transformation more quickly.

Senator THUNE. I appreciate again your testimony and your service. I would share your view that we have to do better on the top line, and I think that the telling in your presentation, this chart, which I think is always very telling, about percentage of gross domestic product that we spend on the military. Relative to times throughout our history whenever we have been at war, we are spending less today than we ever have. We have a lot more needs, as you have pointed out. So I share your view on that and look forward to working with you to address that.

So thank you, Mr. Chairman.

Chairman Levin [presiding]: Thank you, Senator Thune.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

First let me express my respect for both of you and certainly acknowledge that the action on the part of the Army as it relates to Walter Reed has embraced accountability, and especially the very difficult decisions in terms of change of leadership. I want to express how pleased I am with that and thank you for it.

I want to ask some questions also about the FCS. One of the things that I have learned is that there is an issue in terms of the manned ground vehicles, the weight; that the original plans for that had a weight at a certain level and now we are contemplating that weight going as high as 24 tons.

My question to you today is if the plans all along had been to transport with the C–130s and that if now you are contemplating using the C–17s because of the efficiencies that would be gained and in terms of how much you would be—in terms of the type of runways you could use and how many you could move, what I am concerned about is it does not appear to me that the Army has expressed this to the Air Force.

We are getting ready to take the C–17s off line and it seems to me that if we are going to need the C–17s, if we are going to rely on FCS in the future—and I think the rationale you have expressed, General, is certainly valid—then why would we not at this point be going, whoa, whoa, whoa, we need the C–17 as it relates to the future of FCS?

General SCHOOMAKER. We do need the C–17 as it relates to the future FCS, because one of the reasons we used C–130 sizing constructs is so that we could get three of these systems on a C–17. That is the whole point. Currently, one C–17 can only carry one system of that current heavy armor.

We have expressed our requirements and, quite frankly, General Norton A. Schwartz, USAF, out at Transportation Command, who is responsible for all this in terms of managing the C–17s, C–5s, and the strategic deployability issues, has been working with the Air Force about what he views his requirements to be. The discussions that I have been involved in, I think that they are adequately being addressed and that people do understand what the—it is not just purely an Air Force-Army discussion. There is a discussion of the owner of these systems, which is U.S. Transportation Com-

mand, that enters. They feel that they are building sufficient C–17s to meet the requirement.

Senator MCCASKILL. But you know they are going to shut it down. They are in the process of shutting down these lines and not going to build any more C–17s. That is the plan, which is what I am confused about.

General SCHOOMAKER. Again, the planners for all of this—first of all, the FCS reduces the requirement for the numbers of aircraft. Today we have a higher requirement if we are going to air transport our systems. What General Schwartz has looked at is the combination of C–5 modernization, C–17s, and the other systems that they are talking about, to include what the future tanker is going to be and what its cargo capabilities will be.

So I have listened to these discussions ad nauseam and I think that the people are putting their arms around what the total requirement is for armed forces. I would also state that we also move the preponderance of our stuff by sea, so we have equal concerns in terms of fast shipping to be able to move our units, et cetera. So I am confident that the right people are working this and I am not uncomfortable with where we are.

Senator MCCASKILL. Okay. What I would hate to see is us coming back in one of these hearings in a couple of years and saying, after the line has been shut down and the costs associated with that, that we, the taxpayer, are going to pay again to start that line because we must have the C–17 to transport the FCS.

General SCHOOMAKER. I would hate to see that, too. But I believe the proper conversations are going on and I will leave it to the transporters to determine. They know what our requirement is.

Senator MCCASKILL. Okay.

The next question I would have for you, if you were going to decide, both of you, in terms of making a recommendation as to contracting processes as it relates to troop support in Iraq, not just reconstruction but troop support, would you think that we should look at a single unified contracting entity to coordinate all the contracting in the theater? Or do you think we should expand the jurisdiction of the Special Inspector General for Iraq Reconstruction to perform that function?

Mr. GEREN. I would have to look at that proposal with greater detail before I could offer you a recommendation on it. I can tell you, though, the way we operate as an Army or as a military, we depend on contractor support. When we downsized the military, we found ourselves in the position where we are not able to deploy without depending upon contractor support. Transportation, food, laundry, so many of the support services, we have moved into the support role of contractors, including much of security.

So that is going to be, continue to be, part of the present and the future for your military. It also enables us to move more soldiers from tail to tooth and put them in warfighting roles rather than in support roles. But as far as your specific question about how to best manage that, I would like to get back with you for the record.

[The information referred to follows:]

I agree with having a single unified entity responsible for coordinating Department of Defense (DOD) contracting in Iraq. The Commander, U.S. Central Command (CENTCOM), has coordinating authority over all supporting DOD contracting

organizations, and the Joint Contracting Command-Iraq/Afghanistan provides unity of contracting effort for the combined/joint operations areas Iraq and Afghanistan.

In addition, the DOD is establishing new procedures aimed at improving coordination with contracting offices in a combatant command to verify whether contemplated acquisitions requiring performance in, or delivery to, the theater of operations will duplicate or conflict with existing work and whether economies of scope/schedule can be leveraged from existing contracts.

Although the Special Inspector General for Iraq Reconstruction (SIGIR) has a crucial role in the oversight of those contracts obligating Iraq Relief and Reconstruction Funds, it is not the only organization providing oversight of contracting in Iraq. There have been nearly 200 major audits, reviews, or assessments of contracting activities in Iraq by the various oversight agencies. In addition to the SIGIR, the Government Accountability Office, Department of Defense Inspector General, Defense Contract Management Agency, Defense Contract Audit Agency, and the Army Audit Agency also have oversight of DOD contracting in Iraq.

Senator MCCASKILL. I really would like your thoughts on that, because it seems to me that we need to do one or the other. We need to either have a single unified contracting entity for all of the support in Iraq or we need to expand the IG that is over there now looking at reconstruction to be able to look at this area also. I certainly would respect your opinion on that in terms of what you think would be most efficient and effective in terms of changing some of the things to avoid some of the serious, serious inefficiencies and problems we have had with some of these contracting practices.

Mr. GEREN. I know your background. You could offer us great expertise in this area and we look forward to working with you.

Senator MCCASKILL. More auditors everywhere. Auditors, auditors. [Laughter.]

Mr. GEREN. I tell you, the LOGCAP contract, which has been much in the news and criticized by many people, the concept goes back to the early 1990s. Recognizing that we were going to limit many of those capabilities within the military and wanted to be able to look at the outside to be able to surge and support the military wherever we needed to go, whenever we needed it, we currently have that LOGCAP contract under negotiation right now, under source selection. Rather than having one contractor going forward, we are going to have three, so we do not put so much burden on a single LOGCAP contractor to support the military. So that is one of the changes that has been made going forward from this point. We are in the source selection now and we will be making the decision soon. I think that that will help address some of the issues that have come up over the last couple years.

Thank you, Senator.

Senator MCCASKILL. I have had an opportunity to look in some detail at the Army physical disability evaluation system inspection that was done by the IG. But I have to tell you, I do not know how many people are going to read this whole thing. I would be curious, General, as to whether or not you would comment on that. I was able to go through here and find the bottom line, a bottom line slide, and to some extent in the executive summary.

But at some point in time, these products need to be consumed, and it is tough, tough reading to get through this thing. This is really important stuff. This is it. This is why these bureaucracies have frozen these families into a level of stress that we just simply cannot accept for our wounded and their loved ones.

I am curious, how many people do you think in the Army have read this entire document, besides the people in the IG's office that wrote it and reviewed it?

General SCHOOMAKER. First of all, that document is the result of Secretary Harvey directing a year ago——

Senator MCCASKILL. Right, in April 2006.

General SCHOOMAKER. April 2006, because of—and things have been getting fixed as we go along. So I do not know how many people are going to read it, but I can tell you the right people are going to read it. We have Tiger Teams on top of this thing. What I believe is that that will only be a piece of what we will find as we go through it. Because of the nature of what started that, I think we are going to find lots of things that we need to work on.

One of the things I think we already testified to is, title 10, which is what DOD operates under, has a different set of criteria than title 38, which is what the VA operates under, and I understand Social Security is in even different. So this really is going to require strategic level transformation and it is going to have to be driven all the way down into something that is coherent, because I believe that the fundamental distrust and frustration that people have in this business, compensation system, is as fundamental as the differences in compensation tables and all the kinds of stuff that are extraordinarily difficult to read, and it leads one to believe—I mean, if the VA can give 70 percent for something that DOD gives 40 percent for, there is a fundamental problem here in terms of people's confidence that this is a system that works.

So I think that that is only going to be one piece of it, and I think a lot of people are going to read this and that they are going to be the people that need to read it so that the leadership can change it.

Senator MCCASKILL. I hope that there will be some attempt to simplify some of the information that is contained in this report. Make sure the Physical Evaluation Board Liaison Officers (PEBLOs) read it systemwide. The PEBLOs need to read this. The people that are working, the doctor who signs the narrative summary and it takes 2½ weeks for it to go across the hall. The person responsible for getting that narrative summary across the hall needs to read this.

I just think the nature of this document makes it tougher, and probably I should be having this conversation with the DOD IG. But I think that to pull out parts of it and simplify it and make it in a very consumable product for the people in the system, and then maybe they would realize that their part of the system may be part of the problem.

General SCHOOMAKER. I think that is a point very well taken.

Senator MCCASKILL. Thank you very much. Thank you both.

Mr. GEREN. Let me just mention one thing in response to that. We are going to work to make this system work better and that is long-term. But in the short-term, there is—and you address it in the legislation you propose—really no substitute for having effective patient advocates for these soldiers that are in rehab and getting treated. We are not going to wait until that bureaucracy is fixed to stand up for these soldiers. The command sergeant major that works for them, this colonel that is going to head up this bri-

gade, and this new position that was just created, a deputy commanding general at Walter Reed, a one-star general, his job is going to be bureaucracy-buster. We are not going to wait for the final fix. These soldiers are going to have an advocate in that command sergeant major, are going to have an advocate in that colonel, and going to have an advocate at the top of the system, this deputy commanding general that is going to be working directly for Major General Eric B. Schoomaker, USA, and make sure that they are represented effectively and that their needs are met today, not weeks from now, years from now, or decades from now when this whole system is fixed.

Senator MCCASKILL. I think that is great. I tell you what would really, you would get some—I would be clicking my heels if you could fix some of this stuff before all these commissions even finish meeting, because I have a feeling that might take a while.

Mr. GEREN. We did put some fixes in place and some of them are ones that you called for in your legislation. I would like to get with you and brief you and show you on the ground the things that we have already taken. In fact, your 800 line, we are going to have an 800 line up and operational by March 19.

Senator MCCASKILL. Congratulations. That is great news.

Chairman LEVIN. We welcome your assurance earlier in the hearing that you are not waiting for those panels. As Senator McCaskill says, that is not what your intent is. You are making these changes as soon as you possibly can and you are not going to delay them for any report of any of the panels which are going to be appointed.

Mr. GEREN. Changes have already been made. They are being made as we sit here today and they are going to continue, I assure you.

Chairman LEVIN. Thank you. Senator McCaskill, thank you.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Gentlemen, let me echo the sentiments of my colleagues in thanking you for your service to our country. Pete, you and I go back to our early days, my early days in the House and our service together in the House Armed Services Committee, and you have once again stepped in to fill a position in a time of crisis and, on behalf of all of us, we thank you for your great service.

General, we are sorry to see you moving on, but you also stepped forward in a very critical time in the history of our country and when you were called by the Secretary to put that uniform on once again you did not hesitate. So we thank you for your great service.

I cannot tell you how much I appreciate your recognizing these three men you brought with you this morning. One of them happens to be a good friend of mine, Staff Sergeant David Hatton. He is a great Georgian, but most importantly he is a great American, and I have seen him operate in theater as well as out of theater, and he represents everything that is great about America.

I am proud of all those members of the 48th Brigade, but folks like Staff Sergeant Hatton just exemplify why we have to continue to equip and train the National Guard and our Reserves so that they are a seamless operation with our Active-Duty Force. Under your leadership, we have certainly seen that continued and it is a

true statement more so today than ever before that there is a seamless transition when they are thrown into combat together.

Gentlemen, you mentioned in your written statement that you are in the process of rebalancing and redistributing forces within the active, Guard, and Reserve components to create the right mix of high-demand units in each of our Active Duty and Reserve components. Specifically, you are focusing on the units and the skills that are in the greatest demand, including infantry, engineer, military police, intelligence, civil affairs, and psychological operations, just to name a few of them.

My question is that if I am a member of the Guard or Reserve who happens to be in one of those high-demand career fields, such as civil affairs or military police, and my position or unit gets shifted to Active Duty, what happens to me? Where do I go as a member of the Guard or Reserve in that instance?

General SCHOOMAKER. We are building greater capacity, both Active and Reserve component, in those kinds of things that you are talking about. However, there are some people that may require reclassification. In other words, on the Active side, we have reduced certain capabilities to increase others within the different components. We have had to reclassify soldiers, put them into another career field and do that. We have done some of that same thing in the Reserve components.

Senator CHAMBLISS. So does that Guard or Reserve member get a choice then as to where he is redirected?

General SCHOOMAKER. To a certain extent, yes, sir, in terms of—and I probably ought to have Clyde Vaughn or Jack Schultz talk about it a little bit, because I think they each have different challenges in that regard. Part of what they are doing as they are transforming both the Guard and Reserve is looking at what the relationships of this unit against the demographics are and how they are reassociating units in a better way in terms of how to sustain and retain the soldiers that way.

I do not know if—where are you at?

General VAUGHN. Down here, sir.

General SCHOOMAKER. There you are. Go ahead.

General VAUGHN. Sir, with regard to high usage and military police (MPs)—we are all picking up a lot of MPs—what we are doing is, what we did some time back——

Chairman LEVIN. May I suggest you get to a mike.

General VAUGHN. Yes, sir.

What we did some time back with BCTs—there was a great discussion about what the requirement was. What our requirement was for was a lot of infantry forces along with the engineers and MPs, as you so well pointed out. So we went through a transition to move this into maneuver enhancement brigades, which actually makes it a more usable organization for our States. We will end up keeping actually more infantry battalions. We will grow MPs, we will grow engineers.

There is some turbidity associated with modularity in terms of our combat forces and there will have to be some retraining that goes with that. But in the end soldiers will have an adjustment period. If they have to switch to another military occupational specialty, they will be offered the chance to go outside of the 50 miles.

But we try to keep them within the 50 miles. I think that overall what we are trying to do is to keep the turbulence down the best we can in the Army National Guard and the Army at a time of great turbulence just by design. So I hope we are trying to work through that in the best possible manner.

Senator CHAMBLISS. I think you are smart to try to make sure that in these high-demand fields we take advantage of the capabilities of each of these individuals and their respective professionals in the private sector. Obviously we are doing that and we do not want to lose that capability.

Gentlemen, in your written statement you discuss your recruiting and your retention metrics for 2006 as well as recent years. What you say in your statement reflects what I have been hearing myself, which is that although you have not necessarily met every goal every year, the recruiting and retention remain strong across the Army.

First I would like to commend you for that because I think it is a reflection of the great leadership that we have seen in the Army, and even as hard as we are working soldiers today, that they still want to sign up and resign up to be a part of the Army is a great testimony to that leadership.

In particular I think it is important to note that the retention rate for soldiers in the Guard and Reserve components that are deployed is higher than those who have not, which is amazing in some respects. But it is truly a testimony to the type of people that we have serving in our military today.

Now, I have introduced a bill in the Senate which would lower the age at which Guard and Reserve members can retire by 3 months for every 90 days they spend on Active Duty in support of a contingency operation. One of the reasons I have structured that bill the way I have is to incentivize mid-career personnel who are being deployed and stand to be deployed again to stay in the Service by giving them an additional incentive.

Some observers of the military personnel system have noted that two unknowns related to how the current operations tempo is affecting our military are, number one, the long-term effect it will have on Guard and Reserve recruiting, and two, the effect multiple deployments will have on Guard and Reserve reenlistment. I would like for you to comment on what you think the long-term effect on multiple deployments will have on Reserve components, and are you seeing any trends in that area that cause you concern and what are some of the leading indicators that may indicate that we are having a problem or may not indicate that we are having a problem there?

Mr. GEREN. Let me first mention your legislation. I have reviewed your legislation. Across the Service—Active, Guard, and Reserve—we are looking at the retention issue and obviously recruiting as well, what type of incentives we need to build into the system to make sure that we do recruit and retain, some the force overall and some targeted specialties. As we work to—it will be an evolving process. We will continue to change the incentive packages both in regard to retirement and compensation and other career choices. That will change as the needs of the Service change and

also as the recruiting challenges change. But your legislation is something we are reviewing as part of this package.

As far as recruiting overall, you noted correctly we have enjoyed tremendous success. We have met in the active component our recruiting goals 21 straight months, and we have seen that the soldiers who have deployed have reenlisted at a higher rate than those who have not. So the commitment of the soldiers has been inspiring, the commitment of the soldiers and their families.

But we recognize over the coming years as we ask more and more of the force, as the force ages, we are going to have to do things to keep up with these recruiting challenges. Up until now we have been successful. I would like to just congratulate the Guard for one of the most innovative recruiting initiatives. They have turned every guardsman into a recruiter. Remember about a year ago when folks were speculating that the Guard would not meet its 350,000-person goal? They are going to do that soon. They have had tremendous success with that program and both the Reserve and the active Duty are looking at and going to school on what the Guard has done and what they have accomplished.

So we recognize the challenge here. We recognize as we have more deployments, we are an All-Volunteer Force in a long war. We have never had an All-Volunteer Force in modern times fight a war of this length. It poses some challenges that we have not addressed before. But we have soldiers that are willing to step up to the line and we have leaders that continue to adapt the system to make sure we meet the needs of these soldiers and their families.

Senator CHAMBLISS. Let me just say too, General Schoomaker, I have the same concern that Senator McCaskill does about the C–17 issue. We are flying that airplane today at 150 percent of projected mission rates, and shutting that line down is going to be a terrible mistake that we will regret. I just hope we are going to be able to figure out some way to make sure that that does not happen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Mr. Secretary, good to see you. General, I not only thank you for your service, but I wish you godspeed and, to paraphrase another former general, I doubt that you are going to fade away. I think we are going to be hearing from you a good bit in the future.

I would like to thank you and your staff also for the meetings that were arranged for me earlier this week. We had a great series of presentations with General Richard A. Cody, USA, and Major General Stephen Speakes, USA, which was really good for me as a former Assistant Secretary of Defense, where I was working with the Army every day on these force structure issues and this sort of thing to get up to speed on Army reorganization, streamlining the divisional structure, uniformity in terms of falling in on other people's gear when you are rotating in and out. Also, the streamlining of the Guard and Reserve missions, which have been mentioned here, and the hard work that has gone in to find compatibility with local needs of the different States, those sorts of

things—just a tremendous amount of really forward thinking, and I would congratulate you and all your staff on that.

General SCHOOMAKER. Sir, thanks for taking, investing the time.

Senator WEBB. I would like to say something else I think that is really vitally important right now in the way that we are addressing this whole series of issues that spun out of Walter Reed. You made a comment which I think is really important in terms of the public understanding, and I would encourage the other Army leadership to be pretty straightforward in explaining it. That goes to the different nature historically in disability evaluations.

It is one thing—we want the system to work better, no question about that. At the same time, there has been a different methodology over the years between what DOD looks at and what the VA looks at. I will give you a classic example, two brothers who are both good friends of mine. One is Colonel John McKay, former marine. He and I were wounded in the same bunker complex, although at different times. Had his eye shot out, could not even wear an artificial eye, shattered his sinus, busted his jaw. He fought to stay on Active Duty for 29 years and was successful in doing that. When he retired from the Marine Corps, the Marine Corps gave him zero disability because they said: You are fit for duty; you returned to duty. He went over to the VA and got a very high percentage.

His brother did the same thing. His brother was a helicopter crew chief in Vietnam, was wounded badly, took shrapnel in his back, lost his patella. But he went from the hospital and returned to Vietnam and did another tour. He got back out and the Marine Corps gave him zero disability. They said: You are fit for duty; you returned to your unit. He walked across the street to the VA and got 60 percent.

There may be a way that we can match these two disability evaluation systems and we certainly want to work to move toward fairness. But at the same time, I hope that the leadership in the military will help the American public understand that these have historically been two different systems.

I have one concern in this budget and I raised it with you personally before, and it is the end strength build. I think the great challenge for the Army is going to be to justify the build with the prospect of troop levels in Iraq being reduced. I know you build your manpower to the requirements and these are your requirements. At the same time, we all know what manpower does. It is probably two-thirds of your budget when you get into recruiting, training, deploying, retiring, caring for people, caring for dependents, dependent schools, all those sorts of things. It is very, very costly. We are very manpower-intensive. We are the most manpower-intensive DOD budget in the world. That is why our budget looks so high when you put it next to China.

When Secretary Gates was before us I asked him this question. He said to me that there would be what he called off-ramps built into the plan, given possible force structure reductions. I am wondering if that is actually in your planning phase or how you are looking at justifying the builds?

General SCHOOMAKER. The answer is no, it is not. My view is that would be a bad mistake, for this Nation to again reduce the

United States Army. I do not think we should reduce the Army, I do not think we should reduce the Marine Corps, and I do not think we should reduce our Special Operations Forces.

Senator WEBB. No one is saying we should reduce the size of the Army. What I am saying is, in justifying the build in your end strength, your challenge is to justify the build in the environment in which we may be reducing force structure in Iraq. No one is saying to reduce the actual size. It is in terms of justifying the growth of the Army. That is the matrix in which you are going to be asked to do it.

General SCHOOMAKER. I know of no off-ramping that is going on. I think that we have taken a conservative look at how large the Army should be. I think the future is going to justify even a larger Army than we are currently building, because I do not believe that we are going to see as we go into this century the kind of reduction in requirement that some people hope for, and "hope" is the proper word.

My view is that it is important that we pull this end strength growth inside the base budget, which all of it does come in starting in 2009. This year's budget, you see 7,000 of it coming inside, and I believe that what we are going to have to do is stay on course here and that the future is going to inform us on whether we have this about right or not.

I am concerned about whether or not we have enough going towards building the institutional part of the Army that is required, because I think that is fundamental to some of these problems we have in things like training and at Walter Reed and other kinds of things. The Army right now of all the Services has the smallest percentage of its personnel end strength committed to the institution.

Senator WEBB. My instinct is to agree with you. I want to be able to justify that support based on numbers. But I did, I think as you and I discussed, I spent an entire year back in the 1980s analyzing Army force structure at the request of Secretary Weinberger. At that time the active-Duty Army was 761,000.

General SCHOOMAKER. Much larger.

Senator WEBB. The bottom line justification after talking to Army force structure people was that, given the functions around the world, they have changed in some measure, but that 12 divisions was about as low as the Army could afford to go if we are going to keep our place around the world.

General SCHOOMAKER. But you remember that the expectation of the Army's deployment was nothing compared to what we are experiencing.

Senator WEBB. True. We had 200,000 people in Germany at the time, arguably deployed, but not operational as they are now.

General SCHOOMAKER. That is correct. Living with their families, with basic quality of life, et cetera. We are talking about an Army that is operating at an extraordinary rate, and I think that this is not an anomaly. Now, there are a lot of people talking differently, but I hope that we do not find ourselves back into a position that we find ourselves needing an Army and Marine Corps and Special Operating Forces (SOF) again and we find ourselves back down at the bottom of the ramp.

By the way, I go back to remembering when we were taking down SOF. When I first got into SOF many years ago, it was on the decline.

Senator WEBB. I remember that time.

General SCHOOMAKER. There was only three Special Forces groups left. It's just our nature, and I think what we ought to do is get informed about our nature and we ought to counter it, because it is a cycle.

Senator WEBB. I appreciate your comments. Thank you.

Chairman LEVIN. Thank you, Senator Webb.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

General, you pointed out this morning that 55 percent of our total force is now Guard and Reserve, if I understood you correctly; is that correct?

General SCHOOMAKER. That is correct, yes, ma'am.

Senator COLLINS. That certainly explains to me why we have what I consider to be an overreliance on our Guard and Reserve. Are you comfortable with that proportion? If you were designing the total force from scratch today or had a magic wand, what proportion would be Guard and Reserve?

General SCHOOMAKER. I would be much more comfortable if there was something more on the order of 60 percent Active and 40 percent Reserve. I think our Active Force is too small. I think we are doing the right thing now in building this active Force. Again, if we are going to maintain this level of balance then we are going to have to invest in the Guard and Reserve to make sure that they are effective as an operational Reserve, which I think we are doing.

Senator COLLINS. I was really surprised that more than a majority of the force was Guard and Reserve, and that seems like an issue this committee should really take a hard look at in terms of whether we have the right force structure and whether we are asking too much of our Guard and Reserve.

General SCHOOMAKER. If I could be so bold, since this might be my last hearing——

Senator COLLINS. That is why I am asking.

General SCHOOMAKER.—and it might not, but there is a lot more political constituency for Guard and Reserve, and I believe it was not taken down proportionately because of the political clout that the Guard and Reserve has as opposed to an Active Force. So there is no military rhyme or reason for us to be where we are. It has to do with the politics. I think that what we need to do is we need to get ourselves organized for the realities of the future and we ought to balance ourselves in such a way that is commensurate with how we are going to use these forces.

Senator COLLINS. Since I chair, or used to chair rather, the Homeland Security Committee, I am also very aware of the role that the Guard plays in responding to natural disasters and other emergencies. I am just concerned about how much we are asking the Guard to do.

General SCHOOMAKER. Ma'am, if I could just say something here. I am a big fan of the Guard and Reserve.

Senator COLLINS. As am I.

General SCHOOMAKER. I think that in this century that we had better have an effective Guard and Reserve, not only to reinforce us operationally away, but we better get better at our homeland security, homeland defense issues. I do believe that we are on borrowed time when it comes to what is going on in this century.

Senator COLLINS. I certainly agree with you.

I want to switch to a different issue and ask both of you to comment on the next question. All of us have seen how the advances in military medicine, the extraordinary treatment on the battlefield, have allowed far more of our injured troops to survive than in other conflicts. But in the last week I have met with constituents, including a neurologist, who have expressed to me significant concern about the increased number of traumatic brain injury (TBI) cases and whether they are being caught and screened.

This neurologist from Maine in particular told me of a soldier who came to him who had been diagnosed with post-traumatic stress disorder (PTSD) and that was not the problem at all. He had a TBI that had been missed.

I also met with some other experts from Maine. I have had letters from constituents who have expertise in dealing with these injuries, and they are expressing a pattern that I am seeing here, a common concern that some of our troops are being diagnosed as just having—not "just," because it is serious as well, but as having PTSD, when in fact they have a TBI.

They explained to me that that is an injury that can be a silent killer if it is misdiagnosed. Many of these individuals have advocated that every servicemember should be screened for TBI upon their return from deployment, as well as at separation.

General, I am going to ask you to comment first. Should we be doing more in this area? Are we providing sufficient funding? I am very concerned about this. It is coming up from people whom I really respect and who are giving me actual cases of Maine soldiers with brain injury who are misdiagnosed.

General SCHOOMAKER. I think I share your concern. I will tell you, of course I am not an expert on this, but my brother is commander at Walter Reed now and he has been my brother for a long time and he has been informing me about his concerns about the things we do not know about this and how it is emerging now, the body of knowledge is increasing on it. It is very confusing.

I will tell you, yesterday I happened to be at one of our regional medical centers looking at, just checking things out and talking to the leaders and stuff. I will not name which one this is, but there was a soldier there that had been diagnosed with PTSD that never deployed. So we are finding—one would say, how could this be? The fact of the matter is there are all kinds of traumatic things that can occur in life that have these kinds of symptoms. Of course, when we have a soldier that is on Active Duty with this, whether it is Guard, Reserve, or an Active soldier, we have a responsibility to treat it regardless of the cost.

So I think this is an area that has not been well-understood, that because of this we are now learning a lot more. I believe your concerns are valid, that we must explore this and must make sure that we understand, because this is a readiness issue. If these effects are delayed effects, there is no commander that wants to have

somebody with these kinds of problems committed back in another rotation into combat. That is not what any logical commander would want.

So if we do not understand how to measure it and we do not know what it looks like and these things have delayed effects, then we have to get smarter pretty quick here because of the nature of how we are operating.

Senator COLLINS. Secretary Geren.

Mr. GEREN. On that same point, does our disability system accurately reflect that injury and anticipate the impact of that injury later in that soldier's life? Those are issues we have to examine. The Surgeon General has appointed a task force, with the southeast medical commander, to look at TBI specifically. But there is much we have to learn about that.

You also mentioned PTSD. We now estimate 10 to 15 percent of all of our soldiers that are coming back from deployment are experiencing some degree of PTSD. These are two issues that we are concentrating on, have deep concerns about, certainly share your concerns. But I would be the first to tell you we have a lot to learn in that area. When you think about it, the issues are varied as well. It is not just medical, not just clinical. But just as in civilian life, people are reluctant to come forward and deal with psychological or emotional problems. The culture is the same in the Army, maybe more so. There is a reluctance to admit you have a problem in that area.

We now have a predeployment and postdeployment assessment, a mental health assessment for all of our soldiers. We are making headway in that area, but we have a ways to go. The long-term look at the disability system is going to have to look at these areas and make sure we are capturing the needs of the soldiers now and the needs of the soldiers long-term. I do not think right now we could say that we are doing that effectively.

Senator COLLINS. I agree. Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator Lieberman.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Thanks, Mr. Secretary, General Schoomaker. Thank you very much to the impressive group behind you, I might say. Thanks for your service to our country at a very challenging time. In fairness, thanks to Secretary Harvey in absentia for the great job that he did.

General Schoomaker, I join everybody in wishing you well in the next chapter. It has been a real honor to get to know you. You have been in my opinion a very strong leader in the Army. You have also been a uniquely persistent and I think effective advocate for the Army, both within Congress and within the Pentagon. That is really very important for the Army and for our country.

I want to just say a word about the last subject before I go to some questions about Walter Reed. I do not want to spend my time on a question, but I think I am going to put a letter to you, Mr. Secretary, maybe to the Surgeon General. At the hearing we had about the Walter Reed problems on this committee, I raised the question about whether we should take a second look at the BRAC decision about Walter Reed. I do not have a conclusion about it, but

here is the question that I want to raise. I wonder whether there was adequate attention paid by the BRAC to the demands on our health care, our military health care system, that will be generated now and in the years ahead as a result of the very high level of activity of engagement that the Army will have in the war we are in with radical Islam, which is not going to end any time soon.

It just seems to me that, notwithstanding the horrific, embarrassing conditions of Building 18, that some of the buildings out there are state-of-the-art. It could well be that it still makes sense to move them all to different places and build some new stuff, but I am thinking really more in terms of demands on the system and whether this is the right moment. I am not talking about not doing anything up at Bethesda, but whether this is the right moment to close down that facility as we see a lot more demand coming along.

I am not going to ask you to answer that right now. I will send you a letter on it.

Those thanks I offered for your service——

Senator WARNER. Senator, would you—before you joined us here, I raised that question. This is on my time. We will not take yours.

I suggest—I am trying to work through, and I would enjoy your advice on it, a system by which recognizing Walter Reed is currently playing a vital role and recognizing there is some uncertainty about when Bethesda through additional construction and funding can take part of Walter Reed and a new hospital—and a spade has not even been put in the ground down at Fort Belvoir—that Congress look at staying the timetable of the closure of Walter Reed and, as the Chief of Staff and the Secretary said, maintaining the quality of care with funds until there is a perfect meshing of the gear wheels as Walter Reed goes out and the other two medical centers come on line.

So that is what we are looking at now.

Senator LIEBERMAN. Senator Warner, I think that is a very good proposal and I would support it. Here is the question. I go beyond that. I would like somebody who is much more of an expert on this than I am to make some projections about what the demands on the Army's medical system are going to be for the next 25, 30 years, and to decide whether, assuming a seamless transition, the new facilities that are contemplated are going to be enough to handle it, so that we do not look back and say, why the heck did we close some of those buildings at Walter Reed; they were just state-of-the-art. Besides we need the space.

This is a non-expert question I am asking. That is why I am going to ask it of the experts. But in either case, I think your idea is an excellent idea.

Mr. GEREN. If I could just add one point.

Senator LIEBERMAN. Yes.

Mr. GEREN. This is addressing the need in the short-term. General Eric Schoomaker, the head of Walter Reed, one of the initiatives he has already undertaken in the short time he has been there is to look across the system outside of Walter Reed and where the services can be performed elsewhere in the medical system, make sure we are utilizing the capacity elsewhere as well. That kind of a look at the system I think is overdue, and I applaud General Schoomaker for looking out across the system and making

sure that we are utilizing all of our capacity as best we can, making sure that we continue at Walter Reed to provide the highest quality care. I assure you he is committed to that.

But he has undertaken a review and tasked his staff to look at other options to make sure that we use all the resources to meet all of our soldiers' needs and do not let any area go underutilized.

Senator LIEBERMAN. That is encouraging news and I appreciate it.

When I thanked you earlier for the tremendous job you and your whole leadership team have done in the Army under difficult circumstances, I really mean it and I mean it in part because of what you two have said here today—and General, you have said it for quite a while now—which is that this is a classic where demands are going way up on the Army and to a certain extent supply has not gone up commensurately. By that I mean I believe the Army, as you do, is underfunded and understaffed, and it has been quite remarkable we have been able to do what you have been able to do. But this cannot go on the way it has been.

As you come to the end of this career, assuming that no one convinces you to come back out of retirement, you said a few times that you do not think the current increase in end strength to 547,000—which incidentally does not happen until fiscal year 2013—that that is not enough, and that is my suspicion.

Assuming for a moment that the money is not an issue, how high would you take the end strength of the Army?

General SCHOOMAKER. Well, sir, first of all, let me say that, remember the 30,000 that we have been growing is a down payment on the 74,000 that we are talking about.

Senator LIEBERMAN. Right.

General SCHOOMAKER. Our estimates were that we probably, our conservative estimates in the past, were we probably ought to see an active end strength somewhere around 565,000, something like that. But my concern really goes back to the institutional thing that I was talking to Senator Webb about. I worry that we have taken too much risk in the important aspects of the Army, like the medical system, like the education and training system, the kinds of things that support and are so important to the Army, because we have taken a lot of efficiencies there and I worry we have overreached a little.

Senator LIEBERMAN. Talk a little bit more, get down a little deeper into that, because that was the next question I was going to ask you. The institutional Army is, except in a moment of great unexpected public attention like the Walter Reed situation, is the part of the Army that nobody really sees or generally sees outside of the Army. So what is happening and why is it happening? Who are we talking about?

General SCHOOMAKER. We are talking about all of the business side of the Army. We are talking about drill sergeants and instructors and teachers and people that support maintenance, all of the kinds of things that happen. I am not just talking about headquarters now. I am talking about people who make—they are the people down in the engine room of the Army, that keep the—as an example, and this is—each of the Services is different and it is not fair to mirror image because they are not mirror images of each

other. But the Navy and the Air Force, almost 50 percent of their structure is in the institution.

Senator LIEBERMAN. The Army?

General SCHOOMAKER. We are down, we have gone from about 31 percent. We are on a move down I think to around 27 percent.

Senator LIEBERMAN. Much too low in your opinion?

General SCHOOMAKER. It is too low. So when you take a look at Walter Reed—I was talking yesterday; as I said, I was at a medical center. We have lots of soldiers now that are being supervised by civilians. I am not sure that is the smartest way to develop our medical personnel through the system, not just because of the technical thing, but because of the leadership side and because of the professional development aspect of it.

So I applaud what we have done to move soldiers into the operational force, but we may be on a path of overreaching in terms of what is smart for the long-term.

Senator LIEBERMAN. That is what I was going to ask you. Maybe it is self-evident. Is the institutional Army down in percentage because you have had to take soldiers out of the institutional Army into the operational Army?

General SCHOOMAKER. Yes. Part of our program of trying to grow the Army in this time of war is to move civilians into positions that civilians can do that does not require a soldier totally to do. We just have to be careful with that. I am not suggesting it is not the right thing to do, but we have to be careful how far we go with that. There may be a couple areas where we have overreached a little.

I am concerned about Training and Doctrine Command as an example, which is where we train and educate our force.

Senator LIEBERMAN. Yes, exactly.

General SCHOOMAKER. It is a very, very important part of what we do. The Medical Command is another. Our institutions—part of the situation we had at Walter Reed is a direct result of the A–76 study and the garrison that is out there. All of our installations out there are run by garrisons. That is part of the institutional Army. It is not part of the operational Army. Somebody has to repair the roof and fix the plumbing and mow the grass and all the kinds of things you have to do so that we do not have these soldiers coming out of the battlefield and running lawnmowers and then going back to the battlefield. We have to train them and have them go.

So that is the kind of thing I am talking about, and I think we may be on the path of overreaching just a little bit there.

Senator LIEBERMAN. Thank you very much for your words. I hope they resonate and echo throughout the years ahead and I wish you well and your family well. Thank you.

General SCHOOMAKER. Thank you.

Chairman LEVIN. Thank you, Senator Lieberman.

On the issue that Senator Lieberman raised and was talking to Senator Warner about, you have indicated that the new head of Walter Reed, General Schoomaker, is doing a study of the utilization of all of our medical facilities. I am wondering, who is doing this review?

Mr. GEREN. It is not a study. He actually instructed his staff to look to put patients where you have facilities that are underutilized; actually an operational decision, not a study, but to identify opportunities so we could make sure we could continue to meet the needs at Walter Reed and use capacity elsewhere.

Chairman LEVIN. Who is going to be doing this review of the timing and the need for Walter Reed, whether or not we should reconsider? Is there someone who has the responsibility inside the Army to be taking another look at the Walter Reed BRAC issue plus the need issue which Senator Lieberman raises, the timing issue which Senator Warner raises? Is that responsibility assigned to somebody?

Mr. GEREN. There is a task force and the Army is represented on it. It is a joint task force that looks at all the issues, the planning for the new facility.

Chairman LEVIN. No, not just that. But there is a new issue that has been raised, should we reconsider at least the timing, but maybe even the total desirability of the Walter Reed closing decision? Obviously we ought to be very careful because it is a BRAC issue and it is decided and once you reopen that issue all hell breaks loose in terms of a lot of other BRAC decisions which would like to be reviewed by some people.

But my question is, is there such a review going on of, the review of Walter Reed's closing, both in terms of desirability and timing to do the seamless approach that Senator Warner talked about and the need issue which Senator Lieberman has raised? Is that assigned to somebody?

Mr. GEREN. At this point the decision is to proceed with BRAC. Dr. Robert M. Gates has focused on this personally and I have been at meetings with Dr. Gates and discussed this. We do not want to reopen BRAC. We want to make sure that Bethesda and Belvoir are done and done on time or sooner and make sure that we maintain the quality at Walter Reed up until that point. That is the commitment of the DOD.

Chairman LEVIN. I think what you better do at a minimum is to get to this Mr. Chairman a letter telling us how that seamless transition is supposed to—what is the current plan, what is the capacity of Walter Reed, how is that capacity going to be handled seamlessly if we proceed on the course that we are on. Can you get us some kind of an overview of that so we have something specific, at least as a starting point?

Mr. GEREN. I will, Mr. Chairman.

[The information referred to follows:]

The Military Health System (MHS) Base Realignment and Closure (BRAC) 2005 actions in the National Capital Region (NCR) include the realignment of Walter Reed Army Medical Center (WRAMC) to the Walter Reed National Military Medical Center (WRNMMC) in Bethesda, MD; a new community hospital at Fort Belvoir, VA; and closure of the WRAMC main post.

WRNMMC will be a combination of new construction and partial renovation of the existing National Naval Medical Center. As currently planned, construction at Bethesda will start in March 2008. Establishing the new Fort Belvoir community hospital will involve all new construction and will start in January 2008.

At Bethesda, prior to initiation of construction, there will be a transition plan ensuring continuation of services and capacity throughout the duration of the project. This transition plan will likely involve use of "swing space" on the Bethesda cam-

pus, plus the potential need to consolidate clinical service(s) or support functions at WRAMC while portions of NNMC are under construction.

In October 2010, construction of the new medical facilities will be complete. In mid-to-late fiscal year 2011, there will be a final transition from WRAMC to WRNMMC, plus a transition from WRAMC to the new Fort Belvoir community hospital. These late fiscal year 2011 transitions will be part of closing the WRAMC main post.

The transition plan at WRNMMC will be tightly linked to the construction schedule. The design effort for the WRNMMC is not sufficiently advanced to provide a construction schedule. Once a sequence of construction is established, then NCR planners will develop a parallel transition plan that migrates/moves services and functions such that NCA multi-service market maintains clinical capability and throughput. It is anticipated the transition plan will be completed late in calendar year 2007.

In keeping with Joint Commission requirements, the transition planning will include specific attention to facility related life-safety issues, infection control, and robust clinical case management to ensure no disruption in continuity of care. Transition planning will focus on aggregation of projects to minimize number and duration of moves. When physical movement of a service is necessary, the transition site will have all amenities required for patients and families. In addition to these non-negotiable clinical tenets, the transition plan will include a vigorous communications plan providing:

- Advance notice of move
- Education and training about new sites or pathways
- Trained support staff to assist patients and families with transition related issues/concerns

On May 25, 2007, the Deputy Secretary of Defense approved the Acceleration/Enhanced Scope initiatives at WRNMMC and the new Fort Belvoir community hospital. The Acceleration/Enhanced Scope initiative at WRNMMC will simplify transition planning as the functions necessary to accomplish high acuity inpatient care will have optimal adjacencies, be consolidated at one location in the NCR, and include family support services.

Chairman LEVIN. I have two questions. I know Senator Warner has a couple. On FCSs, General, the Army recently adjusted the FCS program and deleted 2 of the 18 planned systems, deferring two more, and taking $3.4 billion out of the program over the fiscal year 2007 to fiscal year 2013 POM years. Were there problems with the program or was that a budgetary decision?

General SCHOOMAKER. Sir, we were cut over. Over the last several years we have been getting cut a little bit each year. So what we are trying to do is set our priorities and keep it within executability.

Chairman LEVIN. So that was a budget issue.

Another medical question which has arisen recently has to do with reports that the Third Infantry Division (I.D.) has changed the medical profiles of soldiers who have medical conditions so that they could be sent to Iraq as part of the Third I.D.'s accelerated deployment to support the surge. Did the Third Infantry Division change the medical profiles of the Third I.D. soldiers so that they would be deployable?

Mr. GEREN. Sir, I am aware of those allegations and concerns. Major General Rick Lynch, the commander, has conducted a commander's inquiry into those allegations. I have requested that commander's inquiry. I have not received it yet. We take any allegation of that seriously, as did the commanding general on sight, and the commander's inquiry is completed and I have requested to have it sent to me and I will review it and share the results with you.

[The information referred to follows:]

The Department of the Army Inspector General conducted a thorough inquiry into this matter. The issue that soldiers with medical profiles assigned to the 3rd Bri-

gade, 3rd Infantry Division (3rd BCT, 3 ID) were reevaluated and their physical profiles improperly changed was found in only 1 instance of the 75 cases reviewed.

Of the 75 soldiers assigned to the 3rd BCT who were reevaluated by medical personnel in February 2007 at the direction of the commander, only one soldier's profile was improperly changed, allowing that soldier to be deployed in March 2007. That soldier had a permanent P3 profile that was improperly changed. When the soldier continued to have medical issues, he was reevaluated in theater and redeployed to Fort Benning, GA, on April 9, 2007.

This soldier's medical profile was improperly changed from "P3" (a permanent profile indicating one or medical conditions or physical defects that may require significant limitations) to "P2" (some medical condition or physical defect that may require activity limitations) and was subsequently deployed. However, the evidence indicated that the soldier's "P3" profile was changed to "P2" because the reviewing physician mistakenly believed that the "P3" profile had not been properly approved by two profiling officers, one of whom was a physician approving authority, as required by AR 40–501.

Evidence also indicated that the profiles of five other 3rd BCT soldiers were properly changed from "P3" to "P2". These changes were authorized because these profiles had not been properly approved by two authorized physicians as required. After being reviewed, these profiles were properly changed and these soldiers deployed. Five other soldiers had their profiles changed from "P2" to "P3" and those soldiers did not deploy. The profiles of the remaining 64 soldiers under review were not changed. Evidence indicated that 34 of the soldiers whose profiles were reviewed actually deployed.

The issue that commanders and leaders improperly ordered soldiers to perform duties and functions in violation of their physical profiles was not founded. In several cases, soldiers presumed that they could not be deployed to Iraq because of their temporary profiles and that deployment, in and of itself, would violate their profiles. AR 40–501, Standards of Medical Fitness, states that properly processed medical profiles do not, in and of themselves, determine a soldier's deployability. Rather, a medical profile is a recommendation from a medical professional. The decision to deploy a soldier remains with the commander. For example, a soldier with a properly processed profile could be assigned to serve in an administrative role. In most cases, a soldier could perform that duty, within the limits recommended by his or her profile, at his or her home station, or deployed. Although a commander that is responsible for accomplishing a wartime mission would likely want to deploy with as many of his or her soldiers as possible, no evidence suggested that 3rd BCT commanders tried or intended to compromise the medical welfare of their soldiers. Rather, the evidence reflected that soldiers were deployed and assigned duties and functions within their physical limitations and consistent with their profiles. If the soldiers had received properly authorized P3 or P4 profiles they could not have been deployed until their profiles were referred and reviewed by a Military Occupational Specially Medical Retention Board or the soldiers had been processed through the Physical Disability Evaluation System and found to be fit.

The issue that 3rd BCT, 3ID soldiers were intimidated and harassed in retaliation for informing Salon.com about their unit's deployment of soldiers who had physical profiles was not rounded. Evidence does not indicate soldiers were the subject of retribution for contacting the media. Nor is there evidence to indicate that the soldiers' chain of command pursued or threatened any acts of reprisal in retaliation for the soldiers' communications with the media.

Chairman LEVIN. You do agree, though, that it would be inappropriate for an Army unit to change a soldier's medical profile to qualify that soldier for deployment to a combat zone? Would you agree with that?

Mr. GEREN. Yes, sir, if that was the motivation, yes, sir.

Chairman LEVIN. If that was the case.

Mr. GEREN. Circumstances may change and the profile may change, but as far as if that is the motivation, absolutely, sir.

Chairman LEVIN. For that purpose it would be improper?

Mr. GEREN. Yes, sir.

Chairman LEVIN. Senator Warner.

Mr. GEREN. Mr. Chairman, could I correct the record on one point? I said 21 percent earlier. I was passed a note: It was 19 percent, not 21 percent.

Chairman LEVIN. Thank you for that correction.

Mr. GEREN. Yes, sir.

Senator WARNER. Chairman Levin, this has been a very good hearing and we are going to do our best to support the Army in every respect with its request. But we should close out in a recognition of the Army family, the support system that is probably the most important of all. We saw examples in the distressing chapter of Walter Reed where families were often filling the gap in many respects.

I just want to get the assurance from both of you that this budget keeps in place, as best you can, those family systems whereby they can step in and help their uniformed member of that family in all types of circumstances.

Mr. GEREN. Yes, sir.

Senator WARNER. Is that correct?

Mr. GEREN. It does. The commitment of the Army is to ensure that we maintain the quality of life and we give the families what they deserve. The strain the families are under right now, it is humbling to consider it, and I can assure you that is our commitment, sir.

General SCHOOMAKER. I tell you, sir, we still need to get that military construction budget and the BRAC, because we have quality of life issues in there, we have child care centers in there, and all kinds of things that are part of that issue that you are talking about.

Senator WARNER. I hope that will be forthcoming. Not to point fingers at anyone here in Congress, those issues so far as I know are being addressed by our leadership to try and have those funds which are badly needed forthcoming. You are under that impression?

Chairman LEVIN. Yes.

Senator WARNER. Thank you, gentlemen, very much. Your staff, the very impressive support team you have here today.

Chairman LEVIN. Just one clarification. General, you talked about the definition of the surge and contrasting it with something which was——

Senator WARNER. Plus-up.

Chairman LEVIN. Plus-up, as you call it. You indicated a surge—a surge, as it is characterized, there has to be a plan to come off of that surge. You indicated that it was your understanding that the plan would be somewhere between August and the end of the year to come off the surge. Is that an understanding which is shared by the Secretary of Defense?

General SCHOOMAKER. Sir, I cannot speak for the Secretary of Defense, but it is certainly that which has been discussed by the Chiefs.

Chairman LEVIN. They understand that? Do all the Chiefs understand that?

General SCHOOMAKER. We understand that—our belief is that a surge is different than a plus-up. The timing is going to be dependent upon the commander on the ground in Iraq and the rest of it. But in our view, a surge is different than a plus-up.

Chairman LEVIN. Is there a shared feeling that that would mean somewhere between August and the end of the year, as you feel?

General SCHOOMAKER. That is my personal belief. Now, what I have understood——

Chairman LEVIN. Not necessarily?

General SCHOOMAKER. I have not had anybody tell me that is the official——

Chairman LEVIN. Or that that is shared by the other Chiefs?

General SCHOOMAKER. Sir, I could not speak for the other Chiefs.

Chairman LEVIN. How about the Chairman?

General SCHOOMAKER. Nor could I speak for him. That is certainly my understanding of my conversations with the Chairman. Whether or not he agrees with that——

Chairman LEVIN. Is it your understanding that that is his understanding or you just do not have any understanding about that? Is it your understanding that that is also his understanding, or you just do not have——

General SCHOOMAKER. He heard me say that. I have not heard him make a decision or a conclusion or do anything definitive with it. I think that—and I am talking about the Chairman and the Secretary of Defense, in conversation with the Central Command Commander and General Petraeus on the ground, and I think this is an issue here. My understanding was that that was the ballpark that we were talking about.

Chairman LEVIN. Have you heard anything different from the Chairman?

General SCHOOMAKER. I have heard no decision.

Senator WARNER. Mr. Chairman, in view of the seriousness of the question, which both of us raised, perhaps we should collaborate on a letter to have this clarified, because it is, I think, extremely important to all, not only to Congress but to the DOD as it is carrying forth with this plan of the surge now.

Chairman LEVIN. I do agree with that.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

I wanted to come back, General, just for one last question about the end strength of the Army, because we got off on a discussion about the institutional Army, which was important. Look, my concern is that, with what we are facing around the world, that we are going to get to a point where our military strategy is going to be determined by a shortage of personnel, not by what is the best military strategy.

I agree with you that the idea that the high-tech equipment is enough and we can use a smaller Army—with the conflict we are facing now, with the enemy we are facing now, if I might quote your straight talk, it is ludicrous.

So I want to give you a chance, since this is your last appearance before us, to leave us with a goal. When I asked you what you thought the end strength of the Army should be, you said, I believe you said, a minimum or a conservative estimate would be 565,000.

General SCHOOMAKER. Active.

Senator LIEBERMAN. Active, exactly. What should our goal be beyond the minimum, beyond the conservative estimate, for what the Active Army should be in the years ahead?

General SCHOOMAKER. Sir, I think you almost have to go back and think of this in kind of a generic context. Strategy is the application of ends, ways, and means.

Senator LIEBERMAN. Right.

General SCHOOMAKER. You and I have had this conversation before.

Senator LIEBERMAN. Yes, we have.

General SCHOOMAKER. There are people that are very loose with talking about what the end state is and how we are going to get there, but very few people want to sign up to what it costs you, the means to get there. My view is we have a strategy right now that is outstripping the means to execute it and to sustain it. I think our current tempo of operations exceeds what the QDR said that our strategy was going to be and I believe that our resources up to this point have undershot even what the QDR said they are supposed to be.

Senator LIEBERMAN. Well said.

General SCHOOMAKER. So I think what we have to do is take a look at what do we believe the demand is going to be on this force, the joint force, into the future and, looking at that demand, how are we going to sustain that? Again, I go back to what—the QDR rule said that in normal times a soldier, sailor, airman, or marine on Active Duty should have three increments of dwell for every increment of deployed. We agreed that a surge was going to two increments of dwell for every increment deployed.

We are now operating at one to one and going short of that. That is not sustainable. So what it says is the strategy is not resourced or the equation is not balanced in the strategy. Therefore, I think that what we have to do is say, what is the demand, and do the equation back and figure out what means are required.

Now, the reality is we may come up with a number that is unaffordable, which means you have to change what end state you want to go to, or you have to come up with a different way of getting to the end state that you want.

Senator LIEBERMAN. Or you have to decide that the end state is important enough that you have to find a way to afford it.

General SCHOOMAKER. So then you get into the old, what I have talked in front of this committee many times about before as George Marshall said in the middle of World War II: Before the war, I had all the time in the world and no money; and now here I am in the middle of World War II and I have all kinds of resources and no time.

So we put soldiers ashore 3 years after the Germans invaded Poland, without rifles. Every tank we put ashore in North Africa was knocked out. Patton landed with training ammunition. It is well-documented. This Nation has always gone to war short, because we get into the roller coaster. We are always late to need and therefore we pay a huge premium to get ready, and we are always late to need.

Body armor. The United States Army when I came on board, we were manufacturing body armor at the rate of about 1,200 sets a month. It was going to take over 40 years to put body armor on the entire United States Army. We were manufacturing some 34 up-armored Humvees. I mean, hell, there was less than 500 of

them in the entire Army. We had a requirement for only 235 of them in Iraq. Today we have a demand of over 15,000 up-armored Humvees in Iraq and we have been through all kinds of iterations of getting there. Now we are going to MRAP.

So what I am saying is we are acting very consistent with our past. I believe we ought to educate ourselves. We ought to look at what we are paying, what we can afford to pay, what our strategy requires, and we ought to resource it. We ought to quit trying to go on the cheap and we ought to quit worrying about what the traditional pie has been and who gets what, and we ought to talk about what this Nation's priorities and what our affordability is.

I have been very consistent in the last 4 years talking this way. I believe we have made some progress, but I still think that we are undershooting the obvious. This is a very dangerous time. This Nation is at great risk for an enemy that we are not accustomed to fighting. We are adapting to that enemy. This is not the Cold War and the Soviet Union any more, and we are at risk here at home and we are going to have to deal with an enemy that is fighting in an irregular fashion, and even our other potential foes are now looking at these irregular techniques to incorporate into their conventional forces. We are going to see this in the future. It is not going to go away.

Yet, in our own Department we still hear people talking that when this is over we are going to go back down to normal. There is no normal. This is the new normal. So I hate to be—I am sorry to be pedantic on this, but I really do believe this is real. I really do believe that we must take a very strong look at how we should balance this and we ought to talk about what strategy really is, the application of ends, ways, and means, and we ought to figure out whether our appetite is affordable or whether we are going to reduce our appetite to our checkbook or whether we are going to come up with different ways of doing business.

But we have to come to grips with this.

Senator LIEBERMAN. That is a very wise statement built on experience, and it should be heard as a clarion call because the appetite here we are talking about is national security. If this is a long war, which I believe it is, which we are all calling it, we are not, to use your appropriate word, resourcing to fight that war.

Also, the enemy we are facing is not going to be taken out with a lot of high tech equipment alone. This enemy will be defeated with personnel, with people.

So I hope we can live up to, in the years ahead, to the charge and challenge that you leave us with, and every now and then we will expect you to come back and shout a little more to make sure we are.

General SCHOOMAKER. Thank you.

Chairman LEVIN. I think you also, though, would agree that it is not just a matter of adequacy of resources; it is a matter of where those resources and how those resources are allocated against a very different type of an enemy. It is not necessarily a larger amount, by the way. It may be. So we have to do it. But it also may be a very different way of allocating resources in terms of where we put our focus for a totally different kind of an enemy, for a much longer kind of a conflict.

Senator Bill Nelson, I am going to not only call on you as our last questioner, but I am also going to ask you to close because I must leave. Senator Nelson.

Thank you both, gentlemen, again.

Senator BILL NELSON [presiding]. Mr. Chairman, adjusting to the new normal, maybe we ought to be listening to our generals, such as General Shinseki with regard to the occupation, and retired General Garner with regard to the disbanding of the Iraqi army once we were in.

It is most revealing that in your comments about the equipment in adjusting to this new normal—it is not normal that mammas and daddies would be calling me in the early part of the war saying that their sons and daughters did not have the body armor, and that when the Florida National Guard got there that they did not have the kind of body armor that the other troops had. That is not normal.

So it must be very frustrating to you as the Chief of Staff to have to deal with those kind of shortages.

General SCHOOMAKER. Sir, I would say that it is not right, but it has been consistent and normal with the way we have done business in the past, and it is not right. We should not continue to do business that way and we are not. We are resourcing the Guard and Reserve. We are resourcing the Active Force and we have asked for what we need and we are moving very fast.

But quite frankly, my view is we should have started this fight resourced the way we are trying to get resourced now.

Senator BILL NELSON. Amen to that.

General SCHOOMAKER. Which I think is your point.

Mr. GEREN. The differences that you refer to regarding the Guard, there were clear differences. They were not organized the same, they were not equipped the same, and they did not train the same. But our commitment now is to organize, train, and equip. It is one Army—Active, Guard, and Reserve—and we are making a significant investment to make sure that the Guard has the same kind of equipment that the Active-Duty does, over 2005–2013 spending nearly $37 billion on Guard equipment alone, both modernization in aviation and in ground equipment.

So the goal of this budget and this Department is to make sure they are organized, trained, and equipped the same, they are all one Army, best-led, best-trained, best-equipped Army we can put in the field.

Senator BILL NELSON. Four years ago, as you said, they were not organized, equipped, or trained the same. Yet they were asked to do the same mission as the Active-Duty Forces.

General SCHOOMAKER. That is correct.

Senator BILL NELSON. I want to ask you about recruiting. Your comments?

General SCHOOMAKER. We had the best year in 9 years in the Active Force and the best year in 13 years in the National Guard last year. We are on track again this year to have a very good recruiting year and meet our goals. I think it is extraordinary that 6 years into a wartime period that we are getting some very good young men and women that are stepping forward to do this. I think it is heartening.

Senator BILL NELSON. How about the Reserves?

General SCHOOMAKER. The Army Reserves did about—Jack?

General STULTZ. Twenty-five percent higher than the year prior.

General SCHOOMAKER. Twenty-five percent higher than the year prior. They are still challenged a little bit more, but part of their challenge is that the primary source of Army Reserve soldiers is soldiers leaving Active-Duty, is one of their biggest. Of course, we are growing the Active Force and it really challenges the Army Reserve in that regard.

Senator BILL NELSON. So the Army Reserves are meeting their goals in recruiting?

Mr. GEREN. They are not. The Army Reserve has fallen a little short. Active and Guard both are exceeding their goals in recruiting. They are all three exceeding their goals in retention. The Army Reserve I believe was at 90 percent last month—90 percent for recruiting, so 600 short of our goal.

Senator BILL NELSON. So with regard to the Active Forces and the Guard, according to the last couple of years of recruiting it is going to meet our goals for not only keeping the force structure that we have, but increasing the force structure?

General SCHOOMAKER. That is correct.

Senator BILL NELSON. That is a good report. What do you have to do about the Reserves to get them up?

General SCHOOMAKER. I will let the Chief of the Army Reserves talk about what he is doing, because he is pretty sharp and he is working hard.

General STULTZ. Yes, sir, and I happen to come from Florida.

The Army Reserve right now, sir, we are about 600 short. Last year we recruited 25,000 soldiers. The year before we recruited 19,000. So we are on an upward slope of increasing. This year we have increased above what the 25,000—now we are saying we need about 28,000 to keep growing. What we are going to do is we are learning from the Guard and the Guard is saying that their strength is getting their soldiers to go out and recruit within their own communities. We are community-based. So we are taking that lesson and we are incorporating what Clyde Vaughn has already started and we are going out in our communities.

But the other thing we are doing is, our soldiers are citizen soldiers and so what I have done is I have started talking to the employers of America and I have talked to police forces, I have talked to police departments in Florida, New York, California, Arizona. They are having a hard time filling their ranks. I have said: Why do we not work together? When I recruit a soldier, I am looking for a 17- to 24-year-old drug-free physically fit high-aptitude soldier. The chief of police in Queens, NY, I had a conversation with him 3 weeks ago, he said: I am looking for the same guy. I said: Then why do we not work together? Why do I not go into a high school and a kid says, I want to be in law enforcement, I will say: Join the Army Reserve and I can give you a job; where do you want to live?

Schneider Trucking, J.B. Hunt Trucking are looking for truck drivers. I have truck drivers. Why do I not become an enabler to employment. So that I think is the key to success, is take our citizen soldiers and help our employers of America grow in terms of

their strength by the quality of their workforce by hiring our soldiers. That is going to be the key to, I think, making our numbers in the future.

We are going to make our numbers. I am not worried about that. The quality of the force we are getting right now is better than we have ever had before. When I go to Iraq and I promote two young E–4s to E–5, one of which has a master's in financial planning, one of which is a young lady that just got a bachelor's in molecular biology, the quality of that force is enormously greater than where we were in 1979 when I joined the Army Reserve.

So we are going to make our numbers, but we are going to go to school on what the Army Guard is doing in learn from them.

Senator BILL NELSON. General Schoomaker, we have had upwards of 40 percent of the total force in Iraq is Guard and Reserve. As you project in the future, what percent of that force will be Guard and Reserve?

General SCHOOMAKER. I think we peaked during, what was it, 2005?

General LOVELACE. 2004.

General SCHOOMAKER. 2004, where we were up approaching 40 percent. I think now we are talking about being in the 20, 25 percent. Where are we going to?

General LOVELACE. It is going to be about 30 percent.

General SCHOOMAKER. Thirty percent.

General LOVELACE. We dropped down to 20 percent and then it, with the new mobilization policy it's pushing back up to 30 percent.

General SCHOOMAKER. So we were moving to 20 percent. With the new mobilization policy we will be approaching 30 percent again. We are looking at shorter mobilization periods, which means that what we will be doing is turning—actually, three rotations become four rotations because of the new mobilization policy.

Senator BILL NELSON. General, since you were here last week on the issue of the hospitals, I have gone to one of the TBI hospitals, the one in Tampa. They are doing a very good job. They have an old facility that needs upgrading. They are crowded and especially so since so much of the care is often with a family member that is there with them. Their facilities are considerably crowded compared, for example, in the same hospital to the spinal cord injury unit, which also is having a great deal of success.

I would call that to the attention of the Secretary as well, even though that is a VA hospital. As a result of last week's hearing, we see that we have to have the coordination and the cooperation between the two. I think those attempts are happening.

But on the very day that I was there, which was Monday, we had another example of where a soldier at first on Active Duty and then released, had gotten bounced around in the system. This calls for greater cooperation. So that this particular soldier had been sent to another VA hospital and basically they said, "we cannot help you," but nobody was there to tell him: "What you need to do is get to the Tampa hospital, to the TBI unit," and make him an appointment.

It took that soldier calling his Senator in order for that to happen, and then once it did he is now getting the care, but delayed care. So we are going to have to confront that over and over.

The other thing that we are going to have to confront is that Active-Duty soldiers are not being told that they can get treatment in private facilities; if the military hospitals and/or the coordination with the VA hospitals is not occurring, that they have the ability under their insurance system to get care in private facilities, and they are not being told that. Now, that is directly Active-Duty, Mr. Secretary, and I would implore you to try to get that communication out into the organization.

Thank you. The meeting is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

GROWTH OF THE ARMY

1. Senator LEVIN. General Schoomaker, last year the Department of Defense (DOD) presented to Congress a Quadrennial Defense Review (QDR) that asserted that the National Military Strategy could be executed at low-to-moderate risk by holding the Active Duty manning levels of the Army at pre-Iraq war levels of 482,400. It further asserted the Army National Guard (ARNG) should be reduced from 350,000 to 333,000. The Department abandoned its position on the Army Guard within days of releasing the QDR. Now, 1 year later, the Department is proposing to increase the size of the total Army: the Active-Duty Army to 547,400, the ARNG to 358,200, and the Army Reserve to 206,000. What has changed, if anything, in the National Military Strategy since the QDR was submitted to warrant the proposed growth in the Army?

General SCHOOMAKER. There has not been a change in the National Military Strategy nor the QDR Force Planning Construct that has driven the Army to request an increase in its end strength. During QDR 2006, the Army was tasked with building 70 brigade combat teams (BCTs) (42 Active component (AC), 28 ARNG) to meet the strategic challenges that threatened the Nation, while building supporting force structure that would enable the Army to shift its balance away from our traditional focus. This 70-BCT force relied on predictable, assured access to the Reserve component (RC) that would generate 18–19 BCTs per Army Force Generation (ARFORGEN) rotation once all conversions were completed in fiscal year 2013. However, current global demand on the Army has exceeded our capacity to provide forces within the ARFORGEN construct, compounded by the years of insufficient modernization investments. To meet the global demand for the long war and to provide strategic depth to the Nation, the Army proposed a plan to grow end strength across all three components to increase operating force capabilities, with modest increases in the Institutional Army and Individuals Account to retain structure needed to effectively recruit, train, and support the growth in the operating force. The proposed end-strength growth will provide the Army with 76 BCTs (48 AC, 28 ARNG) and over 200 multi-functional and functional support brigades. These 76 BCTs, and the additional Combat Support Brigade (Maneuver Enhancement) with supporting tactical combat formations, will generate 22–23 BCTs at a surge rotation rate (1:2 in the Active and 1:4 in the ARNG) by fiscal year 2013.

2. Senator LEVIN. General Schoomaker, if the strategy has not changed, then in your view, did the DOD incorrectly assess the forces necessary to implement that strategy in the QDR?

General SCHOOMAKER. QDR 2006 was a collaborative effort between the Services, the Joint Staff, and the Office of the Secretary of Defense (OSD) to define the strategy to meet future war requirements. QDR 2006 also provided insights for the Joint Staff and the Services to do additional analysis based on the effects of Phase IV/V (Stability/Enabling Civil Authorities) operations on the joint force, and the means for building partnership capacity through the combatant commanders' security cooperation plans. The force assessments and associated resourcing decisions for Army forces supported that strategy. The challenge is that since QDR 2006 the sustained requirements for the Global Force Demand now exceed that strategy. OSD has acknowledged that capabilities shortfall and provided support to the Army's proposed plan to increase capabilities to mitigate the risk associated with that shortfall gap.

3. Senator LEVIN. General Schoomaker, on what basis is the growth of the Army justified?

General SCHOOMAKER. A key objective of the proposed growth in the Army is to increase capabilities and improve readiness for both current and future challenges. This proposed growth reflects clear recognition on the part of the President, the Secretary of Defense, and Congress that we expect persistent conflict for the long war and need to build strategic depth. We know from our national experience that this is a time consuming process dependent upon an investment in manning, equipping, training, and caring for our people. Likewise, this growth will depend upon our capacity to build and maintain the infrastructure needed to recruit, train, and sustain these forces. Coming out of QDR 2006, the Army was building toward 70 BCTs (42 AC, 28 ARNG) to provide 18–19 BCTs per annual ARFORGEN rotation. To maintain the momentum of transformation while meeting the operational demands of the war on terror, the AC was growing by 30,000 with the temporary authority by Congress. Since QDR 2006, the global demand has exceeded that capacity. The Army is now seeking permanent growth to provide strategic depth and meet global demands of the long war. The proposed growth in the Army will provide 76 BCTs (48 AC, 28 ARNG) and over 200 support brigades with assured and predicted access to the RCs. Under surge rotation rates of 1:2 in the Active and 1:4 in the ARNG, the Army will be able to provide 22–23 BCTs per rotation when we include the Combat Support Brigade (Maneuver Enhancement) with its organic combat capabilities. This increase in Army rotational depth and capacity also will expand our ability to support requirements outside of the war of terror, participate in multi-national exercises, and peacekeeping operations around the world. This proposed growth will improve the Army's ability to meet the increasing global force demand and reduce stress across the force.

4. Senator LEVIN. General Schoomaker, what will be the impact on organizational structure, including the operational and institutional parts of the Army, and on the manning, training, and equipping of the force, including transformation to the Future Combat Systems (FCS)?

General SCHOOMAKER. The proposed growth increases capabilities in the operating force and Institutional Army across all three components to include additional combat brigades, the reduction of high demand/low density capability shortfalls, and the addition of needed combat support and combat service support units. Under the growth plan, by fiscal year 2013, the Army's end-strength will increase in the AC to 547,400; in the ARNG to 358,200; and in the Army Reserve to 206,000. The total end strength increase of 74,200, along with the rebalancing of force capabilities within the RC, will grow the operating force by over 80,000 spaces and reduce the military strength in the Institutional Army to 80,000 vice the 75,000 spaces as previously programmed. As we grow the Army we must retain an adequate Institutional Army capability to generate and sustain the force. One of the Army's strengths is its investment in formal training and development of leaders. Additionally, the ability of the Army to maintain and rest our forces for future contingencies is largely resident in the Institutional Army. In order to recruit, train, and care for soldiers and their families, the capacity of the Institutional Army must be preserved and strengthened. Under the proposed plan, the Army will complete organizing, manning, and training by fiscal year 2013; equipping of the BCTs by fiscal year 2015; and equipping of the multi-functional and functional support brigades by fiscal year 2019. The plan is synchronized with the transformation timeline for the FCS.

SUPPLEMENTAL REQUEST CRITERIA

5. Senator LEVIN. Secretary Geren, many of the funding requests for Army equipment appear to be distributed arbitrarily between the fiscal year 2008 regular budget request and the 2007 and 2008 global war on terror supplemental requests. What criteria have you used to determine what equipment is appropriate to include in the 2007 and 2008 supplemental requests as opposed to the regular fiscal year 2008 budget request?

Mr. GEREN. Many lines of equipment have been requested in both the regular (base) budget request and the supplemental requests. While these requests may appear to be arbitrarily spread across the 2007 and 2008 supplemental requests and 2008 base budget, they are in fact not arbitrary.

The OSD establishes the criteria for supplemental funding requests. In short, this guidance is that emergency supplemental requests must address the incremental costs above the baseline funding needed to support specific forces and capabilities required to execute Operation Iraqi Freedom, Operation Enduring Freedom, and Operation Jump Start.

Therefore a single line of equipment may be found in both the base budget and the supplemental requests depending on the nature of the requirement. If the requirement is for normal replacement of equipment or a programmed fielding, then the request is in the base budget. If the requirement is an incremental increase resulting from the ongoing global war on terror, or the acceleration of a capability required for global war on terror, then the request will be in the supplemental even though the same line item may be found in the base budget.

FORCE PROTECTION TECHNOLOGIES

6. Senator LEVIN. Secretary Geren, the National Defense Authorization Act for Fiscal Year 2007 included language strengthening the role of the Director of Operational Test and Evaluation (DOT&E) with respect to the testing of force protection technologies. This includes direction to the Services to ensure that the DOT&E is made aware of all ongoing force protection technology development and acquisition programs. How are you working with DOT&E on the testing of force protection technologies?

Mr. GEREN. The Army will work with DOT&E with a view toward adequate testing and analysis of systems to ensure safety-of-use and to demonstrate the capabilities and limitations of materiel delivered to warfighters. Army will comply with DOT&E's April 9, 2007 request for support on force protection equipment and nonlethal weapons to ensure the soldiers, sailors, airmen, and marines get the very best test and evaluation on the force protection systems the Department provides.

7. Senator LEVIN. Secretary Geren, what processes have been established to comply with the congressional directive on notifying DOT&E of Army force protection programs?

Mr. GEREN. On April 9, 2007, the Director of DOT&E issued a directive to the secretaries of the military departments requiring each to identify and submit a list of all force protection and non-lethal weapons programs as part of the established process for preparing the annual OSD Test and Evaluation Oversight List. In response to this directive, the Army has directed all program executive offices to provide a consolidated list of their programs that meet the criteria for force protection and nonlethal weapons identified within the directive for submittal to DOT&E.

COLLABORATION WITH ISRAELI DEFENSE FORCES

8. Senator LEVIN. General Schoomaker, I understand that the Israeli Defense Forces (IDF) are currently developing and evaluating a vehicle-based active protection system to defend against rocket-propelled grenades and other threats. I also understand that the Army is attempting to develop similar systems. Are there any formal data exchange agreements or cooperative activities between the Army and IDF to better understand each other's technologies, capabilities, testing, collateral damage, or integration issues or the planned use of the active protection systems?

General SCHOOMAKER. The Army does not have any formal data exchange agreements with the IDF that cover active protection systems. With respect to cooperative activities, the Army participates in a Technology Round Table with the Israel Ministry of Defense and conducts staff talks with the IDF. Within these fora the Israelis have kept the Army current on the development of their active protection systems.

DEPLOYING SOLDIERS WITH MEDICAL CONDITIONS TO IRAQ

9. Senator LEVIN. Secretary Geren, the committee has received reports that state that the 3rd Infantry Division changed medical profiles of soldiers with medical conditions so that they could be sent to Iraq as part of the 3rd Infantry Division's accelerated deployment to support the surge. Both you and General Schoomaker testified that it would be improper to change a medical profile for the sole purpose of making a soldier deployable. You also indicated that a commander's inquiry was being conducted. Who is conducting the investigation for the Army?

Mr. GEREN. On March 13, 2007, the U.S. Army Forces Command (FORSCOM) Inspector General (IG) received an Inspector General Action Request from the Department of the Army IG (DAIG). The FORSCOM IG opened a case on March 13, 2007, and initiated an inquiry. DAIG will retain oversight of the inquiry.

10. Senator LEVIN. Secretary Geren, will the investigation include interviews of the soldiers identified to the Army as having their profiles changed?

Mr. GEREN. Yes. DAIG conducted witness interviews of the soldiers identified as having their profiles changed. DAIG provided to FORSCOM IG audio files of six witness interviews conducted at Fort Benning, GA, on March 15–16, 2007. FORSCOM IG summarized the sworn testimony and DAIG provided verbatim transcripts of the sworn statements. The summarizations and transcripts will serve as exhibits of evidence in the Report of Investigative Inquiry (ROII).

11. Senator LEVIN. Secretary Geren, has your investigation determined whether the 3rd Infantry Division downgraded medical profiles of 3rd Infantry Division soldiers so they could be deployed to Iraq?

Mr. GEREN. The ROII is ongoing and FORSCOM IG will submit the completed ROII to DAIG upon completion; at which time we can better answer this question.

12. Senator LEVIN. Secretary Geren, do you know whether other Army units are changing soldiers' medical profiles to qualify more soldiers for deployment to a combat zone?

Mr. GEREN. There have not been any identified complaints at this level of other Army units changing soldiers' profiles to qualify more soldiers for deployment to a combat zone.

13. Senator LEVIN. Secretary Geren, please provide a copy of the report of investigation to the Senate Armed Services Committee for the record.

Mr. GEREN. DAIG will submit a completed report to the Senate Armed Services Committee once it has been finalized.

QUESTIONS SUBMITTED BY SENATOR JACK REED

COMANCHE

14. Senator REED. Secretary Geren and General Schoomaker, when the Comanche program was terminated in 2003, the Army and Congress agreed to reinvest the entire program funding into Army aviation modernization. How is the revised aviation strategy being executed?

Mr. GEREN and General SCHOOMAKER. The Army terminated the Comanche program in order to make funding available for restructuring Army aviation to reflect current and anticipated needs; increase aircraft survivability, sustainability, and operability; divest programs that no longer meet the needs of the changing operational environment; and extend aviation capabilities. The Comanche program reinvestment strategy modernizes Army aviation by accelerating development and procurement of Aircraft Survivability Equipment, Apache engines Block III conversions, Armed Reconnaissance Helicopters, Light Utility Helicopters, UH–60 Black Hawks, CH–47 Chinooks, and Future Cargo Aircraft (now called Joint Cargo Aircraft (JCA)). Reallocating Comanche funding also included investment in the common cockpit, fly-by-wire, aviation munitions, and investment in Army Unmanned Aerial Vehicle (UAV) requirements. Funding for Army aviation programs is being executed in accordance with the Army Modernization Plan. All funds resulting from the termination of Comanche remain within Army aviation to fix deficiencies.

15. Senator REED. Secretary Geren and General Schoomaker, how much money was transferred and for what purposes?

Mr. GEREN and General SCHOOMAKER. A total of $14.7 billion became available from the Comanche termination which was reinvested in order to train, sustain, and equip Army aviation.

UNMANNED AERIAL VEHICLE PROGRAMS

16. Senator REED. Secretary Geren and General Schoomaker, the Army Warrior UAV system is currently being developed and procured to provide direct support at the division level and below. Other systems are also being deployed today to serve in direct support for Army tactical operations. What is the status of the Warrior program?

Mr. GEREN and General SCHOOMAKER. The Army Joint Requirements Oversight Council (JROC)-approved Extended Range/Multi-Purpose (ER/MP) Warrior Unmanned Aircraft System (UAS) program continues its success in system development and demonstration (SDD) of the acquisition system. The critical design review was completed in October 2006 and the design readiness review followed with completion on December 21, 2006. The milestone decision authority gave approval to

proceed with the production of SDD hardware, with air vehicle deliveries to begin in October 2007. The hardware includes the One System Ground Control Station that is interoperable with other Army unmanned aircraft and common with the Navy/Marine Corps Shadow systems. The Product Manager continues activities in preparation for the limited user test scheduled to occur May–June 2008, prior to milestone C decision and low rate initial production contract award.

17. Senator REED. Secretary Geren and General Schoomaker, the Air Force has continued with its procurement of the Predator UAV system, also being used in Iraq and Afghanistan. How are the acquisition strategies and battlefield use of the two platforms coordinated between the Army and Air Force?

Mr. GEREN and General SCHOOMAKER. Acquisition Strategies: The Predator UAV is a legacy advanced concept technology demonstration system, while the Army JROC-approved ER/MP Warrior UAS is an acquisition program. On November 8, 2006, Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics requested the Army and Air Force collaborate on the Warrior and Predator programs to improve acquisition efficiency and provide better capability to our warfighters. A memorandum of agreement was drafted and the concept was endorsed by both Services. On January 23, 2007, the Chief of Staff, Air Force (CSAF) procured two Army Warrior air vehicles to determine the applicability for meeting future Air Force requirements. On March 5, 2007, the CSAF requested to be executive agent within DOD for Medium-High Altitude UAS. Due to the Air Force's executive agency activities, collaboration efforts ceased and have not resumed.

Battlefield Coordination: The Air Force uses a method of strategic satellite "reach back" for operational control and UAS mission execution. These UAS missions are flown via satellite from Nellis Air Force Base. The Army operates its UAS within a division's battle space in direct support to commanders on the ground. Army UAS missions are planned, coordinated, and executed from start to finish from the same location as the supported ground commander. Air Force flies pre-planned mission sets with limited ability to respond to re-tasking while the Army conducts dynamic and responsive missions with on demand re-tasking capability as required to support the ground fight. Both Army and Air Force UAS missions are coordinated through the air coordination order and air tasking order and are under positive air traffic control.

18. Senator REED. Secretary Geren and General Schoomaker, should we have a single Service, such as the Army, serving as executive agent for both platforms?

Mr. GEREN and General SCHOOMAKER. The Army does not support a single Service executive agent for medium and high-altitude UAVs. The Army recommends the OSD uphold the 2005 decision to use the Joint UAS Materiel Review Board (JUAS MRB) and the Joint UAS Center of Excellence (JUAS COE) in lieu of a single Service executive agent. The JUAS MRB and the JUAS COE can and will work and achieve the Air Force's executive agency goals. With full support, these organizations will enable full joint Service buy-in and resolution of issues. Additionally, to continue the research and development of UAS and meet the DOD's UAS requirements, we must create an environment of competition within industry. Competition promotes innovation, challenges industry to achieve a higher level of technological achievement, and spurs investment. The Army, Navy, Marine Corps, and Special Operations Forces have all benefited from competitively selected solutions and are already sharing UAS training, logistics, and systems development in three formal programs. The DOD should continue on its present course of developing inclusive, synergistic complementary capabilities to fuse the contributions of each Service.

SCIENCE AND TECHNOLOGY

19. Senator REED. General Schoomaker, you showed a number of technologies here today that are the result of investments in science and technology (S&T). But your fiscal year 2008 budget request reduced S&T investment by over $1 billion with respect to fiscal year 2007 appropriations and is even below the fiscal year 2007 original budget request. Do you think we are risking not developing the next generation of technologies like the ones you showed us with this low request?

General SCHOOMAKER. Despite the demands of the ongoing global war on terrorism, the Army has been able to maintain its S&T investment at over $1.7 billion for each of the past two budget requests. We believe this level of investment is sufficient to support our acquisition priorities consistent with our broad resource demands.

20. Senator REED. General Schoomaker, what areas of S&T investment do you think this committee should consider adding funds to as we look at your budget request?

General SCHOOMAKER. The area of force protection technologies continues to be our top priority investment and has shown promise in providing innovative solutions for platform and soldier protection.

BRADLEY REACTIVE ARMOR TILES

21. Senator REED. General Schoomaker, what is your assessment of the effectiveness of Bradley Reactive Armor Tiles (BRAT) in dealing with current and future battlefield threats?

General SCHOOMAKER. The BRAT A2 tile defeats the current threat and is adequate against the projected near-term threat. A reactive tile technology improvement that is being tested now is expected to improve BRAT capability against the anticipated evolution of that threat. Active protective systems under development, combined with BRAT, also counter the projected anti-tank guided missile threat in the near- and mid-term.

22. Senator REED. General Schoomaker, is the current budget request sufficient to continue the development and fielding of this equipment?

General SCHOOMAKER. Overall, yes. To date, BRAT fielding has been funded with supplemental dollars and congressional additions to the Bradley budget modernization line; there were no dollars for BRAT in the base budget. We have sufficient BRAT procured to buy-out production for the next year, but we anticipate a delay in reaching the Army Acquisition Objective (AAO) due to redirecting funds for "belly" armor in Iraq. The Army will mitigate this shortfall by modifying the base budget request (expected in the President's budget requests for 2009–2013) to ensure the AAO for BRAT is achieved. In regard to funding current BRAT technology development, efforts are on track and should result in some common reactive materiel solutions.

ALTERNATIVE LANDMINE TECHNOLOGIES

23. Senator REED. General Schoomaker, the Army has invested resources in the development of advanced mine warfare systems—including Spider and the Intelligent Munitions Systems. Army requirements currently dictate that a deployed system have the ability to be operated in a "target activation" mode. Many experts and public citizens are advocating the banning of weapons systems that utilize this "target activation" mode and would require the Army to only use systems in a "man-in-the-loop" mode. What is the basis for the Army requirement for a "target activation" mode in the systems?

General SCHOOMAKER. The basis for the Army requirement for a "target activation" mode in the Spider System resides in the Joint Requirement Oversight Council-approved Spider Capabilities Procurement Document, dated March 10, 2006. The basis for the Army requirement for a "target activation" mode in the Intelligent Munitions System (IMS) resides in the Future Combat System (FCS) Operational Requirements Document, dated December 16, 2005, Army Requirements Oversight Council Validated Change 2.

The Spider/IMS military tactics, techniques, procedures, and self-destruct/self-deactivation features will ensure that the target activation capability is not abused or does not result in indiscriminate effects. A field of Spider/IMS munitions is always under the control and observation of U.S. forces. If autonomous operation is permitted by the mission rules of engagement (and if autonomous operation was enabled during set-up of the munitions field), the operator decides whether the presence of hostile forces require autonomous operation. The operator can revert back to man-in-the-loop control of the field at any time. When operating autonomously, Spider/IMS munitions will initiate a self-destruct/self-deactivation timer to prevent creating a residual hazard to civilians.

24. Senator REED. General Schoomaker, what technologies (sensors, data fusion, communications, munitions, others) would need to be developed in order to have systems operated in the "person-in-the-loop" mode provide the same capability as those operated in the "target activation" mode?

General SCHOOMAKER. Generally speaking, adding a "person-in-the-loop" increases system complexity, cost, and response time between the sensor and the decision-maker. Automated sensor systems are pursued to specifically reduce these cost driv-

ers. Even with a "person-in-the-loop" the greatest unknown in response activations to a threat is how to validate intent of subject(s) of interest. With a "person-in-the-loop," the most critical technologies to maintain relevant response times are those that enable networks, communications, and decision tools.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION

25. Senator REED. Secretary Geren, how are Army research, development, test, and evaluation (RDT&E) efforts coordinated with the Joint Improvised Explosive Device Office (JIEDDO)?

Mr. GEREN. In April 2006 the Army created the Army Asymmetric Warfare Office (AAWO) within the Army's Operations Directorate. One of the primary missions of the AAWO is to be the Army's link to the JIEDDO. The AAWO IED defeat division executes this mission by coordinating all Service IED defeat actions to validate, prioritize, integrate, and synchronize potential IED defeat initiatives. An important component of this effort is ensuring Army RDT&E efforts are coordinated, synchronized, and supportive of JIEDDO efforts. The AAWO consolidates Army input from the Army Research, Development, and Engineering Command, the Army Test and Evaluation Command, and the Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology to represent the Army position on multiple JIEDDO research working groups, and as a voting member on JIEDDO review and funding boards. Each of the Army RDT&E entities also provides direct support to JIEDDO for their respective areas such as assessments and recommendations on technology, testing, and evaluations, and technology development.

RAND ARROYO CENTER

26. Senator REED. Secretary Geren, how much of the work of the RAND Arroyo Center in fiscal year 2006 was in direct support of Army activities related to the global war on terror?

Mr. GEREN. Out of 55 total RAND studies conducted during fiscal year 2006, only 2 were specifically devoted to the global war on terror: they are the Continuing Military Operations in Afghanistan and Iraq, Comprehensive Data Collection and Defining the Behaviors of Adaptive Enemies—Theory to Tools.

ARMY LABORATORY ISSUES

27. Senator REED. Secretary Geren, in August 2006, six of the directors of Army laboratories wrote a letter to the OSD expressing a number of concerns regarding the state of the in-house laboratory system. Please review this letter and indicate whether you share these concerns and endorse some or all of the directors' proposed remedies.

Mr. GEREN. The Army recognizes the importance of having a highly competent workforce performing research and development. The Army recognizes the concerns of the laboratory directors regarding changes from the current S&T reinvention laboratory authorities as they transition to the National Security Personnel System. The Army is reviewing the laboratory directors' recommendations to assess their potential efficacy and feasibility.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

MINE RESISTANT AMBUSH PROTECTED VEHICLES

28. Senator AKAKA. Secretary Geren and General Schoomaker, is the amount of the Army's funding request for Mine Resistant Ambush Protected Vehicles (MRAPs) limited by budget concerns, or by production capacity?

Mr. GEREN and General SCHOOMAKER. The Army requires full funding, or $2.8 billion, in April 2007 to begin fielding by October 2007. If the funding is received, we can field the initial 2,500 vehicles by May 2008. The exact number of MRAP vehicles to be procured hinges on the testing and performance of the initial MRAP vehicles. The next increment of funding is needed by October 2007 to buy beyond our initial request. Production capacity is dependant upon several factors, but we believe it supports our procurement plans to ramp up to 440 vehicles per month.

29. Senator AKAKA. Secretary Geren and General Schoomaker, what is the total requirement for MRAPs?

Mr. GEREN and General SCHOOMAKER. The Army will initially buy up to 2,500 MRAP vehicles while maintaining the flexibility to buy up to 17,770 vehicles. Incremental procurement will be based on theater commanders' performance assessment of the initial vehicles.

30. Senator AKAKA. Secretary Geren and General Schoomaker, how many MRAPs are funded in the current request?

Mr. GEREN and General SCHOOMAKER. The fiscal year 2007 main supplemental request and fiscal year 2007 supplemental amendment provide for an expected 706 vehicles. We will have firm quantities once the Army down-selects to the chosen vehicles to be procured. If our fiscal year 2007 funding requirement—to include the $1.999 billion unfunded requirement—is resourced, we can procure about 2,500 MRAP vehicles. The Army will continue to work with the OSD to request and obtain this required funding.

SHORTAGE OF RESOURCES IN MODERNIZING EQUIPMENT

31. Senator AKAKA. Secretary Geren and General Schoomaker, the posture statement states the challenges the Army must overcome to modernize its equipment. Specifically, 80 percent of its budget is committed to sustaining people, maintaining vital infrastructure, and preparing equipment for combat deployment. This limits the Army's ability to fund investment accounts. Given the significant commonality between the equipment needs of the Army, and that of the Marine Corps, what have you done to leverage your resources with the Navy to fund investment accounts for modernization of equipment, such as the FCS development?

Mr. GEREN and General SCHOOMAKER. The Army and Marine Corps have been engaged in leveraging service resources to fund investment accounts for modernization of equipment, such as the FCS development. The Army and Marine Corps established the Army and Marine Corps Board (AMCB) in October 2003. Co-chaired by the Army G–8 and the Marine Corps Deputy Commandant for Programs and Resources, charter membership includes the service leadership responsible for requirements, concepts, and acquisition. There are also non-charter member-participants from other Services, staff agencies, the United Kingdom (or "UK", a coalition participant since January 2004), and Australia (requested selected participation in June 2006).

AMCB's mission is to identify, develop, review, and resolve issues with Army and Marine Corps concepts, capabilities, and service-approved requirements and programs to pursue potential joint warfighting interoperability and material solutions that provide a single "DOTML–PF"—Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel and Facilities—solution in order to save service costs in RDT&E and gain economies of scale through large order quantities. AMCB reviews address Army and Marine Corps-focused issues emerging from: the previous programming cycle; OSD reviews; and new internal and external initiatives or issues supporting current operations. Since its inception, the AMCB membership has addressed such issues as the Joint High Speed Vessel, Rapid Fielding Initiative, Army Operational Needs Statements, Marine Corps Universal Needs Statement, Army and Marine Corps Blue Force Tracking/Command and Control Convergence, UAVs (an expanded AMCB venue to include commanders in chief, allies, all Services, and the Coast Guard), Coalition Combat Identification, Aircraft Commonality, Tactical Wheeled Vehicle Strategy, and the MRAPs. Future issues scheduled for AMCB review are: Soldier as a System, Biometrics, and High Capacity Communications Capability.

MORAL WAIVERS, PERSONNEL SHORTAGES, AND POLICY TOWARD GAY AND LESBIAN SERVICEMEMBERS

32. Senator AKAKA. Secretary Geren and General Schoomaker, in your posture statement, you state that attracting and retaining high quality people is one of the Army's core objectives. There have been numerous media reports about how the Army has increased the number of waivers it has given to new recruits who have criminal records. At the same time, we continue to discharge quality soldiers who happen to be gay (although the numbers of people discharged for being gay has dropped by 50 percent since September 11). Many of the discharged soldiers have had critical skills, such as Arabic speakers and other linguists, intelligence experts, and medical personnel. The Washington Post recently reported that in 2005 alone, 49 medical workers were discharged. Given the significant recruiting challenges the Army faces as it continues to grow, and given that Army regulations already ad-

dress the appropriate conduct of troops both on and off duty, do you think it would be appropriate to consider the discontinuation of the "Don't Ask, Don't Tell" policy for the military?

Mr. GEREN and General SCHOOMAKER. Although there has been an increase in the number of moral waivers granted over the past 4 years (fiscal years 2003–2006), the increase is reflective and consistent with the increase in civil convictions nationwide. A majority of enlistees who were granted moral waivers committed the offenses in question while a juvenile and have had no subsequent legal problems. The Army does not anticipate negative trends resulting from their enlistment or adverse impacts on the overall quality or capability of the force at this time.

The Army's policy on homosexuals implements DOD policy. DOD policy implements Federal law. Specifically, the DOD policy and Army policy flow from section 654 of title 10, U.S.C. Section 654 pertains to all branches of the Armed Forces and makes several findings with regard to homosexuals serving in the Armed Forces. As a result, any discussion of homosexuals in the Armed Forces must start with the congressional findings and involve all branches of the Armed Forces. Under this provision, the Army does not and will not ask a servicemember about his or her sexual orientation, nor is a servicemember required to tell anyone in uniform their sexual orientation. Further, the Army is bound, both ethically and by law, to prohibit harassment and takes appropriate punitive actions against those found guilty of harassment of any kind.

33. Senator AKAKA. Secretary Geren and General Schoomaker, can you explain why the military could not simply rely on regulations covering military conduct?

Mr. GEREN and General SCHOOMAKER. The Army's policy on homosexuals implements DOD policy. DOD policy implements Federal law. Specifically, the DOD policy and Army policy flow from section 654 of title 10, U.S.C. Section 654 pertains to all branches of the Armed Forces and makes several findings with regard to homosexuals serving in the Armed Forces. As a result, any discussion of homosexuals in the Armed Forces must start with the congressional findings and involve all branches of the Armed Forces. Under this provision, the Army does not and will not ask a servicemember about his or her sexual orientation, nor is a servicemember required to tell anyone in uniform their sexual orientation. Further, the Army is bound, both ethically and by law, to prohibit harassment and takes appropriate punitive actions against those found guilty of harassment of any kind.

ACQUISITION ACTIVITIES

34. Senator AKAKA. Secretary Geren and General Schoomaker, the Army posture statement states that one of the strategies to meet the core objectives is to accelerate the Army's efforts to transform and modernize. The need to "develop FCS, new aviation systems, and over 300 advanced technologies and systems" is specifically cited. With the Army's budget being significantly increased to meet its increased demands, resets, and modernization, I am concerned about the Army's ability to manage the additional acquisition dollars. Numerous problems with DOD's acquisition activities have come to light recently, including improper use of sole-sourcing contracts and outsourcing of contract processing to other agencies It seems possible that the DOD acquisition workforce is understaffed. What steps are you taking to make sure that these problems are addressed, and that the Army's acquisition dollars are spent wisely?

Mr. GEREN and General SCHOOMAKER. Growing the Army accelerates the pace of systems production while increasing the numbers of systems produced. Such activity requires collateral growth in the infrastructure that supports the acquisition of systems ranging from individual equipment to complex weapons systems that equip soldiers and units. Effective acquisition management of these systems is the responsibility of the program executive officers (PEOs).

Current acquisition policy and procedures permit the flexibility for the PEO to develop and document the acquisition strategy that is in the best interest of the Army. We require the PEO or designee to carefully review and certify the use of any non-DOD contract vehicle over $100,000 and to fully justify the use of sole source procurements with approvals by the appropriate procurement officials.

There has been an increase in procurement funds between 2006 and 2007, most notably attributable to the $8.5 billion for reset requirements resulting from the global war on terror. To manage these additional resources, specific accountability measures were emplaced throughout the Army Secretariat and Army Staff to track the execution of the resources against requirements and outcomes with the results reported to us as the Secretary of the Army and Chief of Staff, Army. The PEOs

provide monthly updates on the obligation of the dollars and commensurate weapon systems and equipment produced, which are integrated into the Army's reporting process.

Accordingly, the Army acquisition workforce and Army acquisition corps are experiencing unprecedented workload in support of the global war on terror, which impact all Army acquisition organizations and a majority of the acquisition career fields. We recognized that our staffing levels may be inadequate to provide the requisite execution, oversight, and fiduciary responsibility for recent increases in funding. In order to relieve some of the stress on our PEOs and their respective project and product managers, the Army Acquisition Executive delegated authority to hire up to 110 percent of the respective PEO's authorized manpower to ensure they have the necessary staff to meet the warfighter's demands. We will also be conducting a functional organizational analysis of several acquisition organizations to ensure the organizations have the right structure to achieve mission success.

The Army remains confident that appropriate oversight and execution of our programs supporting modernization and transformation are occurring at all levels.

ARMY NATIONAL GUARD AND RESERVES

35. Senator AKAKA. Secretary Geren and General Schoomaker, during the early 1970s, the Army was reorganized so that the Regular Army could not conduct an extended campaign without mobilizing the Guard and Reserves. It is not clear, however, that the Defense Department leadership at that time anticipated the kind of protracted conflict we are facing today with the global war on terror, with an Army that is comprised of 55 percent National Guard and Reserves. With the current Army organization, is the Army too reliant on the National Guard to meet its global commitments? In other words, are we fighting a sustained war with a peacetime organization?

Mr. GEREN and General SCHOOMAKER. The Army Generation (ARFORGEN) model, which is designed to supply a steady flow of ready forces, integrates the complementary Active and Reserve component capabilities. With ARFORGEN and sufficient resources, the Army will continue to field the best led, equipped, manned, and trained cohesive units. Once ARFORGEN is in place and generating a steady flow of ready forces, our models indicate that to maintain a 1 year at home to 2 years deployed ratio, and a 1 year deployed and 5 years home for the Reserve and National Guard, the Army could sustain a long-duration deployment of 170,000 soldiers in any given time period.

36. Senator AKAKA. Secretary Geren and General Schoomaker, since our Army force structure consists of 55 percent National Guard and Reserves to 45 percent Active Duty, have we reduced our capability to deal with threats and natural disasters at home by relying on the National Guard to provide extended support to our national interests abroad?

Mr. GEREN and General SCHOOMAKER. Army National Guard (ARNG) and Army Reserve contributions to the wars in Afghanistan and Iraq have affected the readiness of units at home. Still, important efforts are underway to increase and to improve response and support to incidents in the Homeland. We are investing approximately $36 billion in ARNG equipment from fiscal year 2005 to fiscal year 2013. The majority of this equipment will have utility for both domestic and warfighting missions. In the short-term, the States have negotiated Emergency Management Assistance Compacts to provide capabilities to each other if requested. Although the Army is taking risk with equipment procurement, all components working in concert will support the ARNG in its mission of aiding and assisting the States in responding to domestic emergencies and homeland defense missions. The Army is taking significant steps to address ARNG equipment requirements, and the fiscal year 2008 budget fully funded the ARNG's requirements.

37. Senator AKAKA. General Schoomaker, according to press reports, the head of the National Guard Bureau, General Blum, testified before the Commission on the National Guard and Reserves on January 31 that the Guard needs a total of $40 billion to get their equipment up to ''an acceptable level of readiness.'' How would you assess General Blum's $40 billion unfunded requirement list, if you are familiar with it?

General SCHOOMAKER. The $40 billion figure mentioned by General Blum includes all shortfalls across the Army and Air Guard, to include operation and maintenance, personnel, and equipping costs. According to General Blum, the Army shortfall is $24 billion and is fairly consistent with our documented shortfall. At the time he

released the information, the Army had programmed $21.1 billion against that shortfall. With the release of the fiscal year 2008 budget, the funding programmed from 2008–2013 is $36.7 billion, which addresses their shortfalls and continues to address modernization.

38. Senator AKAKA. General Schoomaker, how much of that is funded in the current Army Future Years Defense Program (FYDP)?

General SCHOOMAKER. The $40 billion figure mentioned by General Blum includes all shortfalls across the Army and Air Guard, to include operation and maintenance, personnel, and equipping costs. According to General Blum, the Army shortfall is $24 billion and is fairly consistent with our documented shortfall. At the time he released the information, the Army had programmed $21.1 billion against that shortfall. With the release of the fiscal year 2008 budget, the funding programmed from 2008–2013 is $36.7 billion, which addresses their shortfalls and continues to address modernization.

39. Senator AKAKA. General Schoomaker, in your view, if there are not sufficient funds to address every equipping shortfall in the National Guard structure, should the priority be on equipment that is useful for the homeland defense and disaster response mission, or on equipment that is useful only for combat missions?

General SCHOOMAKER. We are committed to resourcing the ARNG consistent with its roles as both an operational military force and as the first responder for homeland defense and civil support at the State level. Indeed, our ultimate goal is to equip the ARNG to full Active component-like structure. This would be accomplished both through the procurement of new equipment from the industrial base and by providing current on-hand equipment from the active inventory. We have made significant progress towards this goal since 2005, particularly in the areas of aviation, armor, and transportation. But we still have a long way to go, and we will need Congress's continued support in the future if we hope to remain on track.

In terms of the total acquisition cost of equipment for the ARNG, I would like to say two things: First, that as a result of our most recent Army equipping and reuse conference in the first quarter of fiscal year 2007, we have identified approximately $10.6 billion of equipment for distribution to the ARNG between 2007 and the first quarter of fiscal year 2009. The intent is to help ensure that every ARNG unit deploying to Iraq or Afghanistan has the best equipment available, and that those remaining at home will be adequately equipped to respond to homeland defense and security missions as necessary.

The second thing I can say is that the Army has programmed $36.8 billion for new equipment procurement for the ARNG from fiscal year 2005 to fiscal year 2013. While we acknowledge that this will still leave equipping holes to fill across the Army beyond 2013, we think this approach strikes the best balance between the competing needs of the Army as a whole and the total funding available. It also brings the ARNG to an equipping level that allows it to better manage risk in terms of cross-leveling equipment to deploying units while still maintaining the capability to mobilize, train, and respond to homeland defense and security missions.

ISLAMIC RADICALISM

40. Senator AKAKA. Secretary Geren and General Schoomaker, I find it interesting that one of the reasons cited in the posture statement for the complexity of the threat is the "growing disparities among 'haves' and 'have-nots' in the international order, compounded by feelings of hopelessness and despair, which are creating fertile ground to sow the seeds of hatred and radicalism." Is it not possible that the U.S. actions, such as the invasion of Iraq, could be perceived by some in the Middle East as U.S. expansion into the Middle East?

Mr. GEREN and General SCHOOMAKER. This question would be better addressed by the combatant commander.

41. Senator AKAKA. Secretary Geren and General Schoomaker, would not this also potentially sow the seeds of hatred and radicalism from those who resent our presence in their land? If so, would you suggest we take steps to mitigate both of these underlying causes of radicalism, and if so, how?

Mr. GEREN and General SCHOOMAKER. This question would be better addressed by the combatant commander.

ARMY TROOP LEVELS AND OVERALL SIZE OF GROUND FORCES

42. Senator AKAKA. Secretary Geren, the Army is proposing to add 7,000 soldiers per year through 2011, and 1,000 more in 2012, for a total increase of 65,000. Yet the DOD FYDP for fiscal years 2008 to 2013 shows the Army's budget peaking in 2009, flattening out at that level in 2010, in real terms, and then declining—again in real terms correcting for inflation—for 3 straight years in 2011, 2012, and 2013. How does the Army plan to grow the force while shrinking your budget?

Mr. GEREN. Funding peaks identified in 2008, 2009, and 2010 are for the equipment and military construction needs of the new growth. In fiscal years 2011 and 2012, funds remain in the Army program for military construction projects and procurement of equipment, but at a vastly lower figure. The front-loading of funds to military construction projects and procurement items ensures that sufficient facilities and equipment are available as the increase in soldiers occurs through the years. The first fiscal year where there are no funds programmed for military construction projects or equipment is 2013, when operations and support and family housing operations comprise 100 percent of the projected costs.

43. Senator AKAKA. Secretary Geren and General Schoomaker, what are you planning to cut back on to pay for these additional people?

Mr. GEREN and General SCHOOMAKER. There appears to be no need to reduce any other programs or capabilities to pay for additional end strength. Though we are assessing the need in relation to current pay rates and personnel grades, we believe adequate resources have been programmed to support the necessary equipment and facilities in the near-term and to sustain the personnel and training costs in the future.

The augmentation of ground forces was a DOD-supported decision. This decision was accompanied by sufficient funds to support the procurement, military construction, personnel, and operation and maintenance funding necessary to support such an end strength increase. The Department did not request the Services reduce or eliminate current mission capabilities to support this increase. With the support of DOD, there are no plans to cut back existing programs to pay for this troop strength increase.

44. Senator AKAKA. General Schoomaker, do you support the proposed increases in Army end strength regardless of how they are paid for, or only if the entire cost of these additional personnel are added to the Army topline to reflect an increase in your Service's budget?

General SCHOOMAKER. The size and resourcing of the Army is not a question of cost, but rather national priorities. Given the Army's current funding levels, our Army cannot afford to internally resource such end strength increases without breaking our ability to field a properly trained, manned, and equipped force to meet the Nation's needs.

45. Senator AKAKA. General Schoomaker, are you willing to cut modernization or other programs in your budget to make room for the significant increase in personnel and operating costs that these additional personnel would entail?

General SCHOOMAKER. Though we are assessing current pay rates and personnel grades, the Army allocation appears to take the additional personnel into account so no reductions are necessary. It is critical that the Army not mortgage its future by reducing modernization programs to pay for current bills. Our current program strikes a balance between resourcing the current force while preparing for the future. Maintaining a ready Army now and in the future is a matter of national will and commitment, not an affordability issue.

TRAINING SPACE AND INFRASTRUCTURE

46. Senator AKAKA. Secretary Geren, the Army is in the process of moving three brigades from Europe to the United States over the next few years. Once those brigades are relocated, you will have excess capacity at your training center in Germany, but not enough capacity at your training centers in the United States, at Fort Irwin and Fort Polk. Given that the training and basing infrastructure are already in place to support additional forces in Germany, and noting that Germans were not asking us to leave (contrary to the situation the Marines have in Okinawa, for example), is the Army considering basing any of the additional six brigades you are seeking in Germany?

Mr. GEREN. The Army enjoys a strong reputation and friendly relationship with Germany, developed over years of Army presence. Under Integrated Global Posture

and Basing Strategy (IGPBS) the Army has made many difficult decisions in order to strategically posture our forces to meet global commitments. As a result, the Army decided to return three brigades from Europe to continental United States (CONUS) beginning in fiscal year 2007 and finishing in fiscal year 2011. However, the Army is considering a full range of options for stationing the new BCTs, but any decision regarding force levels in Europe must be made in close cooperation with the combatant commander's input. In addition, the Army will carefully weigh the benefit of existing infrastructure in Europe to ensure the Army remains trained and ready to deploy. The range and training land capacity and capability in Germany is sufficient to meet the current training demand. The Army will optimize and adapt the training assets in Germany to meet the future needs of assigned and rotational units. However, there remains a significant Army presence in Europe, which includes a Stryker BCT and an Airborne BCT.

47. Senator AKAKA. Secretary Geren, have you made any irrevocable decisions to return property in Germany that would preclude basing forces there?

Mr. GEREN. Property that has been returned to the Federal Republic of Germany can be reacquired through the accommodation program request procedures outlined in the North Atlantic Treaty Organization (NATO) Status of Forces Agreement, Supplementary Agreements. Reacquiring land would be dependent upon its availability. Property that was sold, deconstructed, or reoccupied by someone other than the United States after its return to the Federal Republic of Germany's control would be unavailable for reacquisition. Property still retained by U.S. Forces may accommodate potential Grow the Force organizations and would not have to be reacquired from the Federal Republic of Germany. Most fiscal year 2006 and fiscal year 2007 released property remains under Federal Republic of Germany control so would likely be available, if needed.

48. Senator AKAKA. General Schoomaker, how would you assess the strategic case for basing one or more of these additional six brigades in Germany or elsewhere in Europe, in terms of both U.S.-only combat training and ability to deploy, but also cooperative training with our NATO allies on missions such as the International Security Assistance Force One in Afghanistan?

General SCHOOMAKER. The Army remains cognizant of the changes to the strategic landscape; and its requirement to maintain flexibility in defending emerging global threats. We have reviewed the impact of Base Realignment and Closure (BRAC) and the IGPBS, and specifically the decisions of maintaining or returning brigades from Europe. Any decision regarding force levels in Europe must be made in close cooperation with the combatant commander's input. Cooperative training with our NATO allies remains an important factor in any decision. In addition the Army will carefully weigh the benefit of existing infrastructure in Europe to ensure the Army remains trained and ready to deploy. U.S. forces continue to demonstrate the ability to operate along side its allies in Afghanistan and Iraq regardless of their home station.

COMBAT READY TROOP LEVELS

49. Senator AKAKA. General Schoomaker, I think we all agree with the Army's core objective of growing the All-Volunteer Force through the recruiting and retention of high quality people in order to expand the deployable pool of troops to meet the Army's global commitments. This committee has been told by the Army and the Secretary of Defense that it has sufficient troops to meet current commitments, including the escalations in Iraq and Afghanistan. Now, however, there have been reports that the Army has been re-evaluating troops who have been declared unfit for duty and reclassifying them as ready to deploy. They have then been almost immediately deployed to Iraq. In particular, media reports specifically state that the Army is deploying troops with serious injuries and other medical problems, including soldiers that doctors have previously said are medically unfit for battle. Some of the soldiers are reportedly too injured to wear their body armor, according to their medical records. The reports I have seen indicated that this reclassification of troops occurred for a unit of the Army's 3rd Infantry Division at Fort Benning. Can you please comment on the accuracy of these reports? Please indicate if the Army is straining to meet the levels of combat ready troops necessary to support the surge.

General SCHOOMAKER. Our forces are stretched. The Army is currently too small. In order to meet the demands of the current operational environment and prepare for other potential contingencies we must increase end strength. Congress has ap-

proved growth of 65,000 soldiers in the Active component, 8,200 soldiers in the ARNG, and 1,000 in the U.S. Army Reserve. However, it will take time to recruit and retain the soldiers to meet these increased authorizations. The plan to grow the Army will go a long way towards alleviating strains on the Army and demands of future missions. Growing the Army will allow soldiers to remain at home at least 12 months between deployments. This will also allow more training for other potential scenarios. This is the best way to reduce the strain on the force.

50. Senator AKAKA. General Schoomaker, the posture statement repeatedly refers to the need for the Army to provide "boots on the ground" for the war on terror. It states that our Nation will be involved in a long struggle of continuous, evolving conflict. Given the level of uncertainty in the global war on terror, how can we be sure we have "right-sized" our forces?

General SCHOOMAKER. The Army was sized post-QDR to reflect the lessons learned from the global war on terrorism and to achieve strategic depth necessary to sustain increasing global commitments. The Grow the Army Plan was informed by QDR decisions, operational availability studies, current operational demands, combatant commander requests, and other DOD initiatives (e.g., homeland defense and building partnership capacity). Under the plan, the Army will grow all three components to build requisite rotational capacity available through recurrent, assured, predictable access to the Reserve components. The most recent analysis concluded the minimum size of the force to be 563,000 in the Active Army; 358,000 in the ARNG; and 206,000 in the U.S. Army Reserve. In coordination with OSD, the Army has programmed for growth at 547,400 Active; 358,200 in the ARNG; and 206,000 in the U.S. Army Reserve. This growth increases BCT surge capacity (1 year deployed, 2 years at home for the Active component, and 1 year deployed and 4 years at home for the Reserve component) from 18–19 BCTs to 21–22 BCTs with up to 2 additional Maneuver Enhancement Brigades per rotation. This growth will improve Active component dwell by fiscal year 2013 with recurrent, assured access to the Reserve component. Additionally, the growth and rebalance of capabilities will reduce high demand/low density shortfalls and increase combat, combat support, and combat service support capacity in air defense, engineer, explosive ordnance disposal, medical, military police, military intelligence, transportation, and maintenance. However, the growth numbers are not without risk due to continuing demands for additional operating force and Institutional Army capabilities. We will continue to evaluate the impacts of global force demands on the balance and mix of capabilities across all three components to ensure we have "right-sized" the force within our resources.

51. Senator AKAKA. General Schoomaker, please explain how the recommended end strength increases for the Army were determined.

General SCHOOMAKER. The Army analyzed the increasing Global Force demand required for the long war and the imperative to build strategic depth. To provide 20–21 BCTs at a rotation rate of 1:2 in the Active component and 1:5 in the Reserve components, the Army proposed a growth plan identifying the need for additional BCTs, along with growth in combat support and combat service support units to meet sustained operational demands and minimize high demand, low density capability shortfalls. Additionally, the Army reviewed the balance of capabilities within each component and across the three components to build the right force mix in the operating force. Finally, the Army identified reducing the military strength in the Institutional Army to 80,000 vice the 75,000 spaces as previously programmed to ensure its ability to man, equip, train, and station the increase in the operating force. The resulting plan proposed a total increase of 74,200 end strength (65,000 in the Active component, 8,200 in the ARNG, and 1,000 in the Army Reserve).

52. Senator AKAKA. General Schoomaker, the surge of 21,500 additional troops to Iraq that the President has proposed would be accomplished by extending some units that are there now, and accelerating the deployment of units that would ordinarily have deployed much later this year as part of the next rotation. Are you concerned that this will cause a problem several months down the road for the next rotation?

General SCHOOMAKER. There are impacts on the upcoming rotation. The five BCTs that form the plus-up all had their deployment timelines accelerated. This acceleration resulted in modifications to training schedules. In order to extend the plus-up through February 2008, a full 12 months, the Army will be required to extend another 10 BCTs in theater. The plus-up could require a number of units to redeploy to Iraq and Afghanistan with less than 12 months of dwell time in the United States without employing other measures.

53. Senator AKAKA. General Schoomaker, what steps is the Army taking to identify, train, and equip the units that will have to fill in, several months from now, to cover the gaps this surge would create in your previous plan for preparing and deploying units to Iraq?

General SCHOOMAKER. In order the meet the plus-up, the OSD and the Joint Staff will have to use a combination of unit extensions (extending units in Iraq and Afghanistan beyond their 12 month rotation) and early deployments (sending units to Iraq and Afghanistan with less than 12 months at home). However, the Army will continue to only send units that are trained and ready for combat operations. Additionally, we are sensitive to and supportive of the challenges that face our forces as they accelerate manning, equipping, and training requirements to support the plus-up. Every deploying unit will be manned to no less than 100 percent of their authorized strength, they will be equipped with the most modern equipment available to the Army, and each will complete intensive training that will begin with a focus on individual and small unit (squad through platoon level training) and progress to company and battalion level collective training. Lastly, every unit will complete a BCT-level mission rehearsal exercise focused on counterinsurgency operations.

54. Senator AKAKA. General Schoomaker, the main rationale presented to Congress thus far for increasing your Active-Duty end strengths is that it would allow your Active-Duty Forces to spend 2 months back home for every 1 month deployed. It is impossible to assess whether or not these proposed end strength increases would achieve this goal by looking at your personnel levels in isolation. One also needs an assumption about how many of them would be deployed. How many soldiers could be deployed at the QDR force structure levels of 482,400 in order to live within this 1-to-2 ratio of time deployed to time at home?

General SCHOOMAKER. The ARFORGEN model would provide a steady supply of ready units, rely on assured access to the Reserve component, careful management of time deployed to time at home, and balanced demand across the Army. Once ARFORGEN is in place and generating a steady flow of ready forces, our models indicate that to maintain a 1 year at home to 2 years deployed ratio, the Army could sustain a long-duration deployment of 170,000 soldiers in any given time period. ARFORGEN has not yet been implemented because the current demand for forces in Iraq and Afghanistan far exceeds the available supply of fully manned and equipped units.

55. Senator AKAKA. General Schoomaker, how many more Active-Duty Forces could be deployed on a continuous basis, using the same assumptions on dwell time, if you were to add the 65,000 soldiers as you are proposing?

General SCHOOMAKER. Under the ARFORGEN construct, at a rotation rate of 1:2 for Active Forces, the Army will be able to deploy a total of 20 to 21 BCTs per rotation cycle, an increase in capacity of 2 to 3 BCTs. Once we achieve programmed growth levels of 547,000 in the Active component, 358,200 in the ARNG, and 206,000 in the Army Reserve by fiscal year 2013, the Army will be able to generate a total of 165,000 soldiers per rotation (115,000 Active, 35,000 ARNG, and 15,000 Army Reserve).

56. Senator AKAKA. General Schoomaker, do you believe, based on our experience to date, that ground forces will be necessary and effective in combating terrorism around the world in the coming years?

General SCHOOMAKER. Yes, the Army will be effective in combating terrorism around the world in the coming years. The Army's experience to date is that ground forces provide an effective, necessary, and essential capability in combating terrorists. The Army's modular force structure builds BCTs that are prepared to conduct a full-spectrum of operations, from force on force action to stability and support operations to homeland defense operations.

57. Senator AKAKA. General Schoomaker, to what extent is this the justification for your proposed end strength increases?

General SCHOOMAKER. The justification for the proposed end strength increases is based on more than the immediate mission of combating terrorism. Our Army's forces are postured to counter a wide spectrum of threats over the next 2 to 3 decades. To do this, the Army continues to responsibly use the funding provided by Congress to meet its title 10 responsibilities of providing an Army that supports the Nation's interests, and meets the requirements of the National Military Strategy. The end strength increase ensures the Army's flexibility to respond to an evolving global security environment.

58. Senator AKAKA. General Schoomaker, do you believe that extended deployments of ground forces to other nations should be our primary method of combating terrorism?

General SCHOOMAKER. The Army's experience to date is that ground forces provide an effective, necessary, and essential capability in combating terrorists. The Army's modular force structure builds BCTs that are prepared to conduct a full-spectrum of operations, from force on force action to stability and support operations to homeland defense operations.

Since combating terrorism is often conducted in the minds of people, the employment of ground forces is one of many methods of combating terrorism. For example, strategic communications is also an effective tool in combating terrorism. The U.S. Government may allocate resources to security cooperation and security assistance so that partner nations can, as may be required, both secure themselves and contribute to coalition efforts. However, the Army must continue an active role in both security and stability operations and retain the capability to respond to a range of challenges.

59. Senator AKAKA. General Schoomaker, last year the QDR asserted that the National Military Strategy could be executed at low-to-moderate risk by holding the Active Duty manning levels of the Army at the pre-Iraq war levels of 482,400. It further asserted the ARNG should be reduced from 350,000 to 333,000. Now, 1 year later, the Department is proposing to increase the size of the Active-Duty Army to 547,400 and the ARNG to 358,200. To your knowledge, has the National Military Strategy been changed since the QDR was submitted?

General SCHOOMAKER. There has not been a change in the National Military Strategy nor the QDR Force Planning Construct that has driven the Army to request an increase in its end strength. During QDR 2006, the Army was tasked with building 70 BCTs (42 Active component, 28 ARNG) to meet the strategic challenges that threatened the Nation, while building supporting force structure that would enable the Army to shift its balance away from our traditional focus. This 70-BCT force relied on predictable, assured access to the Reserve component that would generate 18–19 BCTs per ARFORGEN rotation once all conversions were completed in fiscal year 2013. However, current global demand on the Army has exceeded our capacity to provide forces within the ARFORGEN construct, compounded by the years of insufficient modernization investments. To meet the global demand for the long war and to provide strategic depth to the Nation, the Army proposed a plan to grow end strength across all three components to increase operating force capabilities, with modest increases in the Institutional Army and Individuals Account to retain structure needed to effectively recruit, train, and support the growth in the operating force. The proposed end strength growth will provide the Army with 76 BCTs (48 Active component, 28 ARNG) and over 200 multi-functional and functional support brigades. These 76 BCTs, and the additional Combat Support Brigade (Maneuver Enhancement) with supporting tactical combat formations, will generate 22–23 BCTs at a surge rotation rate (1:2 in the Active and 1:4 in the ARNG) by fiscal year 2013.

60. Senator AKAKA. General Schoomaker, if the strategy has not changed, then in your view, did the DOD incorrectly assess the forces necessary to implement that strategy in the QDR?

General SCHOOMAKER. QDR 2006 was a collaborative effort between the Services, the Joint Staff, and OSD to define the strategy to meet future war requirements. QDR 2006 also provided insights for the Joint Staff and the Services to do additional analysis based on the effects of Phase IV/V (Stability/Enabling Civil Authorities) operations on the Joint Force, and the means for building partnership capacity through the combatant commanders' security cooperation plans. The force assessments and associated resourcing decisions for Army forces supported that strategy. The challenge is that since QDR 2006 the sustained requirements for the Global Force Demand now exceed that strategy. OSD has acknowledged that capabilities shortfall and provided support to the Army's proposed plan to increase capabilities to mitigate the risk associated with that shortfall gap.

61. Senator AKAKA. General Schoomaker, the number of forces deployed in Iraq today is fairly similar to the number there a year ago when the QDR was released. Do you believe a change in assumptions about how long our forces would be in Iraq explains this change in the Department's position?

General SCHOOMAKER. The number of troops on the ground is primarily determined by the military requirements of the commanders in Iraq. The QDR expressed the priority mission for the DOD is the war on terror, and that remains as true

today as it was last year when the QDR was released. As the QDR indicated, we want to better utilize an indirect approach for defeating the terrorist threat in Iraq. This approach requires building the capability of Iraqi security forces to stand on their own. Until that is achieved, our continued security and stability operations will allow the necessary governance in Iraq.

READINESS

62. Senator AKAKA. General Schoomaker, last year you made a presentation to the House Armed Services Committee on the Army's readiness situation in closed session that many of our colleagues found very disturbing. You presented those same charts to Senator Warner and I at a later date. Yet last August, about a month after your hearing with the House, when Secretary Rumsfeld and General Pace met with us, they were not willing to agree that the Army had a readiness problem. General Pace told us, "to try to have a discussion that just lays out exactly precisely what readiness ratings are lends itself to misinterpretation and misunderstanding." The readiness reporting system has been around for a long time. Although we receive those reports in Congress in support of our constitutional responsibilities, those reports were not designed for us. They were designed for the decisionmakers inside the military—they were designed for you and General Pace. It causes confusion and concern when, nearly simultaneously, you tell Congress the Army has readiness problems and General Pace disputes that idea. Do the Army and the DOD leadership in the OSD and the Joint Staff have a common understanding of the Army's readiness situation today?

General SCHOOMAKER. The soldiers we have deployed into current theaters of operation are the best-trained, best-equipped, and best-led we have ever fielded. As I have explained in recent testimony, including last year's testimony before the House Armed Services Committee, our immediate challenge lies in the readiness of our nondeployed forces. I am greatly encouraged by the recent actions of Congress, the President, and the Secretary of Defense which reflect clear recognition of the compelling need to rectify our current situation. The Army needs your continued support to restore the necessary strategic depth so that we can respond decisively to potential strategic contingencies. I look forward to working with this Congress to enhance the readiness and strategic depth of our Army.

63. Senator AKAKA. General Schoomaker, last fall Congress provided an additional $17.1 billion in equipment repair and replacement funds—known as "reset"—to the Army. What impact will those additional funds have on your readiness levels?

General SCHOOMAKER. The additional $17.1 billion will address the decline in the readiness of our on-hand equipment and allow the Army to return existing equipment back to units in combat ready condition. Because reset is focused on replacing, repairing, and recapitalizing equipment, it has limited impact on equipment shortfalls.

64. Senator AKAKA. General Schoomaker, how much of an improvement do you expect, and how soon?

General SCHOOMAKER. Reset funding includes replacement of battle losses—primarily helicopters—and replacement of Reserve component equipment diverted to support theater requirements—primarily trucks and radios. The major systems will begin arriving in early fiscal year 2008 and continue for several more years afterward.

65. Senator AKAKA. General Schoomaker, what impact will this additional "surge" of forces to Iraq proposed by the President have on the readiness of your forces to fulfill all their global commitments?

General SCHOOMAKER. The Army still retains the capability to respond to all of its global commitments. However, the Army is stressed, and response timelines are increasing as much of the Army is focused on Iraq and Afghanistan. The continued support of Congress in funding the Army will help to alleviate the stress on the Army. The Army is resourced with budget and wartime supplemental funding to execute the current OIF/OEF fight. However, additional funding is required to implement the full strategy outlined in the 2006 QDR.

66. Senator AKAKA. General Schoomaker, were these risks discussed and debated by the Joint Chiefs of Staff as part of the administration's decisionmaking process?

General SCHOOMAKER. Yes. The Chairman of the Joint Chief's classified risk assessment, provided to Congress in January, addresses the risks discussed and debated among the Joint Chiefs.

67. Senator AKAKA. General Schoomaker, to what extent will the requirement to pull additional equipment forward to Iraq cancel the benefits of the additional reset funds Congress provided last fall, which were designed to make more equipment available for our nondeployed forces to train with?

General SCHOOMAKER. The troop plus-up has had a modest impact on both fiscal years 2007 and 2008 reset plans, but not in the manner you mention. Three BCTs that were planned to begin reset in the fourth quarter of fiscal year 2007 will be delayed until the first quarter of fiscal year 2008. Further, the plus-up increases reset requirements in fiscal year 2008 by two BCTs. This represents a total increased requirement in fiscal year 2008 of five BCTs.

The goal of reset is to restore returning units to a desired level of combat capability commensurate with full spectrum operations and potential future mission requirements. Reset is only one of several means to increase the equipment available to non-deployed units. The others include: moving equipment between units to meet training requirements prior to deployment; filling requirements from new production; and requesting additional funding to purchase needed equipment.

68. Senator AKAKA. General Schoomaker, some analysts point out that your conversion of Army brigades to a modular format with more combat elements per brigade automatically reduces your readiness levels by spreading the existing amount of available equipment over a larger number of reporting units, and that this reduced readiness will therefore exist until a significant amount of new equipment is delivered. Is that accurate, in your view?

General SCHOOMAKER. Attributing reduced readiness across the force to modular conversion is not accurate. We have been experiencing decreases in readiness since fiscal year 2002 but modular conversion did not start until fiscal year 2005, at which point only 6 percent of the force was converted. Currently, 32 percent of the force has converted to the organizational design. So modular conversion is not the primary reason for decreasing overall readiness, it is the pre-existing shortage of unit equipment or what I call ''holes in the force,'' the subsequent cross-leveling to fill those holes, equipment left in theater, and replacement of outdated equipment.

Currently, the Army is only resourced through base budget and wartime supplemental funding to execute the current OEF/OIF fight. Resources continue to fall short of the level necessary to implement the full strategy outlined in the 2005 QDR. The Army outlined specific areas of risk in the recent Chairman's Risk Assessment submitted with the President's budget in February 2007. Had the Army been funded to requested levels in recent years, and had endorsed policies that assured access to all of our capability, we would be in a better strategic posture today.

Recent decisions to expand the Army reflect the clear recognition of the dangers we face and the strain that 5 years of sustained demand has placed on our All-Volunteer Force. We remain committed to generating whole, cohesive units that are fully manned, trained, and equipped—that are fully ready for the challenges they will face. This will require a national commitment to sustain predictable resourcing over time and to build our force in a balanced, coordinated fashion, while providing adequately for the needs of our All Volunteer soldiers and their families.

The Army's transformation is improving our ability to support protracted campaigns by increasing the depth, breadth, and the overall capacity of our force. We are converting to more versatile and more capable modular formations while balancing the size and capabilities of our Active and Reserve components, and stabilizing our force. Your continued support is helping to fix our ''holes in the force.'' I ask you to increase your support for this effort as we work to break the historical cycle of unpreparedness.

69. Senator AKAKA. General Schoomaker, does your ''modular force'' conversion make your readiness look worse than it is?

General SCHOOMAKER. The resources that Congress has invested in the Army have greatly increased the capabilities of our Army. Today, brigades, the building blocks of our strategy, have enhanced and embedded battlefield enablers that greatly increase their effectiveness across the spectrum of military operations. In building these formations we have documented these units focusing on the true go to war requirements based on current and future military operations. We have not ''gamed'' our requirements process for political or budgetary expediency; instead we have deliberately developed formations based on real world feedback from our deployed units and combatant commander requirements. The resources granted the Army are

being consumed by several demands and should be viewed as a cumulative and combined effect. Although the transformation to the Army Modular Force has impacted some units by creating artificial dips in equipment on-hand readiness rates, this is a marginal driver. One of the most significant reasons for lowered equipment on-hand readiness rates can be traced to equipment left behind to fill theatre provided equipment stocks. In-theater equipment demands are above and beyond MTOE and require re-deploying units to leave their equipment behind to equip follow-on forces. We cannot ignore the $56 billion equipment shortfalls in the Army prior to Operation Iraqi Freedom (OIF)/Operation Enduring Freedom (OEF).

Additionally, the concentration of personnel and equipment in theatre greatly magnifies those shortfalls when spread across the remaining nondeployed force. High operational tempo, as experienced in OIF/OEF, causes un-forecasted equipment fatigue creating a large pool for depot-level repair and further creating a maintenance burden in-theater. This is further compounded by battle damaged equipment. Finally, full, timely, and predictable funding is required to ensure Army units are fully manned, equipped, and trained to sustain the full range of global commitments in the war on terror.

WALTER REED ARMY MEDICAL CENTER AND BASE REALIGNMENT AND CLOSURE

70. Senator AKAKA. Secretary Geren, a bill has been introduced in the House to repeal the closure of the Walter Reed Army Medical Center mandated by the 2005 base closure round. In your opinion, would this be a wise move?

Mr. GEREN. No. Reversing the current Base Realignment and Closure (BRAC) recommendations for Walter Reed Army Medical Center (WRAMC) would not address the need for significant modernization and renovation at Dewitt Army Community Hospital at Fort Belvoir, Virginia, and establishing the Walter Reed National Military Medical Center at Bethesda, Maryland, nor would it account for the changing demographic of health consumers. As the Army implements the BRActive component law by building a new hospital at Fort Belvoir and significantly expanding the hospital at Bethesda, we will be better equipped to provide world-class health care for soldiers, veterans, and their families well into the future.

71. Senator AKAKA. Secretary Geren, is it realistic to think we can reopen one BRActive component decision, in this case Walter Reed, without reopening other BRActive component decisions that are related to Walter Reed, such as Fort Belvoir, or even reopening the entire BRActive component round?

Mr. GEREN. The Department opposes any amendment that would alter the approved recommendations of the 2005 BRActive component Commission. Legislating a specific change to a BRActive component Commission recommendation would adversely affect the integrity of the BRActive component 2005 process.

72. Senator AKAKA. Secretary Geren, do you believe keeping Walter Reed open is the best way to provide the quality medical care our servicemembers deserve?

Mr. GEREN. No. Renovations required to update the hospital at WRAMC would be costly and disruptive to the care of patients as portions of the hospital would have to be closed for protracted periods. Such renovations would have the unintended effect of interrupting the medical system's ability to provide care to the same number of patients it handles at the present time. Building a new hospital with greater capacity and capability at Fort Belvoir and making significant enhancements to Walter Reed National Military Medical Center at Bethesda, MD, will significantly improve the quality of care for all beneficiaries.

73. Senator AKAKA. Secretary Geren, do you believe keeping Walter Reed open is the best solution to the recent problems there?

Mr. GEREN. No. The recently identified problems are being addressed. We are drafting an Army Action Plan to use as our blueprint for successfully fixing the problems we have identified. The solutions identified at Walter Reed will be transferred to the new sites, to ensure that the Army provides world-class inpatient care and outpatient support services.

74. Senator AKAKA. Secretary Geren, do you believe we can close Walter Reed in 2011 and still maintain the capacity we need to treat wounded soldiers at Bethesda or other locations?

Mr. GEREN. Yes. The Department developed a business plan with input from physicians, medical support personnel, architects, and engineers. The plans were formally coordinated with the Navy, Air Force, Medical Joint Cross Service Group, and

TRICARE Management Activity and the Office of the Assistant Secretary of Defense (Health Affairs). All concurred that the scope and cost of the projects in the business plan addressed capabilities and facilities requirements at the designated receiving locations.

75. Senator AKAKA. Secretary Geren, because the President decided late in the process to propose an increase in the Army's end strength, the budget was submitted with essentially a $2 billion placeholder, or blank check, in the military construction accounts because no locations had been selected for basing these additional personnel, in particular the six additional infantry brigades the Army wants. I do not believe Congress will sign a $2 billion blank check. When do the Army and DOD leadership plan to make a decision on where you propose to base these forces?

Mr. GEREN. The fiscal year 2008 budget request supports the recent decisions to grow the Army for combat and combat support units. The Army is currently conducting thorough analyses for locations to station the six new BCTs using the BRActive component "best military value" process, which includes the opportunity to solicit public comment and interface with the local communities which may be affected by these actions.

76. Senator AKAKA. Secretary Geren, these basing decisions would rival the largest moves in the 2005 BRActive component round. That was an open process, with the data comparing the attributes of various bases available to everyone. What process does the Army envision using in making and defending these decisions?

Mr. GEREN. The Army is currently conducting our analysis and modeling of the possible BCT locations using the BRActive component "best military value" decision support framework. Additionally, the Army intents to integrate the data collected from the Programmatic Environmental Impact Statement (PEIS) in order to have the opportunity to assess the input and comments of local affected communities. In the end, the combination of the data collected from the PEIS combined together with the analysis from the decision support framework will provide the bases of our selection for the new BCTs.

77. Senator AKAKA. Secretary Geren, how do you plan to consult with Congress on these basing decisions?

Mr. GEREN. The Army will not make its decision regarding the stationing locations of the new BCTs until we have completed our analysis and modeling using the BRActive component "best military value" decision support framework. Additionally, the Army intends to consider the impacts identified in the PEIS in order to have the opportunity to assess the input and comments of local affected communities. In the end, the combination of the data collected from the PEIS combined together with the analysis from the decision support framework will provide the bases of our selection for the new BCTs.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

RECONSTITUTION OF ARMY PREPOSITIONED STOCK

78. Senator MCCAIN. Secretary Geren and General Schoomaker, the surge in troops and the requirements to create new brigades have caused a significant drawdown on Army prepositioned equipment stocks (APS). These stocks are important to our strategic flexibility. How do you plan to reconstitute those stocks?

Mr. GEREN and General SCHOOMAKER. Since the first Gulf War, the APS program has expanded from its European-centric, Cold War origins to the array of global capabilities reached prior to the start of OIF. At the start of OIF, APS stocks afloat at Diego Garcia and ground-based in Southwest Asia, were drawn to equip units that conducted the initial assault to Baghdad. What remained in APS in the spring of 2003 is very similar to what we have today, though the equipment sets remaining are filled to a much higher level and of a modular design and with more modern equipment. Over the past 4 years, the assets used in the initial operations in Iraq were reconstituted in a manner that provided the maximum operational flexibility and strategic responsiveness.

The Army will reconstitute its APS capabilities. They will be reconstituted in a manner that provides the maximum level of strategic flexibility and operational agility. Based on the availability of resources (requested funding and equipment returned for reset), the U.S. Army Materiel Command anticipates it will take approximately 18–24 months to reset an APS set. The Army's APS Strategy 2013 articu-

lates the afloat and ashore equipment required to meet the future responsiveness needs of the combatant commanders.

Once the current operational and equipping tempo stabilizes, the Army will develop an executable timeline within available resources to reset its APS sets according to the APS Strategy 2013.

The Army could not have met the requirements of this most recent surge without APS. With the continued support of Congress to fully resource equipment, the Army will be able to return equipment to pre-positioned stocks as it becomes available from new production, repair, and recapitalization.

79. Senator MCCAIN. Secretary Geren and General Schoomaker, does that reconstitution involve waiting for the surge in forces in Iraq and Afghanistan to end? If so, what are your plans if the surge is actually a plus-up, and doesn't end for the foreseeable future?

Mr. GEREN and General SCHOOMAKER. Regardless of whether the plus-up remains in effect for the foreseeable future or not, the Army is committed to fully equipping all its organizations. The Army went into global war on terror with an equipping shortfall that has been magnified by consumption of equipment in OIF and OEF and growth through modularity. Additionally, the recently approved growth of the Army will result in higher overall equipping requirements. Overall Army equipment requirements will be addressed through procurement and reset/recapitalization of current equipment funded through a combination of base budget and supplemental monies, as appropriate.

APS is an important strategic asset that enables both the strategic responsiveness and the operational agility of our Army. As such, we have begun efforts to reestablish our most critical strategic capabilities, those that support force reception, and will continue to increase our prepositioned capabilities until we meet the level articulated in APS Strategy 2013. This strategy addresses both afloat and ashore equipment sets and is designed to meet the future responsiveness needs of the combatant commanders.

Once the current operational and equipping tempo stabilizes, the Army will develop an executable timeline within available resources to reset its APS sets according to the APS Strategy 2013.

Without APS, the Army would not have been able to meet the requirements of the current surge, and with the continued support of Congress to fully resource the administration's budget request for Army equipment, the Army will be able to return equipment to pre-positioned stocks as it becomes available from new production, repair, and recapitalization.

READINESS OF NONDEPLOYED UNITS

80. Senator MCCAIN. Secretary Geren and General Schoomaker, part of the readiness problems for nondeployed units involved not having enough of the equipment they are supposed to have. If, in fact, the missing gear is not waiting to go through the depots or it is deployed to Iraq or Afghanistan, how do you plan to improve the availability of equipment for our nondeployed units?

Mr. GEREN and General SCHOOMAKER. If unit equipping requirements do not change significantly over 2008–2013, the Army estimates that there are sufficient resources in the program (including the fiscal year 2007 main supplemental, and fiscal year 2008 global war on terrorism requests) to procure all modified table of organization and equipment (MTOE) requirements for all BCTs by fiscal year 2013 and all MTOE requirements for support brigades by fiscal year 2017. Any additional resources received or applied above the program years, fiscal year 2007 supplemental, or fiscal year 2008 global war on terror requests would accelerate fulfilling these requirements.

81. Senator MCCAIN. Secretary Geren and General Schoomaker, are you planning to buy more of the missing equipment?

Mr. GEREN and General SCHOOMAKER. As stated previously, the Army's program for 2008–2013, plus fiscal year 2007 main supplemental and fiscal year 2008 global war on terrorism requests, will procure the MTOE equipment needed for all Army BCTs and support brigades by fiscal year 2017. This does not include the $13–14 billion a year, plus at least 2 years after the cessation of operations, the Army will need to reset its current forces.

82. Senator MCCAIN. Secretary Geren and General Schoomaker, is the procurement of equipment to replace that which is missing in the budget request? If not, is it in your unfunded requirements list?

Mr. GEREN and General SCHOOMAKER. At the conclusion of the Army's programming process for 2008–2013, it realized that all critical requirements and essential needs for equipment for these years could not be met with the allocated resources. At that time, the Army generated its critical unfunded requirements list and forwarded a portion of these requirements, specifically those requirements for deployers and next-to-deploy units, through the OSD to Congress as part of the fiscal year 2007 main supplemental request. The Army also forwarded a subset of these requirements—specifically those requirements for deployers and next-to-deploy units that were not included in these requests—in its Unfunded Requirements List requested by Congress. To the extent that these unfunded requirements remain, they will be shifted to subsequent years for possible funding.

WALTER REED ARMY MEDICAL CENTER

83. Senator MCCAIN. Secretary Geren and General Schoomaker, Major General Pollack, Acting Surgeon General, has directed that for the next 30 days, only soldiers with major amputations and critical needs whose unit is assigned east of the Mississippi will be accepted from theater for care at Walter Reed. Other severely injured patients will be sent to military treatment facilities elsewhere in the United States. Is this a rational response to the problems of outpatient treatment at Walter Reed? Or, is it recognition that it is time to reexamine the fundamental soundness of the Army policy that causes hundreds of patients to be brought to Walter Reed directly from the theater, and keeps them there until the physical disability evaluation system is exhausted?

Mr. GEREN and General SCHOOMAKER. This policy allows for proper distribution of patients throughout our Army Medical Treatment Facilities (MTFs). The primary criteria for medically regulating soldiers to specific MTFs are the soldier's medical requirements. Unless medically contraindicated, all Active component soldiers are regulated to the MTF that supports their unit of assignment. All mobilized/demobilized Reserve component, as well as Active component soldiers assigned to Reserve component deployed units, are regulated to the closest MTF having geographical area of responsibility for their mobilization/demobilization site. A revision of this policy is currently being staffed that will allow the soldiers to be more involved with their treatment location. If the capacity and capability exist, the soldier can be moved to the MTF nearest the location providing an adequate support structure, (i.e. family or other support systems).

SUPPORT TO ARMY FAMILIES

84. Senator MCCAIN. Secretary Geren, our military forces cannot be sustained without tangible support to military families—programs for children and youth; morale, welfare, and recreation; educational and employment assistance to spouses. Are the resources provided in this budget keeping pace with the growing demand for services, and will they, as the Army grows?

Mr. GEREN. The Army is working hard to ensure that these programs keep pace with the demands for services. These programs are essential to sustain the All-Volunteer Force and provide our soldiers and families a quality of life that is commensurate with the duties they are asked to perform. As the Army grows, we will adjust resources to address these family needs. While plans to grow the Army are not yet finalized, we are confident that adequate funding for these programs is contained in the Army's request.

FUTURE COMBAT SYSTEM ACQUISITION

85. Senator MCCAIN. Secretary Geren, since the inception of the FCS program, the Senate Armed Services Committee has exercised its authority to ensure that it meets the needs of the Army and the Nation. To protect taxpayers, the committee required the Army to revise the contract under the Federal Acquisitions Regulations and convert it into a proper military procurement contract, after the Army had inexplicably procured this system-of-systems as a commercial item. In the last year's Defense Authorization Act, the committee included language requiring that the Secretary submit a comprehensive report upon completing preliminary design review to determine if the program should be restructured and called for an independent cost estimate for the program. The Army restructured FCS in January 2007. Pro-

gram adjustments include deferring two classes of UAVs, eliminating the IMS, and deferring two types of armed robotic vehicles. The Army has also pushed back the anticipated date for fielding FCS-equipped brigades. Army officials have stated that the program adjustments do not compromise the systems' capabilities. How can four unmanned systems that have been previously described as critical, be eliminated without losing combat capability?

Mr. GEREN. The Army continuously evaluates FCS program technical and cost metrics. The congressional funding cuts in fiscal year 2005–2007 required the program to make an adjustment to some of its key milestones. Based on the assessment of the technical maturity of these unmanned platforms as well as anticipated average unit production cost, a decision was made to defer these systems until such time as the technology is more mature. To compensate for the BCT unmanned system reduction, an increase to the quantities of other unmanned systems, as well as adjustments in individual system requirements, has been addressed. The U.S. Army Training and Doctrine Command (TRADOC) is continuously assessing the FCS BCT capabilities under multiple scenarios with various mixes of platform systems, quantities, and force sizes to ensure that the capabilities meet the operational requirements documents (ORD) requirements.

86. Senator MCCAIN. Secretary Geren, does the Army have a plan to reevaluate the FCS program to see if the remaining 14 systems can be consolidated or have their functions consolidated to reduce costs while maintaining the program's original operational capabilities?

Mr. GEREN. The Army is undergoing the fiscal year 2007 and fiscal years 2008–2013 FCS program adjustment and has no additional plans at this time to consolidate functionality for the 14 systems. The FCS BCT utilizes each of the systems as an integrated fighting force following approved future fighting doctrine concepts while maintaining its survivability and lethality. U.S. Army TRADOC continually reviews the FCS BCT capabilities, and doctrinal concepts to ensure that the operational requirements are still valid.

87. Senator MCCAIN. Secretary Geren, the Joint Tactical Radio System Ground Mobile Radio (JTRS–GMR) is a key component of the FCS manned ground vehicle development. What is the status of that program?

Mr. GEREN. Your question has been forwarded to the Office of the Assistant Secretary of Defense for Acquisition, Technology, and Logistics, for appropriate response. Specifically, this program is managed by the JTRS-Joint Program Executive Office.

88. Senator MCCAIN. Secretary Geren, operations in Afghanistan have demonstrated the utility of light infantry. What benefit would FCS bring to such units?

Mr. GEREN. Light infantry is a former label used to distinguish between mounted and dismounted forces. Today we simply use infantry. Before the modular conversion, formations formerly labeled as light infantry lacked mobility and firepower. Modular infantry BCTs address some of these capability gaps, but formations still have limitations in individual and unit protection, situational awareness, and communications on the move, down to the lowest level. FCS addresses these shortfalls within FCS BCTs and within modular BCTs that receive selected FCS capabilities.

For example, unmanned systems connected to the formations via the advanced integrated network will perform many more of the dangerous and dirty tasks soldiers perform today. Larger territory is covered with aerial and ground sensors. Unmanned aerial and ground sensors increase survivability and force protect from ambushes and raids. The ability to employ a wider range of precision fires increases infantry lethality while minimizing collateral damage. Infantry forces have great utility and the most flexibility across the spectrum of conflict including irregular warfare and operations in complex terrain like cities and mountains. Irregular warfare is normally of long duration, against adversaries who deliberately seek to avoid accepted rules in the conduct of war. This includes, but is not limited to, unconventional warfare, guerrilla warfare, counter-guerrilla warfare, subversion, sabotage, intelligence activities, and unconventional assisted recovery. Irregular warfare normally requires the support of the population. FCS BCTs are optimally configured for irregular warfare where information is the premium asset. The working design for FCS BCTs has the same number of infantry squads as today's modular infantry BCT, and due to the effectiveness of the FCS BCT, we have less total soldiers than a current heavy BCT with a much greater number of infantrymen in squads.

MULTIYEAR PROCUREMENTS

89. Senator MCCAIN. Secretary Geren, I understand that the Army proposes to procure Chinook helicopters, the Abrams M1A2 Systems Enhancement Package upgrades, and M2A3/M3A3 Bradley upgrades, under a multiyear contract. Do these proposed procurements comply with all of the requirements of the Federal multiyear procurement statute, title 10, U.S.C., section 2306b?

Mr. GEREN. Yes. The Army is aware of the six conditions which must be met prior to the award of a multiyear procurement contract. The procedures and notifications to Congress IAW title 10, U.S.C. 2306(B) (Statutory) and DFARS 217.172 (Regulatory) will be followed and executed when appropriate. At this time, the six conditions required by the statute have been satisfied and are documented in the P-Forms and the multiyear exhibits with one caveat. The stability of funding for both the Abrams and Bradley MYP assumes a significant amount of global war on terror funding will be provided to the Army in fiscal year 2008. The remaining MYP years for both Abrams and Bradley Fighting Vehicle Systems (BFVS) will be funded in the base program. The Army will address the remaining certification requirements at the appropriate time.

90. Senator MCCAIN. Secretary Geren, will the expected savings obtained from the proposed multiyear procurements be "substantial" (as opposed to executing under a series of annual contracts) within the meaning of the statute?

Mr. GEREN. Yes, for Chinook helicopters, the Abrams M1A2 Systems Enhancement Package upgrades, and M2A3/M3A3 Bradley upgrades.

Chinook Helicopters

The Multiyear Procurement Criteria Exhibits that were submitted with the President's budget indicate that the anticipated savings resulting from the requested multiyear contract would be $173 million, or slightly more than 4 percent of the total contract price. This was a conservative government estimate that was based on the information available to the program office at the time the exhibits were prepared.

Since the submission of the President's budget, the program office has begun the early stages of alpha discussions and continues to refine the estimate. Currently the anticipated savings are estimated to be between 5 and 6 percent of the total contract price.

Abrams M1A2SEP and M2A3/M3A3 Bradley Upgrades

The MYP for the Abrams M1A2 SEP tank would begin in third quarter of fiscal year 2008 for a period of 5 years with a total estimated savings of $178 million, or approximately 10 percent ($300,000 per vehicle) and an MYP contract for the BFVS/BFIST would begin in third quarter of fiscal year 2008 for a period of 4 years with a total estimated savings of $131 million, or approximately 5 percent ($135,000 per vehicle).

91. Senator MCCAIN. Secretary Geren, will these multiyear contracts contain "re-opener" provisions? If so, please describe.

Mr. GEREN. For the Chinook it has not yet been determined if the multiyear contract will contain "re-opener" provisions. The program office is in the early stages of alpha discussions, as the anticipated contract award is not until December 2007. These provisions have been employed in some Army aircraft multiyear contracts in the past, but at this time neither the Government nor Boeing have identified a risk area that would require a "re-opener" provision. The issue will be considered as negotiations progress.

For the Abrams M1A2SEP and M2A3/M3A3 Bradley upgrades, there is currently no plan to have any "re-opener" provisions concerning the prime contractors. The program office has not begun contract negotiations at this time since the anticipated contract award will not occur until 3rd quarter fiscal year 2008. However, it is possible that during contract negotiations some major "subcontractors" may have "re-opener" provisions included in their contracts.

92. Senator MCCAIN. Secretary Geren, with respect to each of these multiyear procurement proposals, does the Army intend to obligate funds in an amount necessary to fully fund termination liability with respect to the advance buy or economic order quantities, as well as cancellation ceiling liability? If so, what are those values? If not, why not?

Mr. GEREN. The Army typically covers multiyear cancellation ceiling by using current year funding in the event of a cancellation. If a multiyear contract were cancelled, the termination liability would be paid for with a portion of the funding origi-

nally budgeted for that year's multiyear increment. MYP termination requires the commitment of the Army to set aside the necessary funding to cover the cancellation ceiling amount.

Chinook Helicopters

Yes. The Chinook funding plan identifies a $90 million funded cancellation ceiling in the second year of the contract, which is reduced by $30 million per year for each subsequent year of the contract.

Abrams M1A2SEP and M2A3/M3A3 Bradley Upgrades

The Abrams and BFVS MYP exhibits represent the Government's initial cost estimate only. Therefore, the exact cancellation ceiling amount will not be determined until the contractor proposals are received and negotiated. The PM HBCT has developed an initial estimate of the maximum termination liability based upon cancellation of all remaining years beyond the year of termination.

[In millions of dollars]

Program	
Bradley	$145.0
Abrams	111.5

JOINT CARGO AIRCRAFT

93. Senator MCCAIN. Secretary Geren, contrary to guidance from the congressional defense authorizing committees in the National Defense Authorization Act for Fiscal Year 2007, the Army continues efforts to acquire JCA. To quote last year's bill: "The Air Force's LCA would provide intratheater lift mission support for the U.S. Transportation Command (USTRANSCOM) which is the distribution process owner for the DOD. The conferees note that intratheater lift using fixed-wing aircraft is performed most efficiently when it is coordinated by USTRANSCOM." Fixed-wing cargo delivery has been included in the roles and missions of the Air Force. What is your view of the proper roles and missions for the Army and Air Force in intratheater lift?

Mr. GEREN. The Army and the Air Force have partnered to shape complementary capability requirements for the JCA program. A Joint Army/Air Force JCA program provides for a balance between the operational efficiencies of common-use, centrally-managed intratheater airlift assets, and the tactical response and effectiveness gained from service operated assets. USTRANSCOM coordinates intratheater distribution through Joint Deployment and Distribution Operations Centers (JDDOCs). Both the Army and Air Force JCA operations will be visible to the JDDOC, allowing TRANSCOM to impact the distribution process. The Air Force will use the JCA to supplement the existing C–130 intratheater airlift fleet, allowing for greater efficiencies for hauling smaller loads. The Army will use the JCA to focus on time-sensitive mission-critical resupply and key personnel transport at the tactical level—the last tactical mile. The Army will use the JCA to replace three less capable and aging Army airframes (C–23, C–26, and some C–12s) with more capable cargo platforms while simultaneously modernizing the Reserve components. The Army JCA will also relieve a portion of the logistical burden currently carried by the CH–47. These logistical operations are costly, maintenance intensive, and serve to reduce the availability of CH–47 aircraft for tactical missions.

94. Senator MCCAIN. Secretary Geren, in the National Defense Authorization Act for Fiscal Year 2007, the Senate Armed Services Committee restricted the purchase of this aircraft until two critical studies, the JCS Intratheater Lift Capabilities Study Phase 1 and AMC's Mobility Roadmap, are complete. What is the status of these reports?

Mr. GEREN. The ITLCS study was a follow on to the Mobility Capabilities Study (MCS). ITLCS built on MCS intratheater lift insights and determined the preferred mix of lift platforms to accomplish intratheater lift at the operational level in support of the Defense Strategy in the 2012 program of record; the study was approved on March 27, 2007. The insights from ITLCS determined that JCA would be well-suited for lower volume standard terminal arrival routes; however, that more analysis would be needed to assess intratheater tactical airlift (the last tactical mile) requirements. This analysis is being executed by a combination of the Joint Intratheater Distribution Assessment (JITDA), an addendum to the JCA Analysis of Alternatives (AoA), and an Air Force Intratheater Airlift AoA. The JITDA goal,

being led by the Joint Staff, is to conduct theater distribution assessments to determine required joint distribution capabilities to the point of effect, typically at the BCT level.

OPERATIONAL READINESS

95. Senator MCCAIN. General Schoomaker, to what extent have you evaluated whether units are ready and trained to respond to operations other than Iraq or Afghanistan?

General SCHOOMAKER. More than 4,500 commanders report their readiness monthly. Readiness reporting requires commanders to assess their status against the mission their unit is organized/designed to perform, against any assigned missions. We place great value on commander assessments of their unit's readiness and these reports are reviewed in great detail with appropriate follow-on action at the Headquarters, Department of the Army level. Quarterly, the Army assesses its ability to provide trained and ready forces to the combatant commanders. These two levels of assessment allow the Army to measure its ability to respond to challenges throughout the world.

96. Senator MCCAIN. General Schoomaker, what, if any, impact have the large supplemental appropriations had on the readiness of Army units since operations in Iraq and Afghanistan began? When do you project that the funds will begin to have an impact on readiness?

General SCHOOMAKER. These resources have enabled us to increase readiness for counter-insurgency operations for the current fight but not increase readiness of the force overall. From fiscal year 2003 to 2006, the Army has received over $200 billion in supplemental funding. Of these funds, $162 billion (79 percent) have gone to operations and support costs, which enabled us to support the conflict in Afghanistan and Iraq. Another $29 billion (15 percent) was allocated and executed in investment accounts to support specific in-theater requirements, force protection, and infrastructure. Of the remaining funds, $10 billion was allocated for the modularity initiative, and only $4 billion (2 percent) addressed Army equipment shortfalls, which directly affect readiness. Supplemental funding does not put us on a robust path to filling shortages that exist in the Army, which impact readiness.

97. Senator MCCAIN. General Schoomaker, in light of recent plans to increase end strength, do you have the capacity in terms of trainers, facilities, et cetera, to train a larger force, and if not, have you begun planning for the increased end strength from this perspective?

General SCHOOMAKER. Army will require additional military and civilian authorizations to support both the Active component and Reserve component training capacity. These additional authorizations will ensure that the training base can fully support the Army's increase in end strength through initial military training (IMT), functional training, and professional military education requirements. We may also require additional investment in facilities and equipment and these requirements are being assessed now.

In the near-term, the combat training centers (CTC) have the capability to meet essential training requirements of deploying units, to include the additional six BCTs called to support the global war on terrorism. However, as the Army grows, the CTC program, in its current state, will not be able to support all training events envisioned in ARFORGEN training strategies. With 76 BCTs, the Army's worldwide annual maneuver CTC (MCTC) throughput capability requirement for Active component and Army National (ARNG) BCTs and one U.S. Army Special Operations Command rotation will be 38 to 40 rotations annually at objective ARFORGEN. The current MCTC capability of 33–36 rotations annually depends on establishing an exportable training capability (ETC) in CONUS and at the Joint Multinational Readiness Center (JMRC) by fiscal year 2010. Because the current MCTC capacity will not be able to meet throughput requirements at objective ARFORGEN, the Army is currently assessing whether to establish a second CONUS ETC in the next Program Objective Memorandum cycle.

We have also analyzed training ammunition requirements. Increasing the Army force structure will increase training ammunition requirements approximately 7 percent annually. We do not anticipate any significant issues with the current ammunition industrial base to increase production to support potential training requirement increases.

Finally, we are analyzing the training support systems at installations. There is an ongoing study, initiated in late November 2006, to look at the Army's inventory

of ranges, facilities, equipment, and other requirements necessary to support training a larger Army. The results of this study will be complete by mid-summer 2006.

98. Senator MCCAIN. General Schoomaker, to what extent have you analyzed the implications of increasing end strength in terms of maintaining overall readiness while growing the force?

General SCHOOMAKER. During the Army's plan to grow the force, the impact on manning, equipping, training, sustaining, and stationing the growth in the force to minimize the impact on readiness, while meeting current operational demands, was considered. The analysis of the required increase in capabilities to meet global force demands and the need to ensure the right force mix across all three components resulted in a timeline for the plan that builds a balance of combat, combat support, and combat service support capabilities in the operating force between fiscal years 2008–2013. Additionally, the impacts on the Institutional Army were evaluated and the results incorporated into the plan ensuring adequate capacity to generate and sustain the Operational Force. Finally, the funding to implement the plan, along with maintaining the Army's current transformation plan and operational requirements, was evaluated and integrated in the program and budget review process. The resulting Grow the Army Plan has been incorporated in current initiatives under the AFORGEN construct to maintain readiness of the units deployed to meet the Global Force demand.

99. Senator MCCAIN. General Schoomaker, what are your specific recommendations as to how to reduce the impact of high operations tempo operations on both near- and long-term readiness and modernization programs?

General SCHOOMAKER. The Army is resourced with budget and wartime supplemental funding to execute the current OIF/OEF fight. Resources continue to fall short of the level necessary to implement the full strategy outlined in the 2005 QDR. Long-term fixes are primary objectives of ongoing efforts toward force modernization and transformation coupled with the Grow the Army initiative. Each is a years-long effort with substantial funding requirements. Current projections are that, with sufficient reliable funding, we can meet operational requirements and execute the National Military Strategy by 2013.

In the interim, the Army continues to maximize available resources to ensure units in theater are fully manned, trained, and equipped to execute their missions. Critical to this near-term readiness is ensuring sufficient reset time for redeploying units to ensure personnel and equipment recovery can be completed prior to beginning collective training efforts for the next assigned mission. The Army recently enacted policy mandating that units have a minimum of 12 months dwell time between deployments. Priority of personnel is to these units preparing to deploy. The goal is for every BCT to deploy to theater at 95 percent strength or better. Near-term equipment fixes include the forward repair activities: reset and recapitalization. The Army consistently meets equipment readiness standards due to supplemental funding supporting these programs. The Army is maximizing the use of Army pre-positioned stocks and is sustaining unit equipment availability and readiness with the help of supplemental funding. There still exists shortfalls in equipment fill and levels of modernization, training (both institutional and unit), and sustainment throughout all components of the Army. This impacts our strategic depth and flexibility to address unforeseen challenges.

READINESS OF THE TOTAL ARMY

100. Senator MCCAIN. General Schoomaker, your testimony before the Commission on the National Guard and Reserves in December 2006 was instrumental in bringing about change to the previous OSD policy regarding redeployment of soldiers of the National Guard and Reserve for deployments in excess of 24 months. You stated then that "the Army is incapable of generating and sustaining the required forces to wage the global war on terror without its components—Active, Guard and Reserve—surging together." You indicated that the Active-Duty Army "will break" under the strain of war-zone rotations without change, and Secretary Gates changed the policy. In 2004, however, you used your "rain barrel" analogy to argue against added end strength and to make the point that the Army was incapable of making good use of its Reserve manpower. Please explain to us whether and how the rain barrel was emptied.

General SCHOOMAKER. The purpose of the "rain barrel" analogy was not to portray a degree of "emptiness." Rather, it was used to show how operating force capabilities would be increased over time by rebalancing existing structure within the Army's

approved end strength. Under our original plan, and with the support of Congress, Active component end strength would increase temporarily by 30,000 to allow that rebalance as we transformed the force to modular designs while meeting the operational demands of the war on terror. At the end of that transformation period we would have increased the Active component operating force from a baseline of 315,000 in fiscal year 2004 to 355,000 by fiscal year 2011. Along with assured and predicted access to the Reserve components, the plan would have reduced stress in high demand capabilities, redistributed soldiers to ensure the right mix between our operational and institutional forces, and increased overall force effectiveness and readiness. The challenge since QDR 2006 is the increasing global force demand required by the long war. With demand exceeding resources and with limited access to Reserve component forces under previous mobilization policies, the impact on Army force capabilities was creating "emptiness" in the Army's capacity to meet that growing demand. The Army's proposed growth, along with new mobilization policies, will allow us to curtail that drain on capacity and build additional capability to retain the barrel at a safe level.

101. Senator MCCAIN. General Schoomaker, when did you first realize that adhering to the 482,400 end strength mandated by Secretary Rumsfeld was unsustainable?

General SCHOOMAKER. During my testimony to the Commission on National Guard and Reserves in December 2006, I first proposed growing the size of the Army as a course of action. I did not come to this conclusion without first being convinced that all other feasible alternatives had been exhausted. Even with 482,400 soldiers in the Active component, the Army was growing 30,000 temporarily to meet operational demands. Additionally, the Reserve components have become an integral part of the deployed Operational Force. The Army depends on recurrent access to the Reserve component to ensure integrity of the force and to maintain a reasonable dwell time under the ARFORGEN construct. Over the last 5 years, and, in particular since QDR 2006, the increasing strategic demand of deployed combat brigades and other supporting units is placing a strain on the Army's All-Volunteer Force, now being tested for the first time in an extended period of conflict. The dwell time between deployments for Active Duty units is less than the goal of 2 years, and in certain high demand/low density units, the dwell time is less than a year. Further, since almost all Reserve component units already have been partially or completely mobilized in support of the global war on terrorism, current mobilization policies and practices require the Army to rely on individual volunteers from those units. All this runs counter to the military necessity of deploying trained, ready, and cohesive units to meet operational demands. The realization is that we needed to make the temporary growth permanent and build additional capacity across all three components. If today's global demand is indicative of the future demand on our Army to provide combatant commanders with a wide range of forces and capabilities to prevail in the war on terror, to sustain our global commitments, and to build effective multinational coalitions, then we must build today to meet these challenges in the future.

102. Senator MCCAIN. General Schoomaker, what is your assessment today of the personnel readiness of the Active Army? What will it take to prevent "breaking" the Army as you warned about just 3 months ago?

General SCHOOMAKER. The foundation of personnel readiness in the Active Army is sustaining the All-Volunteer Force. The Army has continued to achieve its retention mission for the past 9 years. The Active Army is ahead of its year-to-date recruiting goal and expects to meet its goal for fiscal year 2007. The recruiting environment will remain challenging. With continued congressional support of new authorities and funding, the Army will meet accession and retention goals. To avoid "breaking the Army," the Army is accelerating its end strength growth. This will decrease stress on soldiers and families and meet future demands. The Army consistently monitors the quality of life for soldiers and families and adjusts programs to ensure the All-Volunteer Force is sustained.

MILITARY EQUIPMENT

103. Senator MCCAIN. Secretary Geren and General Schoomaker, with the Army surging larger numbers of troops to Iraq, and given the difficulties in meeting equipment requirements for troops already deployed, how will the Army cope with the requirement to equip these additional units?

Mr. GEREN and General SCHOOMAKER. First and most importantly, we do not compromise our standards in force protection for deploying units, and the Army has and will continue to meet the requirements of deploying forces, including those involved in the surge. The impact of sustaining equipment is felt in nondeployed units. For instance, the Army is moving UAH between units to ensure pre-deployment training requirements are met at home station, while units in theater are provided the quantities of UAHs required to perform their missions. The Army is addressing this problem by:

(1) using reset to repair, replace, and recapitalize equipment;
(2) moving equipment between units to meet training requirements prior to deployment;
(3) filling requirements from new production; and
(4) requesting additional funding to purchase needed equipment.

104. Senator MCCAIN. Secretary Geren and General Schoomaker, how will this affect already low levels of nondeploying unit readiness?

Mr. GEREN and General SCHOOMAKER. The current level of demand, combined with resource shortfalls, forces the Army to continually shift resources from nondeployed forces to sustain those currently in the fight. The pace of current operations and our commitment to fully man, train, and equip our deploying forces for their assigned missions leaves holes in the readiness of our next to deploy units. After years of insufficient investment in the Army, many of our units were underequipped and not ready for deployment, especially in our Reserve units. The low readiness of our nondeployed force impacts our strategic flexibility and depth. This practice increases risk in our ability to perform other critical missions. Through base and supplemental appropriations—we have addressed many of our equipment shortfalls. Supplemental appropriations, however, have not enabled the Army to recover, as they are intended to pay for the costs of war, principally through the purchase of consumable supplies and the replacement of battle losses.

105. Senator MCCAIN. Secretary Geren and General Schoomaker, how will this affect Army capability to respond to crises in other areas of the world?

Mr. GEREN and General SCHOOMAKER. There are sufficient nondeployed units to respond to another major conflict, but the readiness of those units may result in longer timelines and increased risk in achieving mission success. For homeland defense missions and consequence management, there are a specified number of forces tasked and maintained in a high state of readiness to respond.

106. Senator MCCAIN. Secretary Geren and General Schoomaker, given steady trends over the last 2 to 3 years of decreasing levels of equipment readiness among nondeployed units, what specific equipment readiness areas are of the most concern to you?

Mr. GEREN and General SCHOOMAKER. Due to theatre requirements, some equipment is unavailable for units to train with prior to deployment. The most common shortfall occurs with force protection equipment, where equipping solutions are developed to meet specific theatre threats, and production of these items go straight into theatre to meet demand. These items include: uparmored HMMWVs and medium and heavy trucks, armored security vehicles, the RG–31, Buffalo, Husky, Cougar, Counter-Rocket, Artillery and Mortar and Counter Remote Controlled IED Warfare devices. Additionally, kits designed for standard Army equipment to increase survivability are also provided only in theatre. These include the Bradley and Tank Urban Survivability Kits, Frag Kits, Bradley Reactive Armor, and Surface-Launched Air-Targeted Armor for Strykers. Some new standard Army equipment is being sent directly to theatre as well, with little to none remaining for training units. These items include Profiler, Chemical Biological Protective Shelters, Command Post of the Future, Tactical Water Purification Systems, and Forward Area Water Point Supply Systems. There are also items that are only fielded in limited quantities due to new production (a force feasibility review reduced number), most importantly Thermal Weapon Sights.

107. Senator MCCAIN. Secretary Geren and General Schoomaker, how has this trend affected your ability to train and equip your deploying units?

Mr. GEREN and General SCHOOMAKER. First and most importantly, we do not compromise our standards in force protection for deploying units, and the Army has, and will continue to meet, the equipping requirements of deploying forces, including those involved in the plus-up.

The impact of sustaining equipment is felt in non-deployed units. For instance, the Army is moving Up-armored High Mobility Multipurpose Wheeled Vehicles

(UAH) between units to ensure pre-deployment training requirements are met at home station, while units in theater are provided the quantities of UAHs required to perform their missions. The Army is addressing this problem by: (1) using reset to repair, replace, and recapitalize equipment; (2) moving equipment between units to meet training requirements prior to deployment; (3) filling requirements from new production; and (4) requesting additional funding to purchase needed equipment.

108. Senator MCCAIN. Secretary Geren and General Schoomaker, how do reset efforts address these problems?

Mr. GEREN and General SCHOOMAKER. Reset prevents further erosion of readiness of the force and restores equipment to a desired level of combat capability commensurate with a unit's future mission. The $17.1 billion provides the resources to replace, repair, and recapitalize equipment for 24 BCTs and support units. Contracts to replace battle losses are being put in place during fiscal year 2007, but most of the equipment will not be delivered to the Army until fiscal year 2008.

The reset funding will meet the requirements to properly equip our deploying forces, but will not 'fix' all equipment shortfalls or equipment still committed overseas in support of OIF and OEF.

109. Senator MCCAIN. Secretary Geren and General Schoomaker, given the surge in troop levels, how will the larger troop levels impact requirements to rotate equipment from overseas theaters back to the United States for reset?

Mr. GEREN and General SCHOOMAKER. The troop plus-up has a modest impact on both fiscal years 2007 and 2008 reset plans. Three BCTs that were planned to begin reset in the fourth quarter of fiscal year 2007 will be delayed until the first quarter of fiscal year 2008. Further, the plus-up also increases reset requirements in fiscal year 2008 by two BCTs. This represents a total increased requirement in fiscal year 2008 of five BCTs.

110. Senator MCCAIN. Secretary Geren and General Schoomaker, if these rotations cannot occur, how will this impact Service plans to execute the funds allocated for reset in fiscal year 2007 and requested in fiscal year 2008?

Mr. GEREN and General SCHOOMAKER. To manage the reset process, the Army has established a Reset Task Force comprised of staff elements throughout the Army Staff. While the Reset Task Force has made some adjustments due to extension of units in theater and equipment swaps between units, we are still on a glide path to fully execute our fiscal year 2007 reset program. Current assessments as a result of the plus-up in theater have identified an increase of five BCTs to the fiscal year 2008 reset plan.

The fiscal year 2008 global war on terrorism budget request was made prior to the current plus-up of forces in theater. The Reset Task Force, in coordination with other staff elements, is currently in the process of revalidating the fiscal year 2008 reset requirement and will make adjustments as necessary.

CORROSION PREVENTION AND MITIGATION

111. Senator MCCAIN. Secretary Geren and General Schoomaker, the Government Accountability Office (GAO) previously reported that corrosion has significant impacts on the cost, readiness, and safety of military equipment. Corrosion prevention is considered to be the most cost effective way to reduce corrosion and its effects on DOD equipment. We understand that DOD and the Services are not doing as much as they can in incorporating corrosion prevention planning in many of our newest and most expensive weapons systems, despite considerable guidance calling for this planning. What are the challenges to having more effective corrosion prevention planning and what efforts have been taken or are planned to overcome these challenges?

Mr. GEREN and General SCHOOMAKER. The Corrosion Prevention and Control (CPC) program has not been funded to develop and execute a plan to reduce the cost of corrosion on Army materiel.

The immediate challenge to having more effective corrosion prevention planning is funding. The CPC program submitted a fiscal years 2008–2013 Program Objective Memorandum request of $32 million, $88 million, $90 million, $29 million, and $108 million. Although $180 million of that requirement was validated, we have not received funding for the program.

If the CPC program was funded we could execute the plan to reduce the cost of corrosion on Army materiel. The planned efforts to overcome these challenges in-

clude: 1) conduct more comprehensive corrosion prevention planning during equipment design, 2) obtain statistically significant data that identifies corrosion failure on equipment at the parts level, 3) obtain research funding to develop design improvements for fielded systems, and 4) obtain Army OMA funding to implement state-of-the-art preventive maintenance and repair solutions.

These are the impediments that prevent the Army from improving corrosion resistance for Army systems.

SHELTERING EQUIPMENT

112. Senator MCCAIN. General Schoomaker, Army propositioning equipment in Kuwait is not under shelter, because the buildings that were supposed to provide that shelter have been taken for offices for U.S. forces stationed there. GAO has reported that this lack of shelter invites corrosion and contributes to decreased readiness levels. What actions have been taken to provide more shelters for Army equipment?

General SCHOOMAKER. Most available storage at Camp Arifjan has been diverted for other OIF purposes. Other Army Prepositioned Stocks (APS) construction projects are either not prioritized, funded, or have other (e.g., host nation) issues. A plan for cost-effective shelters and facilities for all APS equipment is under evaluation by the U.S. Army Materiel Command. The funding identified from this evaluation will be requested under MCA projects in the fiscal years 2010–2015 Program Objective Memorandum.

Currently, APS–5 unit sets have been issued and are employed supporting the plus-up operations in Afghanistan and Iraq. Use of APS–5 has repeatedly illustrated the value of the APS strategy. Prior to this recent full APS–5 draw, portions have repeatedly been drawn and subsequently reset since 2002. A testament to the high operational readiness of the APS sets occurred during the August 2006 draw when members of the supported task force commented that the equipment drawn from APS was better than their own unit equipment. Upon completion of the current missions the Army will reconstitute and reset APS to support the APS Strategy 2013 restoring the strategic and operational responsiveness required by the combatant commands.

Contingency planning for APS shelter is an ongoing and dynamic process. For example, in APS–4 (Northeast Asia), once the new maintenance facility is finished in 2007, the humidity controlled warehouse currently being used for maintenance will be converted to provide 50,000 square feet of controlled humidity storage.

113. Senator MCCAIN. General Schoomaker, has the Army done a cost-effectiveness study for acquiring more shelters and if it has, what are the results of the study?

General SCHOOMAKER. The Army has not done a specific cost-effectiveness study for APS shelters, but relies on other similar studies and findings to support APS storage requirements. The June 14, 2006, GAO report, Additional Measures to Reduce Corrosion of Prepostitioned Military Assets Could Achieve Cost Savings, noted the Army Cost and Economic Analysis Center study that found the return on investment for controlled humidity preservation storage of equipment to be 8:1 over 10 years. Mean time between failure for electronics improved by 30 percent and cyclic maintenance time was reduced by 50 percent.

Presently, all APS watercraft are supported by controlled humidity preservation systems, when not undergoing repairs/modifications or on-condition-cyclic-maintenance. Part of the APS facility requirement plan is to prioritize construction of APS storage shelters for the critical equipment items that are of high dollar value, reduce expensive maintenance cycles, require controlled humidity for corrosion prevention, and where readiness rates are increased.

114. Senator MCCAIN. General Schoomaker, are there any plans to acquire sheltering for the rest of the equipment and if not, why?

General SCHOOMAKER. Presently, requirements for APS facilities (storage, maintenance, and other) are being evaluated as part of the comprehensive implementation plan for APS Strategy 2013. The employment of APS equipment follows the shift in focus for the combatant commanders as potential theater threats increase or decrease over time.

The APS facility strategy is to develop unit set, operational project, and sustainment stock maintenance facilities and storage (controlled humidity) capabilities at strategic locations and sites that support contingency and operations worldwide. The goal is to have a fully coordinated "end-state" for APS facilities that can

be executable with major construction funding and leveraging partner nation funding where feasible. The comprehensive facility plan aligned to the APS Strategy 2013 mission and structure will provide ready equipment to Army and Joint force execution authorities.

NATIONAL GUARD

115. Senator MCCAIN. Secretary Geren and General Schoomaker, the ARNG has been stretched to meet its State and Federal missions. The Guard has been neither well-resourced nor, according to the Army staff, retained a high level of readiness. Experts in and out of uniform report that the National Guard currently faces a severe shortage of available equipment in the United States. Should the National Guard adopt an equipment modernization program to meet its own unique needs?

Mr. GEREN and General SCHOOMAKER. At this time, the Army has no plan to initiate an equipment modernization program devoted to requirements found only in the National Guard. The Army uses an integrated and synchronized requirements and resourcing process to ensure that Army forces are manned, trained, and equipped for their mission requirements. Additionally, the ARNG annually receives National Guard and Reserve Equipment Appropriation (NGREA) funds directly from Congress to address its own unique needs.

Furthermore, the ARNG leadership is a participant in the Army's cyclic requirements and resourcing meetings—such as the Army Campaign Plan, the Army Resource and Requirement Board, the Army Requirements Oversight Council, the Army System Acquisition Review Council, the Army Modular Force General Officer Steering Committee, the Army Equipping and Reuse Conference, and the Senior Review Group.

The Chief of the National Guard Bureau and the Director of the ARNG have access to the Secretary of the Army and Chief of Staff of the Army to provide input and address issues and decisions affecting the organization, manning, equipping, training, and resourcing of the ARNG.

Since the beginning of the global war on terror, the Department of the Army has significantly increased funding for ARNG equipment. We have allocated $36 billion over the fiscal years 2005–2013 period to equip and modernize the ARNG. This funding will bring the ARNG to 77 percent equipment on hand by fiscal year 2014. The Army goal is to equip all components to 100 percent of the Active component standard. If the current funding stream progresses beyond the fiscal years 2008–2013 POM, this goal could potentially be achieved by 2020.

116. Senator MCCAIN. Secretary Geren and General Schoomaker, what role should the Guard play in homeland defense?

Mr. GEREN and General SCHOOMAKER. In its non-Federalized status, the National Guard is controlled by the Governor of the State or territory, and as such it works for the Governor, but also supports the combatant commander—U.S. Northern Command (NORTHCOM), U.S. Southern Command (SOUTHCOM), or U.S. Pacific Command, as specified in the supporting plans to that combatant command. In this case, the National Guard Bureau works with the combatant command to ensure their homeland defense plans facilitate achievement of unity of effort.

In its Federalized status, the National Guard is controlled by the President, and as such it accomplishes homeland defense missions given to it by the combatant commander.

117. Senator MCCAIN. Secretary Geren and General Schoomaker, does the ARNG have the equipment and readiness to fill this role?

Mr. GEREN and General SCHOOMAKER. As you are aware, the ARNG is experiencing serious equipping and readiness challenges. These challenges stem from decades of the ARNG being postured as a strategic Reserve. In that capacity, the Army accepted a certain amount of risk. The Guard was funded at levels appropriate for a strategic Reserve and fully equipped and trained when mobilized for their Federal mission. Currently, the ARNG is engaged in a demanding and complex transition to an Operational Force. The Guard's equipping and readiness shortfalls have been exacerbated by the global war on terror, high operational tempo, and the cross-leveling of equipment.

While the ARNG has a diminished capability to respond to domestic emergencies, I am confident they have the capacity required to respond to all contingencies. LTG Blum, Chief National Guard Bureau, has stated that the issue is not whether the Guard will respond, it is about the time it will take to respond. The Guard's re-

sponse time hinges on getting the right mix of people, equipment, and supplies to the right place on time.

The Army and Congress have worked tirelessly to ensure the ARNG's equipment requirements are programmed. We are investing approximately $36 billion in ARNG equipment from fiscal year 2005 to fiscal year 2013. The majority of this equipment will have utility for both domestic and warfighting missions. In the short-term, the States have negotiated Emergency Management Assistance Compacts to provide capabilities to each other, if requested. Although the Army is strapped for equipment, all components working in concert will support the ARNG in its mission of aiding and assisting the States in responding to domestic emergencies and homeland defense missions.

118. Senator MCCAIN. Secretary Geren and General Schoomaker, the Army's Stryker BCT concept has been suggested as a model by which to equip Guard units. I understand that such a unit exists in the Pennsylvania National Guard already. Are there plans to role out more Guard Stryker units?

Mr. GEREN and General SCHOOMAKER. The mission of the Stryker was to fulfill an immediate requirement in the Army's transformation process to equip a strategically and operationally deployable brigade capable of rapid movement anywhere in the world in a combat ready configuration. The armored wheeled vehicle is designed to enable the Stryker Brigade Combat Team (SBCT) to maneuver easily in close and urban terrain while providing protection in open terrain.

The Stryker is an excellent multi-functional platform that is a good fit within the ARNG brigade structure. However, the Army has not validated or programmed any additional requirements for the ARNG beyond the one Stryker brigade stationed in the Pennsylvania National Guard.

119. Senator MCCAIN. Secretary Geren and General Schoomaker, the Commission on the Guard and Reserves has recommended that the Chief of the National Guard Bureau be a four-star general and that the Commander or Deputy Commander of U.S. NORTHCOM should be an officer of the National Guard. Do you agree with those recommendations?

Mr. GEREN and General SCHOOMAKER. The National Guard plays play a critical role as warfighters abroad defending our Nation and as the military first-responder at home when disaster strikes. The Army leadership recognizes this dual role as central to the National Guard's place in our Army. The Guard comprises about one third of our total force and National Guard soldiers in their local communities form the Army's strongest, most direct link to the American people. The Guard's expertise, versatility, and connectedness make it a force of choice in almost any situation where the Nation calls on its military Services. The Army has a vital interest in ensuring that the National Guard is trained and equipped to the same level as Active component units.

The current Joint Chiefs of Staff structure has sustained the Army and the ARNG for many decades and that structure has ensured that the ARNG was always manned, trained, and equipped for all assigned missions. We do not support a change to the current structure that would add a four-star National Guard officer to it. With regard to the possibility of a National Guard officer being the Deputy Commander of NORTHCOM, we fully support and advise the Secretary of Defense to appoint the most qualified officers into combatant commander and deputy commander positions; there is no reason a National Guard officer could not perform in that capacity.

120. Senator MCCAIN. Secretary Geren and General Schoomaker, what about making the Chief of the National Guard Bureau a member of the JCS?

Mr. GEREN and General SCHOOMAKER. The proposed change is not necessary. It would confuse command and control relationships and line of authorities that the Department has formed over the past 20 years since Goldwater-Nichols was enacted. The Chief of the National Guard Bureau (CNGB) plays a very important role, but he does not have responsibilities for organizing, manning, training, and equipping forces or for corresponding budget and programming responsibilities. All of those functions reside with the Army. While those areas are not his primary responsibilities, he does provide input for integration into all of them. The CNGB has unfettered access to every key official in the DOD and the Army.

The Chairman of the Joint Chiefs of Staff has two assistants; one for the National Guard and one for the Reserve, and they participant in matters affecting the Reserve component. The National Guard Bureau assigns the Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters (ACJCS NGM) and that assistant gives advice to the Chairman and the Secretary of Defense on National

Guard matters on a permanent basis. The ACJCS NGM is responsible for providing the Chairman with information, advice, and counsel on matters concerning the National Guard. It also enhances and facilitates Reserve component utilization. Any actions that could affect these responsibilities or any issues that could impact the Reserve component must be coordinated through the ACJCS NGM.

121. Senator MCCAIN. Secretary Geren and General Schoomaker, what is your view about necessary changes, if any, to the duties of the Chief of the National Guard Bureau?

Mr. GEREN and General SCHOOMAKER. The proposed change to the duties of the Chief of the National Guard Bureau is not necessary. It would confuse command and control relationships and line of authorities that the Department has formed over the past 20 years since Goldwater-Nichols was enacted. The Chief of the National Guard Bureau (CNGB) plays a very important role, but does not have responsibilities for organizing, manning, training, and equipping forces or for corresponding budget and programming responsibilities. All of those functions reside with the Army. While those areas are not his primary responsibilities, he does provide input for integration into all of them. The CNGB has unfettered access to every key official in the DOD and the Army.

DETAINEE TREATMENT AND INTERROGATION TRAINING

122. Senator MCCAIN. Secretary Geren and General Schoomaker, the Detainee Treatment Act directed that ''No person in the custody or under the effective control of the DOD or under detention in a DOD facility shall be subject to any treatment or technique of interrogation not authorized by and listed in the United States Army Field Manual on Intelligence Interrogation.'' In September 2006, the Army released the revised manual. How would you assess the training on the new field manual?

Mr. GEREN and General SCHOOMAKER. The new field manual, FM 2–22.3, Human Intelligence Collector Operations, has been seamlessly integrated into Army training. Current training is adequate.

Combat arms maneuver brigades and associated combat service support units normally conduct a CTC rotation prior to deployment. Interrogation training at the CTCs incorporates FM 2–22.3.

In October 2006, the U.S. Army Intelligence Center (USAIC) deployed a mobile training team to the Central Command (CENTCOM) Area of Operations and trained all senior interrogators on the differences between the superseded Field Manual 34–52, Interrogation, and FM 2–22.3.

The USAIC, in conjunction with the Army G–2 and U.S. Army Forces Command, executes mobile training teams for units preparing for deployments, to update and reinforce their training. Training is tailored per unit request and addresses FM 2–22.3.

The USAIC has also revised the Programs of Instruction for institutional or classroom training to incorporate lessons learned and reflect the expanded doctrinal guidance contained in FM 2–22.3 and the provisions of the Detainee Treatment Act.

123. Senator MCCAIN. Secretary Geren and General Schoomaker, what safeguards has the Army established to ensure that detainee abuse at Guantanamo and Abu Ghraib will not be repeated?

Mr. GEREN and General SCHOOMAKER. The Army is committed to ensuring all of its soldiers live up to the Army values and the law of war, regardless of the environment or circumstances, and we are equally committed to ensuring that those responsible for detainee abuse are held accountable. The Army has established a wide range of safeguards to minimize the chance of detainee abuse incidents occurring in the future. The Army will also continue to aggressively investigate every credible allegation of detainee abuse to fix accountability where appropriate.

The criminals who carried out detainee abuse at Abu Ghraib have been held accountable. There have been no substantiated cases of detainee abuse by soldiers at Guantanamo.

The Army has incorporated detainee operations lessons learned into training guidance, CTC rotations, training support products, and updated institutional training Programs of Instruction. Several comprehensive training support packages which cover the full spectrum of detainee operations were distributed. We continue to provide mobile training teams focused on detainee operations for predeployment training and post deployment in theater training. The Army also provides detainee operations training for sister Service units, as required.

Our policy never allowed for detainee abuse. We continue to address and provide detailed procedures for reporting and investigating even suspected abuse. The Abu Ghraib abuses were first reported by a soldier. Army leaders involved in theater detainee operations work closely with the International Red Cross to ensure they have required accessed to detainees and facilities. We also created new force structure which greatly enhances detainee operations capability.

As executive agent for administration of DOD detainee operations policy we work across DOD to ensure results of reports and periodic inspections and assessments are analyzed across the policy, doctrine, organization, training, material, leader development, personnel, and facilities spectrum to ensure not only the best conditions, based on military necessity, for detainees, but for our service men and women as well. The all-Service FM 2–22.3, Human Intelligence Collector Operations, was released in September 2006 and the Army is currently staffing the revised all-Service policy, AR 190–8, Detainee Operations.

124. Senator MCCAIN. Secretary Geren and General Schoomaker, is detainee treatment sufficiently incorporated into courses of instruction at our military schools at all levels?

Mr. GEREN and General SCHOOMAKER. Current detainee treatment training is sufficient and provides instruction and practical application of principles and policy at all levels of soldier and leader responsibility. Changes continue to be made to Programs of Instruction (POI) from initial military training to Professional Military Education courses based on a wide range of lessons learned. Specific changes as a result of detainee operations lessons learned have been extensive. The U.S. Army TRADOC has updated and published three field manuals (FMs), FM 6–22, Army Leadership; FM 2–22.3, HUMINT Collector Operations; and FM 3–19.17, Military Working Dogs; one interim manual, FMI 3–63.6, Command and Control of Detainee Operations; six student texts related to detainee operations; six training support packages for detainee operations; and the Center for Army Lessons Learned (CALL) Handbook No. 06–17, Detainee Operations at the Point of Capture, Tactics, Techniques, and Procedures, which was published in May 2006.

Individual Entry Training (IET) including basic training and one unit station training (OSUT) provides all new soldiers with Law of Land Warfare/Rules of Engagement. IET soldiers conduct 43 hours of specific detainee operations instruction (roughly 50 percent academic and 50 percent hands on practical exercises) including the use of role players and an 8-hour detainee operations facility culminating exercise.

Basic Officer Leader Course conducts training on detainee operations. Additionally, Officer Intermediate Level Education (ILE) was updated in Academic Year 2004–05 to cover detainee operations. ILE students have the opportunity to enroll in electives covering detainee operations in depth.

The U.S. Army Military Police School incorporates the humane treatment of detainees, pursuant to the internationally accepted protocols of the Geneva and Hague Conventions, at all levels of soldier and leader responsibility from IET to battalion and brigade pre-command courses. The MP School also recently opened a mock internment facility.

The U.S. Army Intelligence Center and School (USAIC&S) has revised programs of instruction to incorporate lessons learned and reflects expanded doctrinal guidance contained in FM 2–22.3, Human Intelligence Collector Operations, and the provisions of the Detainee Treatment Act of 2005. USAIC&S has revised and expanded the Human Intelligence Collector Course to 18 weeks with 3 days of lecture and practical exercises.

USAIC has deployed a mobile training team to the CENTCOM Area of Operations where they trained and certified all senior interrogators on the restricted technique and the differences between the superseded Field Manual 34–52, Interrogation, and FM 2–22.3.

COUNTERINSURGENCY

125. Senator MCCAIN. General Schoomaker, counterinsurgency operations, conducted at the squad and platoon level in populated urban areas, stress cultural, language, and human intelligence skills over technological resources. How will the Army improve these capabilities?

General SCHOOMAKER. A counterinsurgency campaign is a mix of offensive, defensive, and stability operations conducted along multiple lines of operations. It requires soldiers to employ a mix of familiar combat tasks and skills more often associated with nonmilitary agencies. The balance between them depends on the local

situation. Achieving this balance is not easy. It requires leaders at all levels to adjust their approach constantly. They must ensure that their soldiers are ready to be greeted with either a handshake or a hand grenade while taking on missions only infrequently practiced until recently at our CTCs. Soldiers are expected to be nation builders as well as warriors. They must be prepared to help reestablish institutions and local security forces and assist in rebuilding infrastructure and basic services. They must be able to facilitate establishing local governance and the rule of law. The list of such tasks is long; performing them involves extensive coordination and cooperation with many intergovernmental, host-nation, and international agencies. We are focused on ensuring our institutional organizations (TRADOC schools, centers of excellence, and training centers) provide our soldiers the requisite skills to execute our current counterinsurgency campaign in Iraq and Afghanistan while simultaneously maintaining skills across the full spectrum of combat operations.

CONGRESSIONAL EARMARKS IN ARMY SCIENCE AND TECHNOLOGY PROGRAMS

126. Senator MCCAIN. Secretary Geren, defense S&T funding lines are some of the most heavily earmarked accounts in the defense budget. A rough analysis of top-line figures shows that—setting aside the Defense Advanced Research Projects Agency which has not traditionally been earmarked—the DOD's basic and applied research funding is approximately 40 percent earmarked. I am interested in receiving more detailed information from the Department and each of the Services about the extent and execution—including the military utility—of these earmarks. Could you please provide a breakout of the Army fiscal year 2007 S&T funding between requested programs and congressional earmarks?

Mr. GEREN. Yes. The Army had $1.2 billion in earmarks in fiscal year 2007 to the requested budget of $1.7 billion, a 40 percent increase over the request. This level of congressional earmarks has increased steadily over the past few years. In fiscal year 2003 the earmarks to S&T totaled $749 million. Our experience and assessments have shown that the majority of these earmarks have had marginal to no military utility. The additional appropriation funding has imposed more workload on S&T managers, principal investigators, and contracting offices. See Attachment.

Army Science & Technology
FY07 Congressional Earmarks and Reductions

R1	PE	Add Title	FY07 Pres Bgt	JT APPN Earmark	JT APPN Reduction	PB+JT APPN
1	611101	In-House Laboratory Independent Research	19402	0	0	19402
2	611102	Defense Research Sciences	137568	41450	-7000	172018
3	611103	University Research Initiative	68545	13200	0	81745
4	611104	University and Industry Research Centers	86416	15400	-5000	96816
	BA 6.1 Total		311931	68050	-12000	367981
6	622105	Materials Technology	18822	41950	0	60772
7	622120	Sensors and Electronic Survivability	38428	16450	-5000	49878
8	622122	TRACTOR HIP	8466	0	0	8466
9	622211	Aviation Technology	32804	7800	0	40604
10	622270	EW Technology	19218	12100	0	31318
11	622303	Missile Technology	59439	18700	0	78139
12	622307	Advanced Weapons Technology	19430	4900	0	24330
13	622308	Modeling and Simulation Technology	16181	9100	0	25281
14	622601	Combat Vehicle and Automotive Technology	59304	35700	-2500	92504
15	622618	Ballistics Technology	52221	7000	0	59221
16	622622	Chemical, Smoke and Equipment Defeating Technology	2212	10850	0	13062
17	622623	Joint Service Small Arms Program	6247	0	0	6247
18	622624	Weapons and Munitions Technology	35344	84750	0	120094
19	622705	Electronics and Electronic Devices	42178	46900	-6000	83078
20	622709	Night Vision Technology	23907	12700	0	36607
21	622712	Countermine Systems	22088	5350	0	27438
22	622716	Human Factors Engineering Technology	18858	22500	0	41358
23	622720	Environmental Quality Technology	17923	1900	0	19823
24	622782	Command, Control, Communications Technology	21193	27900	0	49093
25	622783	Computer and Software Technology	3844	2950	0	6794
26	622784	Military Engineering Technology	50098	4750	-3000	51848
27	622785	Manpower/Personnel/Training Technology	16200	0	0	16200
28	622786	Warfighter Technology	25436	19100	0	44536
29	622787	Medical Technology	75407	157050	0	232457
	BA 6.2 Total		685245	533900	-15500	1203645
30	633001	Warfighter Advanced Technology	45666	25700	-5000	66366
31	633002	Medical Advanced Technology	50757	251600	0	302357
32	633003	Aviation Advanced Technology	64654	51700	-18700	97654
33	633004	Weapons and Munitions Advanced Technology	74717	22400	-4000	93117
34	633005	Combat Vehicle and Automotive Advanced Technology	109962	101250	-4000	207212
35	633006	Command, Control, Communications Adv Technology	10851	1450	0	12301
36	633007	Manpower, Personnel and Training Adv Technology	6794	2650	0	9444
37	633008	Electronic Warfare Adv Technology	44022	9700	0	53722
38	633009	TRACTOR HIKE	9324	0	0	9324
39	633015	Next Generation Training & Simulation Systems	18296	2800	0	21096
40	633020	TRACTOR ROSE	5183	0	0	5183
42	633103	Explosive Demil Technology	10376	15550	0	25926
43	633105	Military HIV Research	7042	6000	0	13042
44	633125	Combating Terrorism, Technology Development	7497	1100	0	8597
45	633238	Global Surveillance/Air Defense/Precision Strike	12995	0	0	12995
46	633270	EW Technology	18612	6950	0	25562
47	633313	Missile and Rocket Advanced Technology	42127	35350	-13833	63644
48	633322	TRACTOR CAGE	19192	0	0	19192
49	633606	Landmine Warfare and Barrier Advanced Technology	25554	5000	0	30554
50	633607	Joint Service Small Arms Program	7202	1000	0	8202
51	633710	Night Vision Advanced Technology	44307	32150	0	76457
52	633728	Environmental Quality Technology Demonstrations	14089	3200	0	17289
53	633734	Military Engineering Advanced Technology	7848	20150	0	27998
54	633772	Adv Tactical Computer Science & Sensor Technology	64604	18450	-12000	71054
	BA 6.3 Total		721661	556617	-57533	1220745
	S&T Total		1718837	1,148,567	(85,033)	2782371
148	665803	Technical Information Activities	34834	13050	0	47884
	BA 6.6 Total		34834	13050	0	47884
183	778045	End Item Industrial Preparedness Activities	68075	45400	0	113475
	BA 6.7 Total		68075	45400	0	113475
	S&T BOS Total		1,821,746	1,207,017	(85,033)	2943730

127. Senator MCCAIN. Secretary Geren, could you include any evaluations you have done of the military utility of these projects?

Mr. GEREN. Our experience and assessments have shown that the majority of these earmarks have had marginal to no military utility.

128. Senator MCCAIN. Secretary Geren, does receiving your funding for basic and applied research in such a heavily earmarked fashion interfere with the Army's ability to conduct a coherent research and development program which meets the Army's technology needs?

Mr. GEREN. Yes. The additional earmark workload on S&T managers, principal investigators, contracting offices, and resource managers reduces the time available to manage the core programs that are vital to developing technologies that could enable new warfighting capabilities. Further, many of the earmarked efforts fund de-

velopment of technology that is inconsistent with the Army's acquisition and warfighting investment strategies.

URBAN COMBAT, CULTURAL AWARENESS, AND COUNTERINSURGENCY

129. Senator MCCAIN. General Schoomaker, we are conducting counterinsurgency operations in a city of 6 million people, currently rife with sectarian discord. Can you describe the pre-deployment training that the brigades deploying to this operation receive?

General SCHOOMAKER. A unit's training strategy is focused on its assigned mission and culminates in a mission rehearsal exercise specifically designed to challenge soldiers and leaders with situations and conditions similar to those they will face when deployed. Training scenarios created for mission rehearsal exercises require units to execute complex operations involving multiple missions and requiring unit personnel to cope with rapidly changing circumstances. The training environment created for mission rehearsal exercises prepares units to operate in Iraq and Afghanistan, to include realistic convoy live-fire events, simulated IEDs, emphasis on detainee operations, dealing with large numbers of civilians in villages and towns for urban operations, cultural awareness training, use of interpreters, response to media on the battlefield, emphasis on information operations, increase medical training and medical rules of engagement, synchronizing medical and logistical task forces with the unit, counter-insurgency operations, greater use of Army Special Operations Forces, and greater use of UAVs. Rigorous mission rehearsal exercises are indispensable to preparing units for deployment, especially when redeploying within a year. Continued congressional support of Army supplemental funding requests is essential for the Army to adequately replicate the contemporary operational environment for mission rehearsal exercises.

130. Senator MCCAIN. General Schoomaker, what is the Army doing to improve the cultural awareness of its soldiers and leaders in general?

General SCHOOMAKER. Cultural training is in the curricula of IMT, for both officer and enlisted soldiers. The most important training conducted in each are the field exercises that challenge soldiers to apply what they learn in a realistic setting. The U.S. Army Accessions Command (USAAC) has woven cultural challenges into the fabric of the training environment so that outcomes are realistic and influenced by the use of appropriate tactics.

The Army has established a TRADOC Culture Center (TCC), at Fort Huachuca, Arizona, to provide support to operational units and professional military education. The efforts of the TCC and the Defense Language Institute Foreign Language Center at Monterey, California, are closely coordinated. Culture and language are inherently linked and both organizations regularly coordinate training strategies and schedules to reduce redundancy, and ensure complimentary instructions.

Almost one-third of the education provided at the Command and General Staff College (CGSC) involves improving the student's cultural and regional awareness. The current educational programs and ongoing initiatives in the areas of cultural awareness, language training, and regional studies address Joint Professional Military Educational objectives and the 2005 Defense Language Transformation Roadmap. The International Military Student program allows students to interact with officers from approximately 90 different countries and each student is required to take a regional or religion course elective. The CGSC, in collaboration with the Defense Language Institute, requires a language elective for students identified for assignments in Iraq and Afghanistan. Additionally, officers selected for Military Transition Teams in Iraq receive required language coursework in Iraqi Arabic.

The CTCs are considered the cornerstones of Army training readiness. The CTCs further that reputation by providing the most realistic training feasible for units scheduled for deployment. The training is focused specifically on the area of operation where the unit will eventually deploy. To enhance a unit's level of cultural competency, the training received in this seminar is sequentially and progressively built upon with additional cultural awareness training and culminates during the mission rehearsal exercise.

After action reports are a critical component of all CTC training. Feedback from units in theater suggests the training the unit received at the CTCs helped to prepare them for eventual operations in theater.

131. Senator MCCAIN. General Schoomaker, was the urban combat training adequate?

General SCHOOMAKER. Yes, the urban combat training afforded each brigade prior to deployment prepares soldiers for urban operations and to deal with large numbers of civilians in villages and towns. The Army has an extensive inventory of urban training facilities resulting from investments made in the 1980s. More recently, as part of a comprehensive overhaul of urban training, the Army has been investing in urban training facilities since 2002. The strategy to modernize urban training facilities began as a study conducted by the U.S. Army TRADOC that recommended a minimum, standardized set of facilities to enable rigorous, realistic live training in an urban environment. The study showed that each combat brigade should have home-station access to a shoot house, an urban assault course, and a "capstone" training facility called a Combined Arms Collective Training Facility (CACTF). The CACTF is a small village-like cluster of 12–28 robust building shells that enable units to develop and hone urban combat skills. Generally, units at company level and below train at home station using a shoot house, urban assault course, and CACTF. Brigade-level training in urban operations takes place at the CTCs. In cases where full MILCON projects are not practical or available, the Army uses inexpensive, low maintenance, pre-fabricated training facilities that support many of the critical tasks that lead to urban operations proficiency. Overall, the Army has a sound, deliberate, and economical program to achieve the number of urban training facilities that are needed by fiscal year 2013.

132. Senator MCCAIN. General Schoomaker, does the Army have sufficient facilities to train for urban combat?

General SCHOOMAKER. The Army has an extensive inventory of urban training facilities resulting from investments made in the 1980s. More recently, as part of a comprehensive overhaul of urban training, the Army has been investing in urban training facilities since 2002. The strategy to modernize urban training facilities began as a study conducted by the U.S. Army TRADOC that recommended a minimum, standardized set of facilities to enable rigorous, realistic live training in an urban environment. The study showed that each combat brigade should have home-station access to a shoot house, an urban assault course, and a "capstone" training facility called a CACTF. The CACTF is a small village-like cluster of 12–28 robust building shells that enable units to develop and hone urban combat skills. Generally, units at company level and below train at home station using a shoot house, urban assault course, and CACTF. Brigade-level training in urban operations takes place at the CTCs. In cases where full military construction projects are not practical or available, the Army uses inexpensive, low maintenance, pre-fabricated training facilities that support many of the critical tasks that lead to urban operations proficiency. Overall, the Army has a sound, deliberate, and economical program to achieve the number of urban training facilities that are needed by fiscal year 2013.

SOLDIER-TO-SOLDIER COMBAT IDENTIFICATION SYSTEM

133. Senator MCCAIN. General Schoomaker, are we near fielding a soldier-to-soldier combat identification system that could be central to reducing incidents of fratricide?

General SCHOOMAKER. Yes. We have fielded several solutions that reduce the risk of soldier-to-soldier fratricide. The Army currently fields glow tape patches to all soldiers. The new Army Advanced Combat Uniform has built in shoulder glow tape patches with cover flaps that aid in identification at night when a soldier is using night vision devices. Additionally, the camouflage helmet covers have button holes that allow Soldier Combat Identification Helmet Marking System to be inserted on the helmet and there are 1-inch square glow tape patches for additional uniform attachment for friendly force marking and identification. The Joint Combat Identification Marking System (JCIMS) includes a Soldier Dismounted Combat Identification Marking System (DCIMS)—a helmet cover that provides a negative thermal image when seen through thermal devices. The DCIMS is under consideration for deployment. There are 230 Land Warrior (LW) and 133 Mounted Warrior (MW) systems being deployed with the 4th Battalion, and the 9th Infantry Battalion under the 4th Stryker BCT. Both LW and MW systems provide enhanced soldier Situational Awareness (SA) along with networked communications. The results of this deployment will be looked at closely for its impact on the operational environment, to include anti-fratricide. Currently, this program is unfunded beyond 2007.

Additionally, with very limited funds, we are currently engaged in several research related areas relative to soldier anti-fratricide:

a. The Integrated Battlespace-Combat SA System program is in its final stage investigating Position Navigation and Geometric Pairing to provide more accurate soldier positions in urban environments.

b. Radio-based combat identification where there is a soldier based query (radio frequency or laser based) of a region (or individual) and a radio response is under investigation with limited funding through fiscal year 2008. Additionally, the examination of rifle-mounted active radio frequency tags is underway.

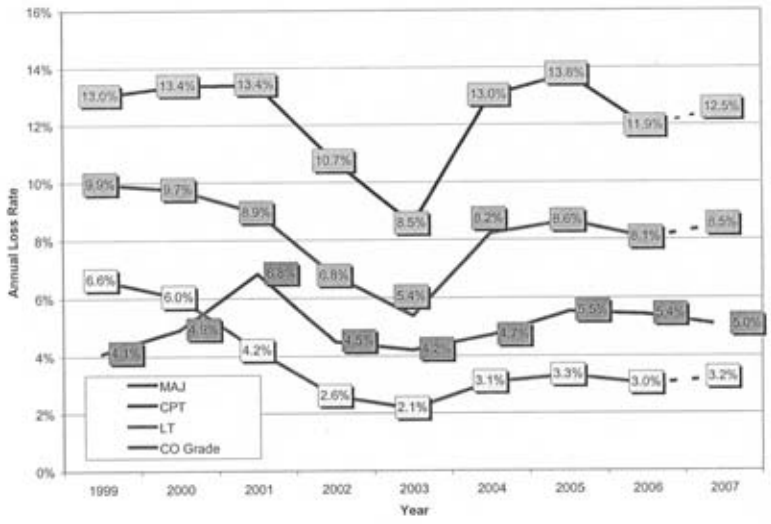
c. We continue to improve range and resolution of existing sensors and optics. We have been leveraging limited funding resources under a Phase I Small Business Innovation Research project and have proposals submitted into the Defense Acquisition Challenge Program to leverage and accelerate this range identification technology to the soldier in the field. Ideally, a soldier should be able to identify a potential target at 1.5 times the maximum effective range of his weapon.

OFFICER ATTRITION

134. Senator MCCAIN. General Schoomaker, for the last few years, Army leaders have testified that retention of soldiers is strong both in the Active component and Reserve component. We're hearing now reports about an exodus of company grade officers who have reached the end of their obligated service and, effectively, 100 percent selections for promotion to captain, major, and lieutenant colonel. Some military analysts worry that the rush to promote officers may be lowering the overall quality of the officer corps. What can you tell us about mid-grade and junior officer attrition?

General SCHOOMAKER. The Army Competitive Category (ACC) mid-grade officers serving in the rank of major have a 10-year historical average attrition rate of 5.9 percent. The projected ACC major attrition rate for fiscal year 2007 is below average at 5.0 percent. The ACC company-grade historical average attrition rate following the drawdown period and prior to September 11, 2001 (fiscal years 1995–2001) was 9.0 percent. The ACC company-grade average attrition rate from fiscal years 2004–2006 was 8.3 percent. The projected ACC company-grade attrition rate for fiscal year 2007 is 8.5 percent which is slightly up from 8.1 percent in fiscal year 2006. The attached chart provides specific numbers for company/field grade losses.

FY	1999	2000	2001	2002	2003	2004	2005	2006
MAJ	401	504	706	455	429	478	561	579
CPT	2082	2026	2062	1637	1338	2171	2273	2150
1LT	890	770	477	268	242	360	387	347
2LT	94	119	126	107	84	120	139	73
Total	3467	3419	3371	2467	2093	3129	3360	3149



135. Senator MCCAIN. General Schoomaker, what were the rates of promotion to major and lieutenant colonel last year?

General SCHOOMAKER. There were two promotion boards during fiscal year 2006 for the rank of major due to reducing the pin-on time to major from 11 to 10 years in service. The promotion rate for majors in the primary zone in April 2006 was 97.1 percent. The promotion rate for majors in the primary zone in September 2006 was 98.0 percent. The promotion rate for lieutenant colonels in the primary zone for fiscal year 2006 was 90.9 percent.

136. Senator MCCAIN. General Schoomaker, is this something that concerns you?

General SCHOOMAKER. Promotion rates reflect the needs of the Army. The Army is committed to maintaining a quality force and will not compromise its standards for promotion selection.

137. Senator MCCAIN. General Schoomaker, while the ARFORGEN process may serve to identify units and personnel who will deploy to Iraq and Afghanistan, do you believe career officers and NCOs in general are ready in all respects for repeated tours of duty in the war zone?

General SCHOOMAKER. Yes, career officers and NCOs are more ready for repeated deployments than ever before. Army leaders understand that the Army is engaged in this prolonged war that will continue for sometime. These leaders have made a conscious decision to continue to serve their country and through experience of previous deployments, lessons learned, pre-deployment training, the latest equipment, and an increased emphasis on ensuring families are taken care of; our leaders are ready.

The Army does everything it can to ensure our soldiers and leaders are prepared for the environment they will encounter in theater. As our leaders go on more deployments, they gain more experience. They gain a richer understanding of the culture and other challenges faced in this region. Understanding the culture and being able to interact with the people and their leaders (mayors, police, and local army)

makes a significant difference in our success in counterinsurgency war. Experience counts for a lot in readiness.

Mission and theater focused training is executed through a series of key training events prior to deployment. Commanders use this training program to continuously assess and validate their units' readiness for the assigned mission. This training includes but is not limited to:

- Mission-focused individual, battlestaff, and collective training at home station.
- Battle command training seminars for BCTs.
- A CTC supported maneuver mission rehearsal exercise for BCTs.
- Collective training event(s) for non-BCT units.
- A full regimen of final preparatory training in Kuwait before moving into combat.

Prior to deployment, individual soldiers are trained in warrior tasks and battle drills, counter-IED, anti-terrorism awareness, media awareness, specific first aid tasks, combat life saving, detainee operations, basic language, and short-range marksmanship. Leaders must also be proficient in cultural awareness, interpreter operations, convoy operations, urban operations, risk management, traffic control supervision, and counter-IED (leader response).

COMPENSATION FOR INSUFFICIENT DWELL TIME

138. Senator MCCAIN. Secretary Geren and General Schoomaker, in January, when announcing changes to policies affecting deployments of soldiers, Secretary Gates stated that the Department would offer financial compensation for those whose "dwell time," or time at home station, did not meet certain prescribed standards. What is your understanding of the status of that pay policy change?

Mr. GEREN and General SCHOOMAKER. In January the Secretary of Defense announced new force utilization goals and directed a compensation program be developed. The Chairman of the Joint Chiefs, the Service Chiefs of Staff, and Service Secretaries have been working with the OSD in developing a program that is flexible and meets the needs of each Service. At this time, a final program has not been developed.

139. Senator MCCAIN. Secretary Geren and General Schoomaker, do you think that soldiers should be compensated with additional payments every time an operational necessity requires deployment of additional troops?

Mr. GEREN and General SCHOOMAKER. With the nature of today's expeditionary force we think it is important to recognize the changing global environment and increased pace of operations our soldiers are experiencing throughout their career. The global war on terrorism will be a long fight and soldiers can expect to be engaged in that fight potentially over the course of their career. It may very well be time to use a compensation program that rewards the experience gained in multiple deployments or mobilizations and provides an incentive to volunteer for duty with a deploying unit. A tool tailored to achieve these goals would be predictable, and recognizes the dedication and commitment our soldiers display.

140. Senator MCCAIN. Secretary Geren and General Schoomaker, do you think this "sweetener" to repeal of the 24-month policy is necessary?

Mr. GEREN and General SCHOOMAKER. The Army in coordination with the other Services and the OSD is prepared to address any additional actions necessary to ensure we are capable of meeting our operational mission. Should that mean developing new policies in support of utilization of total force goals, then we would certainly consider all available resources and alternatives to accomplish these goals.

CONTRACTORS ON THE BATTLEFIELD

141. Senator MCCAIN. Secretary Geren and General Schoomaker, more and more of the DOD's maintenance and support functions are outsourced. These "contractor logistics support" agreements have resulted in the deployment and employment of civilian contractors in combat areas. What problems have emerged for the Department as a result of increased numbers of contractors on the battlefield?

Mr. GEREN and General SCHOOMAKER. Accounting for the number of contractors on the battlefield emerged as a significant challenge because there was no single personnel system used by all Services and even within the Services, tactical-level personnel systems use by the military either did not accept data on contractors or those systems did not feed into operational personnel systems.

In January 2007, the Synchronized Pre-deployment and Operational Tracker (SPOT) was designated by the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD (P&R)) in coordination with the Office of the Under Secretary of Defense for Acquisition Technology and Logistics (OUSD (AT&L)) as the Joint Solution required by DOD Instruction 3020.41. This tracker is essentially a joint database to provide visibility over all contractor support to deployed forces, including a summary of services or capabilities provided and by-name accountability of contractors. On January 29, 2007, the Army published an All Army Activity message directing the use of SPOT and DOD is preparing a joint-level directive for its use as the designated enterprise system. In addition, an update to Defense Federal Acquisition Regulation Supplement Clause 252.225–7040 has been approved specifically naming SPOT for use in all Department contracts when contractors accompany the U.S. Armed Forces.

Prior to the January 2007, designation of SPOT as the Department contractor personnel tracking system, the Department initiated the requirement for U.S. CENTCOM to conduct quarterly contractor census in 2005. Census numbers reside with the Office of the Assistant Deputy Under Secretary of Defense for Program Support, where they are received on a quarterly basis.

The goal for the Department and Coalition Force Land Component Command (CFLCC) was to gain total accountability over contractor personnel deployed and contractor capabilities resident within Iraq. A total of 128,888 contractor personnel in Iraq were reported in the most recent April 2007 census. The next quarterly census will provide the number of contractors in every country CFLCC conducts operations, to include Afghanistan. The DOD, Department of State, and U.S. Agency for International Development (USAID) have held a number of meetings the past few months to discuss whether State and USAID can also incorporate the SPOT system into their contract management process. The three agencies are currently exploring technical and logistical issues with using a common database for all three agencies.

142. Senator MCCAIN. Secretary Geren and General Schoomaker, do you support the DOD's initiative to review 300,000 DOD positions which could result in shifting logistics billets and other functions, such as civil affairs, away from uniformed personnel and into the civil service and private sector for potential outsourcing?

Mr. GEREN and General SCHOOMAKER. DOD Instruction (DODI) 1100.22, Guidance for Determining Workforce Mix, implements DOD policy for determining the appropriate mix of military, civilian, and private sector manpower. The guidance specifies the criteria for designating DOD activities for military, civilian, or private sector performance. The policy designates activities for military performance when military incumbency is required by law, executive order, treaty, or other international agreements; for command and control of crisis situations; to maintain combat readiness or esprit de corps; to mitigate operational risk; when unique military knowledge or skill are required for successful completion of duties; or to maintain sufficient military manpower for rotation, career progression, or wartime assignments. In April 2007 the Army completed an annual inventory of inherently governmental and commercial activities. All military billets were evaluated with the DODI 1100.22 manpower mix criteria. All military billets in the Operational Force were coded for military performance. The 300,000 figure was simply based on an analysis performed in 1998 of military occupational specialties mapped to civilian skills. It is the number of military billets initially identified for review for possible conversion. Military positions are not identified for conversion if they are required for reasons stated above or if sufficient numbers of fully trained and qualified civilians are not available to perform the duties.

143. Senator MCCAIN. Secretary Geren and General Schoomaker, the extraordinary number of civilian contractors performing what were previously military duties, like security, has raised public concerns. Do commanders on the ground have sufficient oversight of civilian contractors who support them?

Mr. GEREN and General SCHOOMAKER. Within the last 20 years, Army functions traditionally performed by soldiers have migrated to contractors. Examples of such functions include services for security guards, food service/dining facilities, and information technology (IT) automation. Motor pools, as well as soldier mechanics, are vanishing, and vehicle maintenance is being performed via service contracts and vehicle leasing (with maintenance performed by the contractor). All of these contracts require verification of services performed by a Government Contracting Officer's Representative (COR).

The Army does not have enough contracting officers/contract administrators to provide the required level of contract administration on large contracts. These acquisition professionals are attempting to meet daily contract mission requirements and

training the ever changing CORs who are normally in theater on deployments ranging anywhere from 4 months to 1 year. On occasion, this has resulted in CORs who are not adequately trained to perform surveillance on their respective contracts.

The number of unit-level COR personnel is normally adequate for the large contracts, but the high turnover of personnel in theater presents a constant challenge of training/appointing new CORs. Many have not completed the formal COR course offered by the Defense Acquisition University (DAU). Additionally, some COR duties require unique skill sets and training. For example, military occupational specialty, 92G (Food Service Specialist) is tracked and managed separately to ensure that a sufficient quantity of trained personnel are available to provide oversight for important dining facility contracts. Another problem is that being appointed as a COR in a unit is often an additional duty and is not normally someone's major function or sole position. This has resulted in COR duties not being given the attention they deserve which can impede performance. To help remedy this concern, the Deputy Assistant Secretary of the Army for Policy and Procurement issued a policy memorandum on February 9, 2007, titled "Contract Administration and Surveillance for Service Contracts" to all Army contracting offices. This policy memorandum requires the appointment of properly trained CORs, the preparation of Quality Assurance Surveillance Plans (QASPs), and requires COR's contributions to be included in their annual performance reviews in accordance with DOD policy.

144. Senator MCCAIN. Secretary Geren and General Schoomaker, does the Army have sufficient numbers of contracting officers, including in the field, to properly oversee the execution of contracts?

Mr. GEREN and General SCHOOMAKER. Currently, there are 5,563 contract specialists/contracting officers within the Army of which over 500 are in non-contracting offices. This number is expected to decrease to 3,472 by 2011. This projected loss is due to retirement and attrition (migration to private industry, BRActive component actions, regional hiring difficulties due to lack of PCS funding, et cetera). Since 1995, the workforce numbers have decreased by 53 percent, while the workload actions have increased by 278 percent. The decrease in career field 1102s has resulted in a lack of contract administration (which has been validated by several outside audits), and a lack of contract planning. New hires (1102s) of 418 per year would result in 0 percent growth over the next 5 years and new hires (1102s) of 529 per year would result in 10 percent growth over the next 5 years.

The shortage is particularly severe for the Army's population of 285 military contracting officers who support operations in Iraq and Afghanistan. The Army, along with the other military services, has been unable to provide the total number of Level II and III certified military contracting officers requested by commanders in Iraq and Afghanistan. This shortage is also evident within the Defense Contract Management Agency which, on a few occasions, was forced to turn down requests from the Army for the administration for theater support contracts citing a lack of resources.

The small number of civilian and military contracting personnel is compounded by the fact that the contracting career field requires several years of training and experience to develop the business acumen necessary to craft contract arrangements and to negotiate the best interests of the United States Government when dealing with industry. Moreover, losses of senior contracting personnel result in fewer experienced trainers to acclimate and mentor the increasingly junior workforce in the business of Army contracting.

145. Senator MCCAIN. Secretary Geren and General Schoomaker, will an FCS-equipped brigade be able to maintain itself in the field without attached civilian contractors?

Mr. GEREN and General SCHOOMAKER. The Program Manager, FCS intends to comply with the maintenance concept outlined by the FCS ORD, which does not require the use of contractor personnel below the Corps/Division level except for scheduled services and unique troubleshooting situations. All field maintenance will be performed by the crew (80 percent) and the combat repair team mechanics (20 percent).

GAP IN ARMY CHEMICAL AND BIOLOGICAL UNIT PREPAREDNESS

146. Senator MCCAIN. Secretary Geren and General Schoomaker, according to a January 2007 report by the GAO, "most Army units tasked with providing chemical and biological defense support are not adequately staffed, equipped, or trained to perform their missions." The report goes on to say that as of March 2006, "most of

the Army's chemical companies, particularly in the National Guard and Reserve, were reporting the two lowest states of readiness measured by the Army's Unit Status Reporting System." Moreover, "Army chemical companies reporting the lowest levels of readiness doubled from 2000 to 2006." Finally, the GAO reports that "the absence of a plan to address the personnel and equipment shortfalls that are primarily responsible for these readiness problems makes it unclear whether and when these problems will be corrected." Would chemical and biological defense not be available in the event of a mass casualty weapons of mass destruction (WMD) attack at home?

Mr. GEREN and General SCHOOMAKER. Chemical and biological defense would be available in the event of a WMD attack at home. The Army has completed certification of 45 of 55 WMD Civil Support Teams (CST) in the National Guard of each state and territory. Additionally, the National Guard is providing one of the three planned chemical, biological, radiological, or nuclear explosive consequence management forces for domestic emergencies.

To improve training and equipping, the U.S. Army Chemical School provides training on increased emphasis of full spectrum chemical, biological, radiological, or nuclear explosive (CBRNE) hazards and operations and emergency response competencies. Additionally, new equipment, the Joint Service Transportable Decontamination System-Small Scale, will provide operational and thorough decontamination of equipment, aircraft, facilities, shelters, surface areas, and terrain. When fielded, the system will replace existing decontamination systems and provide enhanced decontamination capabilities for chemical units.

147. Senator MCCAIN. Secretary Geren and General Schoomaker, would you comment on GAO's assessment and, if it is correct, explain how the Army plans to restore the readiness levels of these important chem-bio units?

Mr. GEREN and General SCHOOMAKER. The GAO assessment is generally accurate. To improve readiness assessments, in October 2006, the Army implemented the Defense Readiness Reporting System-Army (DRRS–A). Among other improvements, this system will allow commanders to evaluate their unit's ability to execute defined mission essential tasks (METs). Such METs are being identified and incorporated for units with homeland defense missions. This will allow the Army greater visibility on chemical units' ability to support the Joint Force Commander executing WMD related homeland defense missions. Additionally, the U.S. Army Chemical School provides training on increased emphasis of full spectrum CBRNE hazards and operations and emergency response competencies. Finally, new equipment, the Joint Service Transportable Decontamination System-Small Scale, will provide operational and thorough decontamination of equipment, aircraft, facilities, shelters, surface areas, and terrain. When fielded, the system will replace existing decontamination systems and provide enhanced decontamination capabilities for chemical units.

FUNDS FOR THE SUSTAINMENT OF ARMY FACILITIES

148. Senator MCCAIN. General Schoomaker, in your testimony to our committee last week about out-patient care at Walter Reed Army Medical Center, you responded to a question about the causes of the deplorable conditions at Building 18 by noting that historically in the Army "You can find years where we are funding maintenance at less than 50 percent of what was required." In fiscal year 2008, the Army has proposed a budget that only funds 86 percent of facility sustainment requirement, as opposed to the 100 percent goal established by the DOD. My concern is that this chronic underfunding of facility sustainment accounts has resulted in similar deteriorated facility conditions in barracks and working facilities around the Army. What is your assessment of the general condition of living facilities for our soldiers?

General SCHOOMAKER. Each year since 2002, the Army's Installation Status Report has reported a steady improvement in the quality of enlisted unaccompanied personal housing throughout the Army. From fiscal year 2005 to 2006, the percentage of barrack spaces receiving the lowest ratings decreased from 33 to 26 percent. These improvements are a direct result of the Army barracks modernization program that has been steadily improving barracks quality. Barracks continue to be a top priority in the overall facilities sustainment funding strategy.

In fiscal year 2005, the Barracks Improvement Program was executed to correct life, health, and safety deficiencies in 339 permanent party barracks and improve the living conditions for 40,000 soldier spaces. In fiscal year 2006, the Training Barracks Improvement Program executed 40 projects to correct life, health, and safety

deficiencies in 148 trainee barracks and improve the living conditions for 80,000 soldiers in trainee barracks world wide. That program is continuing today. In fiscal year 2007, the Army funded the Training Barracks Upgrade Program, which will modernize 19 barracks facilities this year.

149. Senator MCCAIN. General Schoomaker, in your view, are we spending enough money on facilities to ensure our soldiers have safe and adequate facilities to live and work? If not, is the Army committed in fiscal years 2007 and 2008 to making adjustments in the operations and maintenance accounts to increase funding for barracks and other critical facilities?

General SCHOOMAKER. Our soldiers have safe and adequate facilities to live and work, but we are not able to spend as much money on their facilities as we would like due to the numerous competing initiatives for scarce resources while also at war. In fiscal year 2006, the Active component stopped migrating facility sustainment dollars to Base Operations Support that had prevailed for many years. Our goal is to also end this practice in the Reserve components as well. Nonetheless, decades of underfunding facility sustainment have taken its toll, and we have much work to do to bring facilities up to where they should be.

In fiscal year 2008, the Army is requesting 86 percent of the OSD Facilities Sustainment Model, but is committed to achieve 90 percent through efficiencies. Where year-end execution permits, we will shift funding to critical facilities.

FACILITY REQUIREMENTS FOR "GROW THE FORCE"

150. Senator MCCAIN. Secretary Geren, the President's budget request for fiscal year 2008 includes an authorization for military construction of $1.6 billion as the first installment of a multi-year program to provide facilities and barracks for an additional 65,000 soldiers over the next 5 years. Very little detail is provided in the budget request beyond this statement. Since we do not historically offer vague authorizations for these type of investments, when will the Army come forward with details about the proposed locations of these forces, the specific facility projects required, and an estimate of the total investment required to support the increase in force structure?

Mr. GEREN. The Army will provide budget details by the end of March 2007 for the fiscal year 2008 projects. After gathering and analyzing a full set of data to support stationing decisions this fall, the Army expects to provide proposed locations of forces by the end of the year.

151. Senator MCCAIN. Secretary Geren, how will your planning for the increase in force structure affect current plans for the Army's transformation to modular brigades, the Defense BRActive component Round, and the Global Posture Review?

Mr. GEREN. The Army is executing a tightly-woven, operationally-synchronized stationing plan that integrates BRActive component, Global Defense Posture Realignment (GDPR), and Modular Transformation to posture the force for the long war, consolidate institutional functions to improve effectiveness, provide infrastructure necessary to grow the force, while meeting the high rotational demand for forces. While growing the force will increase operational capability and bring additive requirements, BRActive component, GDPR, and Modular Transformation will remain critical to fighting the global war on terrorism, ensuring soldier and family quality of life, and meeting the increased operational demands for the Army.

152. Senator MCCAIN. Secretary Geren, do you anticipate a need to reevaluate past decisions related to the reductions of installations and Army presence in Europe or Korea?

Mr. GEREN. The Army will conduct analysis and modeling using the BRActive component "best military value" to evaluate installations for their capacity to station, train, and provide quality of life for the increased forces associated with Army growth. The growth initiative will rely on existing facilities and installations in Europe and Korea to support increased forces and will not require revisiting past reductions of installations and Army presence in Europe and Korea.

QUESTIONS SUBMITTED BY SENATOR JEFF SESSIONS

REALIGNMENT OF DEPARTMENT OF DEFENSE SUPPLY AND STORAGE FUNCTIONS

153. Senator SESSIONS. Secretary Geren, on February 9, 2007, the Under Secretary of Defense, Kenneth Krieg, directed the Army and the Director of the Defense

Logistics Agency (DLA) to reach an agreement regarding realignment of the DOD supply and storage functions. This mandate instructed the Army and the DLA to reach an agreement within 45 days. Many of us are concerned that a transition at this time is detrimental to the efficiency of the Army during the reset process. Is this assumption correct? If so, would you explain the Army's position on this issue?

Mr. GEREN. The realignment of supply, storage, and distribution functions at Army maintenance depots should not be detrimental to the efficiency of the Army during the reset process. The realignment requires an "in-place" transfer of functions and personnel to DLA, which means the same function will continue being performed, by the same workers, and in the same locations. Mr. Krieg's mandate required resolving differences between the Army and DLA on which specific functions should transfer, and to do so in 45 days. The actual transfer of these functions is not currently planned to occur until fiscal year 2011.

154. Senator SESSIONS. Secretary Geren, would a delay in the implementation of this policy until after the immediate challenge of the reset are completed address the Army's concerns on this issue?

Mr. GEREN. A delay in the implementation of this functional realignment is unnecessary because the Army feels that there will be no impacts on efficiency during the reset process. Additionally, implementation of this realignment at Army depots is not scheduled to occur until fiscal year 2011.

155. Senator SESSIONS. Secretary Geren, how does the surge in Iraq impact the reset plan?

Mr. GEREN. The surge will result in a requirement to reset more equipment in fiscal year 2008 than originally planned. The Army's organic depots have ramped up their civilian and contractor workforce to reduce the previous year maintenance backlogs and to execute the current year reset requirements. The Army's depots are postured to accomplish the additional equipment reset requirements that will generate due to the surge.

AIR FORCE AS THE EXECUTIVE AGENCY FOR MEDIUM AND HIGH-ALTITUDE UNMANNED AERIAL VEHICLES

156. Senator SESSIONS. Secretary Geren and General Schoomaker, the recent March 5 letter from the Chief of Staff of the Air Force, General Moseley, indicates the Air Force's interest in being the executive agency for medium and high-altitude UAVs. However, I am aware of the Army's well-established interest in the continuation of research and development of UAVs. What is the Army's position regarding this issue?

Mr. GEREN and General SCHOOMAKER. The Army does not support a single Service executive agent for medium and high-altitude UAVs. The Army recommends the OSD uphold the 2005 decision to use the JUAS MRB and the JUAS COE in lieu of a single Service executive agent. The JUAS MRB and the JUAS COE can and will work and achieve the Air Force's executive agency goals. With full support, these organizations will enable full joint Service buy-in and resolution of issues. Additionally, to continue the research and development of UAS and meet the DOD's UAS requirements, we must create an environment of competition within industry. Competition promotes innovation, challenges industry to achieve a higher level of technological achievement, and spurs investment. The Army, Navy, Marine Corps, and Special Operations Forces have all benefited from competitively selected solutions and are already sharing UAS training, logistics, and systems development in three formal programs. The DOD should continue on its present course of developing inclusive, synergistic complementary capabilities to fuse the contributions of each Service.

157. Senator SESSIONS. Secretary Geren and General Schoomaker, can the Air Force effectively control medium- and high-altitude UAVs, and provide timely support to the warfighter?

Mr. GEREN and General SCHOOMAKER. Four years of combat operations in Iraq and Afghanistan reinforce the need to maximize all elements of combat power at the tactical level. The Army and Marine Corps have demonstrated the decisive benefits of employing UAS at the tactical level in concert with other air and ground systems to enable greater lethality, while reducing fratricide and collateral damage. Examples include: Warrior Alpha, Shadow, Raven, Apache, Kiowa, Aerial Reconnaissance Multi-System, and Constant Hawk. These systems need to remain in the tactical formations where they are most useful to our warfighters. The UASs per-

form distinct and unique roles and missions for the Services depending on their echelon and purpose of employment.

Operations at the tactical level of war, in a distributed and dispersed non-contiguous environment, demand responsive UAS capability at division, brigade and battalion levels. Tactical-echelon battle captains are responsible for integrating all types of Army multi-mission UAS systems to fully enable combat missions such as Intelligence, Surveillance, Reconnaissance, and Target Acquisition, communications relay, and manned-unmanned teaming with weaponized systems.

At the strategic and operational levels of war, Joint and Theater Commanders shape the battlespace through deliberate planning afforded by time. As the Air Force memo explains, the UAS contribution at this level can be allocated to supporting activities such as ISR.

158. Senator SESSIONS. Secretary Geren and General Schoomaker, do you believe the Army's interests will be fully represented if the Air Force is the executive agency of this program?

Mr. GEREN and General SCHOOMAKER. The Army does not believe that the Army's UAS requirements will be fully represented if the Air Force is the executive agency for this program. The Army therefore recommends the OSD uphold the 2005 decision to use the JUAS MRB and the JUAS COE in lieu of a single Service executive agent. The JUAS MRB and the JUAS COE can and will work and achieve the Air Force's executive agency goals. With full support, these organizations will enable full joint service buy-in and resolution of issues.

QUESTIONS SUBMITTED BY SENATOR MEL MARTINEZ

FUNDING THE ARMY END STRENGTH INCREASE

159. Senator MARTINEZ. Secretary Geren, I was pleased to see the President propose an end strength increase for the Army (65,000 Active Duty soldier increase over 5 years) and I fully support that increase. Can you estimate how much will the first installment of that increase (7,000 troops) cost for fiscal year 2008 and how much it will cost over time?

Mr. GEREN. The incremental cost for the first installment of 7,000 soldiers totals $630.4 million for pay and allowances. The estimated cost of pay and allowances for the 65,000 increase through fiscal year 2013 is $24.7 billion.

160. Senator MARTINEZ. Secretary Geren, will this be funded from the Army's top line—or will the Army budget be increased to fund the increase?

Mr. GEREN. The Army budget received an increase to its topline to fund the pay and allowances to support the Active Army's end strength growth through fiscal year 2013.

READINESS OF ARMY RESERVE AND ARMY NATIONAL GUARD FORCE FORCES

161. Senator MARTINEZ. Secretary Geren, I am concerned about the state of both the Army Reserve and the ARNG. They must be properly resourced and that is a challenge in a constrained budget environment. The demands on both the Guard and Army Reserves have greatly expanded since September 11. The National Guard is deploying worldwide at a demanding pace, while playing an absolutely critical role in assisting our States meet their homeland security and natural disaster requirements. We know that this deployment pace means that we are incurring increasing risk. I know the Army is undergoing a shift of how the Reserve components are structured—our Reserve and ARNG Forces are being severely tested. Are there more legislative and/or policy changes needed in the way we can structure, resource, and use our Guard or Reserves?

Mr. GEREN. The Army is committed to resourcing the Reserve component at 100 percent of their documented authorizations with available resources. The Army has just finished a collaborative reorganization of the Active component and Reserve component to meet the operational needs of a nation at war and to posture ourselves to meet the future security needs of America. Additionally, the Army is implementing recent policy changes from the OSD to redefine the use of the Reserve component. Both the Army reorganization and the Defense policy changes will provide an Army ready to answer the requirements of this Nation. We are currently working to identify future training and equipping requirements for the Reserve component.

162. Senator MARTINEZ. Secretary Geren, I also understand that in an effort to reduce mobilization time and enhance preparation for combat deployments, more National Guard and Reserve training will be done at home station—before they get to a mobilization center. Does this fiscal year 2008 budget request include sufficient funding for State Adjutants General to do this home station training?

Mr. GEREN. The DOD recently revised its policy with respect to the mobilization of ARNG and Reserve Forces for service in contingency operations. Previously, ARNG units would spend 18 months or longer in a mobilized status in order to serve approximately 12 months of boots-on-the-ground in theater. The extra 6 months or more of mobilized time was consumed primarily by individual and collective training that took place at the mobilization station prior to overseas deployment. The policy change now limits the mobilized time to no more than 12 months per specific contingency operation.

The Army supports what is allocated in the fiscal year 2008 President's budget. The new mobilization policy was enacted after the submission of the President's budget; therefore, the ARNG pre-mobilization training requirements were not included. Current fiscal year 2008 budget funding levels allow National Guard units to achieve the minimal training requirement for a peacetime force. This is a risk that is no longer acceptable for an Operational Force. Resourcing for pre-mobilization training is essential to ensure trained and ready units prior to official mobilization dates. ARNG units conducting pre-mobilization training in fiscal year 2008 are associated with fiscal year 2009/fiscal year 2010 rotations. The basic calculations include additional Inactive Duty for Training, Annual Training, and Active Duty for Training days, plus supporting operational tempo and associated operations and maintenance costs. These costs are considered global war on terrorism expenses for fiscal year 2008. The Army is updating its supplemental request to reflect these new requirements.

163. Senator MARTINEZ. Secretary Geren, will there need to be a further reallocation of funding to support this shift of responsibility to the States and regions?

Mr. GEREN. Funding for the recent change of the mobilization policy for the Reserve component will require some reallocation of funding. At this time, the Army is working with the ARNG and Army Reserve to determine what the fiscal year 2008 requirement will be to implement this policy. Previously, the majority of training was performed post mobilization and funded through Active component appropriations. The new policy will require training to be performed prior to actual mobilization. A reallocation of funding to the Reserve component appropriations may be needed to support this. The appropriate amount will be determined upon final decisions on training requirements and certification.

NATIONAL GUARD SUPPORT TO SECURITY OPERATIONS ON OUR SOUTHERN BORDER

164. Senator MARTINEZ. General Schoomaker, last year the President directed approximately 5,000 National Guard troops to protect critical infrastructure and patrol our southern border. Can you provide an update on how that mission is going and what its impact is on overall readiness?

General SCHOOMAKER. The mission of this operation is to provide a short-term enhancement to the ability of the Department of Homeland Security to secure our southwest border while additional border patrol agents are being hired and trained. This mission is being successfully accomplished and has allowed Customs and Border Protection to bring more agents on board and focus on reducing the number of illegal border crossings. The mission is staffed by National Guard volunteers. One of the Presidential directives for this mission was that it not degrade the National Guard's combat capability, and we have been successful in that regard.

U.S. ARMY WOUNDED WARRIOR PROGRAM

165. Senator MARTINEZ. General Schoomaker, during a recent visit to Walter Reed, I was briefed on the Army Wounded Warrior (AW2) Program (program designed to provide special help to the severely wounded in rehabilitation, retraining, and adjustment). It is a superb initiative. What more can be done to rapidly expand the AW2 Program?

General SCHOOMAKER. The Army thanks you for the compliment and remains committed that "We Will Never Leave a Fallen Comrade." The AW2 Program is now tracking more than 1,500 severely injured and wounded soldiers. To ensure these soldiers receive the best treatment available to them the Army works closely with

the VA to coordinate the medical care of seriously wounded and disabled soldiers while they are being treated.

Our wounded warriors are treated with the dignity and respect they have earned and deserve. Since October 2005, the program has expanded by more than 400 percent. We have increased the number of Soldier-Family Management Specialists (SFMS) from 9 to 46 with continuous hiring to reduce the average caseload to 33 soldiers to every 1 SFMS. Our SFMSs are currently embedded in 11 military medical treatment facilities and 19 VA medical centers throughout the United States with further expansion anticipated. This decentralization of operations allow our SFMSs to literally "reach out and touch" our soldiers and families.

The Army is developing a more seamless transition to the VA for separating soldiers with moderate injuries and disabilities. In addition, we have extended current outreach programs to include Corps G1s, commanders at brigade level, and rear detachments of deployed units and their Family Readiness Groups. There are still some commanders at battalion and company level that are not aware of the AW2 Program. We have to reach this population not only to ensure that we are providing the best possible care to the soldiers, but also to reach other veterans/soldiers unaware of the program. We have dozens of initiatives working including involvement with the Veterans Advisory Committee on Rehabilitation, the DOD Mental Health Task Force, the Office of Secretary of Defense FOR Health Affairs Family Transition Initiative, The Surgeon General of the Army's Traumatic Brain Injury Task Force, and the Assistant Secretary of the Army (Manpower and Reserve Affairs) directed Physical Disability Transformation Initiative.

166. Senator MARTINEZ. General Schoomaker, what more can Congress do to support the soldiers and their families as they transition—oftentimes with life-changing injuries?

General SCHOOMAKER. Congress has provided all of the resources necessary for the Army to operate the Army Career Alumni Program (ACAP). The ACAP provides transition services to all separating/retiring soldiers, including soldiers with life-changing injuries. The services provided by ACAP include congressionally mandated pre-separation counseling and coordination with other Federal agencies such as the Department of Labor for an employment workshop and the VA for benefits briefings and a Disabled Transition Program briefing. ACAP also offers one-on-one counseling, use of automated employment tools, and special seminars. Our guidance and policies are established by DOD based upon current requirements in Public Law.

NARCO-TERROR IN THE LATIN AMERICA AND THE CARIBBEAN

167. Senator MARTINEZ. General Schoomaker, the overall U.S. military support to the counterdrug effort is coordinated through SOUTHCOM. I think it is important that we continue to adequately fund military and non-military parts of our support to Colombia. Can you comment on the overall Army contribution to the U.S. effort in the Andean Counterdrug Initiative and Plan Colombia for fiscal year 2008?

General SCHOOMAKER. Currently in the Andean Ridge area (Colombia, Ecuador, Peru, Bolivia, and Venezuela) the Army has approximately 200 soldiers, of which approximately 60 are permanently assigned to these countries. In Ecuador, Bolivia, Venezuela, and Peru the Army counterdrug effort is through the Military Assistance Groups and Military Advisory and Assistance Groups at the embassies. Most Army support to the region takes place in Colombia.

U.S. Army South supports the overall U.S. effort in Colombia in a number of ways: For 3 years, U.S. Army South has been assisting in the development and improvement of the Colombian Army's Sergeant Major Academy Program in order to institutionalize a formal training system for Senior Noncommissioned Officers (NCOs) in the Colombian Army. Our intent is to help the Colombian Army develop and sustain an NCO education system adequate for their needs.

The 204th Military Intelligence Battalion routinely deploys approximately 55 soldiers to Colombia with Airborne Reconnaissance Low (ARL) platforms. These soldiers provide real time information in support of U.S. and Colombian requirements. The unit deploys to Colombia for 9 months out the year (on a cycle of 135 days in country/45 days reset at home station).

U.S. Army South manages the U.S. portion of a Forward Operating Site in Apiay, Colombia. This Colombian Airbase provides the lodging, maintenance, planning, and operations support to U.S. aircraft, including the ARL aircraft, operating in the region.

U.S. Army South provides a range of administrative and logistic support to the U.S. Military Group in Colombia. The U.S. Military Group is in turn working di-

rectly with the Colombian Armed Forces to support their counterdrug and counterterrorism efforts.

U.S. Army South conducts several subject matter expert exchanges with the Colombian Army in order to share ideas, explain concepts and assist the Colombian Army. Topics for these exchanges include the use of military police working dogs, aviation logistics, personnel recovery, geospatial intelligence/terrain analysis, and military law. In fiscal year 2007, U.S. Army had over 45 engagement events with the Colombian Armed Forces at a cost of approximately $1.2 million.

The Revolutionary Armed Forces of Colombia still hold three U.S. DOD contractors hostage and we are working with the Colombian Armed Forces to locate and free these three men.

168. Senator MARTINEZ. General Schoomaker, with all the demands on Army forces worldwide, will you have the numbers and specialties required to conduct these counterdrug training and operational programs in the Western Hemisphere?

General SCHOOMAKER. The Army meets the U.S. Army South requirements in support of subject matter expert exchanges, peacekeeping exercises, and small unit exchanges with the countries of Latin America. We remain engaged throughout the region and, through efficient use of resources, are able to maintain our presence in Latin America.

BUILDING THE MILITARY CAPACITY OF ALLIES THROUGH SECURITY COOPERATION

169. Senator MARTINEZ. Secretary Geren, I am impressed with the counterpart programs being executed by the Army throughout the world—particularly with our partner nations in the Western Hemisphere. These military-to-military programs of exercises, exchanges, and training provide our U.S. Ambassadors in the region with additional tools to encourage democracy and development. Our Army Officers and NCOs conduct these training and exchange programs and build necessary capacity. Just as importantly, they serve as role models for the military institutions that operate under civilian control. The example of El Salvador serving by our side is a great example of the success of these military-to-military programs. Are we funding those programs adequately?

Mr. GEREN. The Army participates in numerous security cooperation programs, to include the types that are cited in your question: exercises, exchanges, and training. We refer to these and other international activities as security cooperation and execute them in accordance with the DOD's Security Cooperation Guidance. The Army and the other military Services are charged with providing assets to support the combatant commanders, especially the geographic combatant commanders, as they conduct their respective security cooperation efforts. However, the Army also uses security cooperation to improve its own abilities—whether to improve our ability to conduct closely coordinated military operations with allied forces, to develop and acquire the best available technology, or to increase the individual soldier's language and cultural skills.

The geographic combatant commanders use Army assets in their efforts to encourage other nations to work with us to achieve mutual strategic objectives, thus shaping the strategic environment. They annually assess not only the effectiveness of their respective theater security cooperation efforts, but also the effectiveness of the support that they received from the military Services. These assessments are classified; nevertheless, we can say that each combatant commander reported some progress.

There is an intense competition for funding amongst the many things the Army does. Factors other than funding play a major role in the conduct of security cooperation activities. For example, in the National Defense Authorization Act of 2007, Congress lifted restrictions previously imposed on the International Military Education and Training Program and we now have more flexibility in allocating future Army school spaces to foreign soldiers. Nevertheless, since there were no additional funds allocated, we will still not be able to meet all the demand for security cooperation support that came from the combatant commanders—we receive more requests for attendance at the Army War College and the Army CGSC than we can satisfy.

In the interim, the Army continues to improve its security cooperation strategy and program management.

AVIATION MODERNIZATION

170. Senator MARTINEZ. General Schoomaker, you are asking $4.18 billion for aviation procurement and that includes new UH–60 Black Hawks to meet future force requirements—in addition to what you have requested in the supplementals. What is the state of readiness of the aviation fleet?

General SCHOOMAKER. The UH–60 fleet overall is in good shape in terms of readiness. Our deployed fleet maintained the highest state of readiness, followed by our nondeployed aircraft and National Guard aircraft. This level of readiness is due in large part to the supplemental appropriations which allowed the Army to continue to reset the force and maintain our readiness at Army standards. Readiness will further increase for the entire force as we resource the following modernization activities: AH–64D (remanufacture and new build), CH–47F (remanufacture and new build), UH–60M (new build) and the UH–72A (new build). The UH–72A will greatly benefit the readiness of National Guard aviation units and enhance their ability to respond to State and national disaster missions. Army aviation could not have addressed the needs of the aforementioned aircraft systems if not for the direct support of Congress in reprogramming Comanche budgetary authority.

171. Senator MARTINEZ. General Schoomaker, what are your key challenges and what are you doing to adapt to the increasing demand being placed on Army aviation resources?

General SCHOOMAKER. Understanding the stress of the global war on terrorism on the useful life of aviation platforms, Army aviation identified the need to initiate sustainment programs that allowed our aviation force to provide continuous operations in the protracted war. These sustainment programs include:

a. Reset: returns aircraft to pre-deployment conditions.

b. Preset: installs modification work orders to incorporate lessons learned into our systems—reduce environmental impacts and enhance Aircraft/Aircrew Survivability.

c. Operational Losses: resources for replacement aircraft has been funded through congressional supplemental fiscal year 2005–fiscal year 2007. Currently 90 of 126 aircraft have approved for supplemental funding for replacement. Of the remaining 36 to be replaced, 29 are OH–58Ds that will be replaced with the Armed Reconnaissance Helicopter (ARH). As of this date, the funding of these 29 aircraft has not been provided in previous supplemental requests. The last seven aircraft have been results of operational losses in January, February, and April 2007 (two AH–64s, three UH–60s, one CH–47, and one OH–58D) that have not been included in the supplemental request.

d. Recapitalization Program: returns a limited number of aircraft to "like new" near zero time condition (193 UH–60 and 56 CH–47).

e. Purchasing New CH–47Fs and UH–60Ms: new CH–47s and UH–60s will eventually replace the oldest/most damaged aircraft of their respective fleets after filling holes in the fleets. The ARH will replace the antiquated OH–58D aircraft. The light utility helicopter relieves the pressure on the UH–60 fleet.

These sustainment programs have allowed Army aviation to maintain a flying operational tempo up to five times higher than peace-time rates.

JOINT CARGO AIRCRAFT PROGRAM

172. Senator MARTINEZ. Secretary Geren, it is my understanding that the Army is in the lead for the joint Army/Air Force JCA program to replace several old platforms (C–12, C–23, C–26). Can you give me an update on the status of the JCA program?

Mr. GEREN. The JCA is a fixed-wing cargo aircraft, providing light-to-medium intratheater airlift capability for time-sensitive/mission-critical cargo and troops in support of combat operations. JCA will support all five airlift missions (passenger/cargo movement, combat employment and sustainment, aero medical evacuation, special operations support, and operational support airlift), plus homeland security and relief missions.

In October 2006 a Joint Program Office was established between Army and Air Force, with the Army as lead agent. The Army AoA update is complete, as requested by OSD, to enable a sufficiency review. The Air Force is studying initial fleet size requirements. The Deputy Secretary of Defense has approved continuance of the program as a Dual Service Army/Air Force program. The Capability Development/

Production Document was approved by the JROC on April 19, 2007. Strategies addressing Joint Training and Sustainment are coordinated between the Army and Air Force and reside with the Director, Acquisition Executive pending formal approval. The source selection is ongoing and should be completed in May 2007. The Milestone C decision/Defense Acquisition Board is scheduled for May 2007 and source selection results will be announced following the Milestone C decision. We can expect to purchase two aircraft following this decision.

173. Senator MARTINEZ. Secretary Geren, how important is the JCA to the Army's strategic mobility?

Mr. GEREN. JCA is not a strategic mobility platform; this is a transformation piece to the Army's fixed-wing legacy fleet. The Air Force will use the JCA to supplement the existing C–130 intratheater airlift fleet, allowing for greater efficiencies for hauling smaller loads. The Army will use the JCA to focus on time-sensitive mission-critical resupply and key personnel transport at the tactical level—the last tactical mile.

174. Senator MARTINEZ. Secretary Geren, what effect will any delay in procuring this platform cause to our lift capability? At what cost?

Mr. GEREN. Operational impacts to the Army are twofold. The Army is currently meeting its critical needs with inadequate and costly platforms for this logistical mission—the C–23 Sherpa and the CH–47 Chinook. The CH–47, from the onset of OEF and OIF, is conducting logistical resupply missions that could be performed by a JCA. Conservatively, over 25 percent of CH–47 usage in OIF is attributed to resupply missions, nontactical functions. In OEF, we have been forced to use contract aircraft due to the C–23's inability to meet lift and performance capabilities at high and hot altitudes present in Afghanistan. The impact of a delay will be an increase in lifecycle costs and a decrease in airframe life with longer reliance on rotary wing aircraft and ground vehicles on an asymmetrical battlefield and subsequent higher force protection risks. Operational impact to the Army fixed-wing fleet (C–23, C–26, and C–12) are specific modernization costs to include: upgrades and survivability as immediately associated with: global air traffic management, safety, aircraft survivability equipment, and night vision goggles, along with continued modifications and sustainment. This has future implications as legacy aircraft are programmed for retirement from the force.

FLORIDA NATIONAL GUARD HELICOPTERS

175. Senator MARTINEZ. General Schoomaker, today more than ever, the National Guard is a full partner with the Army in performing vital war and local emergency needs. Every month the National Guard deploys their best equipment, including many HH–60 Blackhawk helicopters, to the war on terror. I remain concerned about the ability of the National Guard to respond to natural disasters in my State of Florida. What is your view of National Guard aviation readiness in light of the demands being placed on National Guard equipment?

General SCHOOMAKER. Our overall Army priority remains focused toward best meeting the warfighting needs of our deployed forces, and doing so to the greatest extent possible by providing both complete and coherent units. However, we also work closely with both the National Guard Bureau and the ARNG to do whatever is achievable to minimize and mitigate the impacts on any single State or region when some of their ARNG units are mobilized for overseas duty. In the case of Florida, this mitigation includes filling Florida's two UH/HH–60 units to 100 percent of their authorized level vice the overall 80–83 percent fill level existing in the ARNG UH/HH–60 inventory; sequencing the mobilization of one Florida UH/HH–60 unit so that it is offset by the return and demobilization of Florida's other UH/HH–60 unit; and pre-planned regional and national arrangements to rapidly reinforce Florida's UH/HH–60 force with assets from adjoining and nearby States, in the event of a disaster. Active Army aviation forces are also available to support disaster relief if requested by State authorities.

176. Senator MARTINEZ. General Schoomaker, how vital is the Blackhawk H–60 A to L modernization program?

General SCHOOMAKER. Currently, UH–60A to L is not part of the UH–60 Modernization Program. The National Defense Appropriations Act for Fiscal Year 2007 identified $12.35 million towards UH–60 Black Hawk modifications, specifically A to L conversions. This will be used for engineering, production analysis, cost verification, and conversion of a pilot/demonstration aircraft within the next 12 to

18 months. Once complete, we will analyze the cost data to determine the feasibility of further conversions.

177. Senator MARTINEZ. General Schoomaker, does Congress need to set aside funding specifically for the National Guard so they can maintain their lift capability?

General SCHOOMAKER. The Army and the ARNG already have longstanding standard funding mechanisms in place for maintaining aircraft and training aviation units. The Army training resource model identifies the flying hour requirements and funding needed by each Army, ARNG, and Army Reserve aviation unit throughout the force. Efforts by Congress to fully fund aviation operational tempo would significantly help all Army units, including the National Guard, to sustain proficiencies. Additionally, should the UH–60 A to L recap pilot/demonstration aircraft prove feasible, funding for the remaining UH–60 aircraft scheduled to undergo this recap/upgrade would be important to the Army.

[Whereupon, at 12:45 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, MARCH 20, 2007

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

POSTURE OF THE UNITED STATES AIR FORCE

The committee met, pursuant to notice, at 9:37 a.m. in room SR–325, Russell Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Bill Nelson, E. Benjamin Nelson, Clinton, Pryor, McCaskill, Warner, Inhofe, Chambliss, Dole, Cornyn, and Thune.

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

Majority staff members present: Madelyn R. Creedon, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, counsel, and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Gregory T. Kiley, professional staff member; Derek J. Maurer, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; and Sean G. Stackley, professional staff member.

Staff assistants present: Fletcher L. Cork, Micah H. Harris, and Benjamin L. Rubin.

Committee members' assistants present: Frederick M. Downey, assistant to Senator Lieberman; Christopher Caple, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; Andrew Shapiro, assistant to Senator Clinton; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger and Jason D. Rauch, assistants to Senator McCaskill; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; Stuart C. Mallory, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee will come to order.

I want to welcome Secretary Wynne and General Moseley back to the committee this morning. Both of you have had outstanding careers of leadership and service to the Nation. We're grateful to you for that service. We know that you have some special guests with you this morning, too, and, in a moment, when we call on you, we would appreciate your introducing those wonderful people to the committee.

You're faced with a number of critical issues that confront the Air Force. Although not at the same operating tempo as the Army and Marine Corps, the Air Force faces a difficult challenge in balancing its modernization needs against the costs of supporting ongoing operations in Iraq and Afghanistan.

One of these acquisition challenges is in space systems. All of the Air Force space satellite systems are in the process of modernization and replacement and all have seen substantial cost growth and schedule delays. In many instances, the initial cost and schedule predictions were unrealistic; in others, the technical risk was greater than thought, or not well-understood, and others suffered from poor management or execution. Some of these programs are showing improvement, but most are not out of the woods yet. As a result, the space program costs have increased substantially overall.

During our deliberations on the National Defense Authorization Act for Fiscal Year 2007, it became clear that the Air Force could not meet its requirements with the reduction in the B–52 bomber fleet that was proposed in the Quadrennial Defense Review. Therefore, Congress did not approve the Air Force's request to reduce the number of B–52 bombers to 56 aircraft. Congress did authorize the Air Force to retire up to 18 bombers from the current fleet of 93 B–52 bombers, leaving at least 75 B–52s in the force structure. That authorized reduction was predicated on the completion of a report that would analyze all aspects of the overall bomber fleet, including requirements and modernization plans. Our understanding is that this report will not be completed and submitted to Congress at least until the end of fiscal year 2007. As a result, the Air Force will not be able to retire any of the 18 bombers until fiscal year 2008.

Nevertheless, the Air Force is again requesting permission to retire more B–52s, and we need to hear from our witnesses this morning: Why does it makes sense for Congress to authorize more reductions prior to receiving the report from last year, as the questions remain the same and remain unanswered?

In another area, last year Congress added 10 C–17 aircraft to the fiscal year 2007 bridge supplemental request. The Air Force budget request for fiscal year 2008 does not include any funding to keep the C–17 production line open. Nevertheless, General Moseley, you've been quoted as saying that you would like to retire C–5A aircraft and buy more C–17 aircraft. You are requesting two more C–17s on your unfunded priority list (UPL), at a cost of roughly $473 million. Also this year, some are asking that we add full funding for 16 more C–17 aircraft to the fiscal year 2008 budget, at a cost of more than $3 billion. There have also been reports of cost increases in the C–5 re-engining program that was at one time intended to modernize the 49 C–5B and 62 C–5A aircraft in the fleet.

So we need to hear about the Air Force's plans for airlift modernization and sustainment.

Underlying all of these major acquisition concerns is an acquisition management issue. Secretary Wynne, when you came into the job, you recognized that you would have to take significant steps to build up the acquisition workforce and restore confidence in the Air Force acquisition system after the abuses and the poor decisions that were previously documented in the tanker lease program. We'd like to hear of your progress in that effort, this morning.

On the tanker issue, we appreciate that the Air Force leadership has taken special measures to ensure transparency in the tanker acquisition process. Openness is an excellent model for how the Air Force and the Department of Defense (DOD) should deal with Congress and we are appreciative of the progress that you made relative to that in the tanker acquisition matter.

So we look forward to hearing your testimony this morning on these and other issues facing the Air Force. For the information of all of our members, I believe there is a series of three votes that are scheduled to take place this morning, not later than 11:30 a.m., which will likely cause us to adjourn the hearing at that time. So our goal is to complete our hearing by the time the first vote is called.

Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman.

On behalf of our distinguished ranking member, Senator McCain, I place in the record this morning his opening statement. I urge that our witnesses examine it with care, because Senator McCain, being an airman, has taken a very special interest in a number of the programs; likewise, he has a very special interest in acquisition. I think it's important that our witnesses examine carefully the strong and sage advice that he provides the Department of the Air Force in his opening statement.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

Chairman Levin, thank you.

I join our chairman in welcoming our witnesses here today.

While many focus on the Army and Marine Corps contributions in Iraq and Afghanistan, the efforts of the U.S. Air Force on behalf of our Nation are significant. The Air Force has been actively engaged in the Central Command area of operations for 16 years—the first Gulf War, enforcement of Iraq no fly zones along with the Navy, and, now, Operations Enduring Freedom and Iraqi Freedom. Those deployments, in addition to operations in Bosnia, Kosovo, and elsewhere throughout the world in support of humanitarian efforts, have made maximum use of the Air Force's Air Expeditionary Force concept. Allow me to express our gratitude to the men and women of the Air Force as they continue their selfless sacrifice.

While we recognize the Air Force's invaluable contribution to the defense and security of our Nation, a few programs make this hearing seem like we are fighting the same budget and policy battles as last year.

Once again, the F–35 Joint Strike Fighter program eliminates funding for the development of a second engine production source. Last year, we held extensive hearings on this subject, and are still awaiting the required reports discussing the pros and cons of ensuring that a competitive environment is maintained for the production of aircraft engines. Yet, contrary to expert opinion and congressional direction, this budget eliminates funding for a second source before the analysis is complete.

Similarly, the Air Force is again sending conflicting messages that it has the minimum required strategic lift capability with the current fleet mix of C–17s and C–5s, and yet included C–17s in its unfunded priorities list (UPL). The Air Force has also argued it needs to retire C–5s—begging the question what is to replace that capability if allowed to retire C–5s, since the budget does not include funding for the C–17 program. This apparent brinkmanship approach to shutting down the C–17 production line has once again set off a lobbying effort within the halls of Congress to add additional C–17 aircraft to the defense budget.

Let me remind my colleagues of one of the more egregious add-ons in the Defense Appropriations Bill for Fiscal Year 2007—the addition of $2.1 billion for 10 C–17 cargo aircraft that were not requested by the administration. The Air Force did not ask for these additional C–17s and the Quadrennial Defense Review clearly states a need for a total of only 180 aircraft. However, Congress agreed to add 10 more C–17s than our top military planners say they need to meet our National Military Strategy. Another reason why this earmark was particularly objectionable was that going into the Defense Appropriations Conference last year the House had only approved three additional C–17s and the Senate had approved only two. At a minimum, seven additional C–17 aircraft were added by the conferees that were outside the scope of matter they were tasked to resolve.

Again, the acquisition process within the Air Force is coming under scrutiny. In past years, as we are all well familiar, the focus has been on the tanker replacement program. While I am encouraged that program is finally on firmer footing with industry now preparing proposals for the Air Force to evaluate, concerns remain over other Air Force acquisition efforts.

Last year, the Air Force proffered a multi-year procurement proposal in which "substantial savings," as defined in applicable law, were suspect. This year alone, a bid protest for the next generation combat search and rescue helicopter was upheld by the Government Accountability Office; the C–130 aviation modernization program reported a Nunn-McCurdy cost breach; and both the planned C–5 reengining effort and the future core component jammer are on the brink of major cost and schedule breaches.

Finally, the Air Force has submitted a UPL of items that did not make it into the final budget request that totals in the billions of dollars, despite the fact the Air Force budget has grown by nearly 30 percent, in constant dollars, since 2001. The Air Force submitted a UPL totaling $16.9 billion for 2008. That amount is nearly twice as large as the Army's, six times as large as the Marine Corps', and triple the amount the Air Force requested just last year. A full $6.0 billion of the request is for military construction projects and appears to contain every military construction program in the Air Force's 5-year future defense program. The top "unfunded" request includes $2.6 billion for aircraft recapitalization and modernization—a longstanding Air Force top priority.

I have concerns in other areas, as well, that I hope the witnesses will address in their testimony, or during the question and answer period. The witnesses should expect questions on: the recent anti-satellite test conducted by the Chinese; the impact on Air Force requirements resulting from planned Army and Marine Corps end strength increases; the Air Force certification of substantial savings for the F–22 multi-year procurement; and concerns over certain costs included in the President's supplemental requests—such as those added for additional F–35s and CV–22 Ospreys.

I thank the witnesses and look forward to your testimony.

Senator WARNER. Mr. Chairman, I think all of us here on the committee are very grateful that you've brought these distinguished airmen here this morning to introduce. But, while we focus so much of our attention, and understandably, on the Army and the Marine Corps, as they're courageously carrying out the missions in Afghanistan and in Iraq, we are mindful of the support role, and in often cases, not just support, but direct interaction, at a very high risk, that the members of the United States Air Force are taking in these two operations, as well as other operations elsewhere in the world. So, all America has in its heart the men and women in uniform today. I say "in its heart," because it is in sharp contrast to previous periods that I have experienced in my long and privileged association with the men and women in the military, not only the uniformed persons are in their hearts, but the families of

these very brave men and women who go forward and depart from their families and take on these risks.

So, I salute not only your honored guests this morning, but, I expect, thousands of others similar to them, elsewhere at various places throughout the world, and, indeed, in training, here in the United States. My very limited association with flying always reminds me that there's just as much risk on a takeoff as there is on a landing, whether that's abroad or right here at home. So, it's a high-risk business that many of your airmen are engaged in, and we are proud to salute them.

I will just make two other observations. One, I listened very carefully to the distinguished chairman as he described the various disconnects, apparently, between Congress and the Department of the Air Force with regard to the management of aircraft. I would hope that we could quietly get together and sort these things out somehow. Having been in your position, Secretary Wynne, for some period of time myself many years ago, I just feel that these are decisions that can be worked out. You have to be given the maximum flexibility possible to manage your inventory of aircraft, be it the acquisition of the new ones or the retirement of those that have served our Nation well.

So, I hope, Mr. Chairman, that you and others on this committee that have direct responsibility for these programs—and I will join, also—see if we can't sort it out and give you the flexibility you need.

Now, I do want to address, gentlemen, the question of the Joint Strike Fighter (JSF) and the two-engine program. Now, I fully recognize that each of you have bosses in this world in which we live. I know them very well, and have a high degree of respect for them. But I'll ask the question and you can ponder the answer before it comes. I don't know of any time in history that we have contemplated giving to a single contractor a $100 billion contract, which could play out over the next 10 or 12 years. Experience with high technology has shown us that we should have some backup. Experience has told us that competition can improve not only the price, but the quality of the product. So, I'll return to that, Mr. Chairman, in the course of my question period. It concerns me greatly.

Having said that, I wish you well. Thank you very much.

Chairman LEVIN. Thank you, Senator Warner.

Secretary Wynne and General Moseley, we now turn to you. We would ask that you do take a moment and introduce your special guests, and our special guests, to the committee this morning. Why don't we start with that, if you would.

Secretary WYNNE. Senator, I'll defer to General Moseley and allow him to, in fact, do that.

General MOSELEY. Mr. Chairman, if you'll allow me, instead of prepared remarks, I would like to introduce these great airmen.

STATEMENT OF GEN. T. MICHAEL MOSELEY, USAF, CHIEF OF STAFF, UNITED STATES AIR FORCE

General MOSELEY. First, Lieutenant Colonel Marty McBride. He currently commands the 81st Fighter Squadron in Spangdahlem, Germany. He's a Weapons School graduate, and he's recently re-

turned from Afghanistan, where he led a total force—Guard, Reserve, and Active A–10s—through 24-hours-a-day, 7-days-a-week combat operations from May until September 2006. His squadron flew over 2,000 missions and 7,000 combat hours, operating out of Bagram in northern Afghanistan. They accomplished over 520 troops in contact close-air-support missions. He delivered 102,000 rounds of 30-millimeter off the A–10, and delivered over 300 bombs. Sir, this is a squadron commander just back from Afghanistan. He's one of our great airmen.

Next is Major Toby Doran. He's the chief of tactics at Headquarters Air Force Space Command. He's also a Weapons School graduate. His other assignments have included chief of tactics, chief of precision-guided munitions, and chief of operations. He was a previous enlisted airborne crypto-linguist aboard our RC–135 Rivet Joints. He served in Operations Desert Shield, Desert Storm, and Provide Comfort. Most recently, he served as the space weapons officer with the 1st Marine Expeditionary Force forward in Al Anbar province, from February to July 2006. His job was to ensure seamless connectivity from Air Force space systems into the Marine system and on to the ground parties. He helped ensure the Marines had accurate artillery, rocketfire, as well as navigation and communications. He is one of our great space warfighters.

Sir, next is Captain Andi McElvaine, bomber pilot. She's from Minot Air Force Base, ND. She's a Weapons School graduate also, with 2,000 flight hours, including 360 combat hours. She's been an aircraft commander on unit deployments. She's a weapons and tactics officer. She's deployed to the Arabian Gulf for Operation Southern Watch, two times for Operation Enduring Freedom (OEF), and two times to Anderson Air Force Base, in Guam, as part of our Pacific Command's continuous bomber presence there. She represents everything that we hold dear about opportunities in the Air Force and our bomber community.

Sir, next is somebody that is near and dear to every aviator's heart. He's a pararescueman (PJ). This is Tech Sergeant Jason Marfell. He's from the 38th Rescue Squadron at Moody Air Force Base, GA. He's the noncommissioned officer in charge of standardization and evaluation. He's won two Sikorsky Awards for skill and courage during two actual lifesaving missions. He's a winner of the 2006 Air Force Pitsenbarger Award for the year's top lifesaving rescue. He's deployed multiple times on a wide range of contingency and combat operations: Southern Watch, Northern Watch, and Enduring Freedom. Three times, he's deployed to support space shuttle transoceanic landing sites. He's deployed to southern Africa for Operation Atlas Response. He's provided humanitarian disaster relief after flooding in Mozambique in South Africa in 2000. This is one of the guys that will come get you if you have to dismount from an airplane, and there's no better sight for anybody that flies airplanes than to be around a PJ.

Sir, last is a boomer. She's the person responsible for transferring fuel from our tankers into a wide range of other aircraft. This is Staff Sergeant Christine Chavez. She's an instructor boom operator from McConnell Air Force Base, KS. In Airman Leadership School, she won the Levitow Award for being the top graduate. She's been a flight supervisor and refueling instructor. She's been

a systems operator through numerous deployments including Operations Southern Watch, Enduring Freedom, and Iraqi Freedom. She's operated out of Diego Garcia; Sheik Isa, in Bahrain; Al Udeid, in Qatar; and Al Dhafra, in the United Arab Emirates. She has 1,000 hours and 163 combat missions.

Sir, this is also everything that we hold dear about officers, enlisted folks, and people that fly.

So, sir, behind me, you have a fighter guy, a space guy, a bomber, a boomer, and a PJ. This is the wide spectrum of everything that we do for this country. Sir, I'm so proud to serve alongside them and wear the same uniform. [Applause.]

Secretary WYNNE. Mr. Chairman and members of the committee, thank you very much.

[The joint prepared statement of Mr. Wynne and General Moseley and the 2007 Air Force Posture Statement Package follow:]

JOINT PREPARED STATEMENT BY HON. MICHAEL W. WYNNE AND GENERAL T. MICHAEL MOSELEY, USAF

MAINTAINING AMERICA'S EDGE

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—to fly and fight in air, space, and cyberspace.

Our Air Force Core Values of Integrity First, Service Before Self and Excellence in All We Do—embodied in every airman—guide our actions and ensure your Air Force remains committed and ready to deter, dissuade or defeat any adversary anywhere in the world.

As airmen, we are the Nation's premier multi-dimension maneuver force, with the agility, reach, speed, stealth, payload, precision, and persistence to achieve global effects. Control of the air, space, and cyberspace domains provides the essential bedrock for effective joint operations—securing freedom to attack and freedom from attack.

In 2005, we revised the Air Force mission statement to include cyberspace. This inclusion of cyberspace reflects our recognition of cross-domain interdependence and emphasizes our non-negotiable commitment to deliver sovereign options for the U.S. through not only air and space but also cyberspace.

Our 2007 Posture Statement articulates the major elements required to fulfill our mission. It reaffirms our commitment to focus our energies on the global war on terror; to develop and care for our airmen and their families; and to recapitalize and modernize our aging aircraft, spacecraft, and equipment.

Our top acquisition priorities include: the KC–X Tanker; the CSAR–X Combat Search and Rescue Helicopter; space communications, space situational awareness and early warning programs; the F–35A Joint Strike Fighter (JSF); and Next Generation Long Range Strike—a new bomber.

Our Posture Statement further reaffirms our commitment to be good stewards of the resources entrusted to us and our resolve to dominate air, space, and cyberspace in defense of our Nation now and in the future.

Challenges

America's Air Force faces significant challenges. We have been engaged in combat for 16 years while transforming into a smaller, leaner and more capable force. Fiscal constraints combined with operational challenges and a dynamic international security environment translate into risks we continue to manage and mitigate in order to provide capabilities America needs. The Air Force continues to fight the global war on terror and prepares to face and overcome threats and conflicts of the future. In order to remain dominant, we must maintain our air, space, and cyberspace power advantages over potential adversaries.

Modern warfare is changing. This is nothing new to America's airmen, whose heritage spans and embraces change and whose culture embodies courage and innovation for America. We are ensuring a lean, lethal, and agile Air Force for America. We are building and posturing our force structure to meet future threats emerging on the dynamic world stage, and we are strengthening the interdependent joint team.

We face a security environment that poses an array of dynamic challenges and threats. The 2005 Quadrennial Defense Review (QDR) characterized this threat environment and mandated force structure goals for all of the Department of Defense (DOD). The Air Force and all of the Services must be able to operate and defend against traditional, irregular, disruptive and catastrophic threats. In the future, the Air Force and the entire joint team will operate within a strategic environment involving one or more of these challenges. We will prepare to defend against high-end conventional forces, asymmetric threats and irregular forces such as terrorists or insurgents. To mitigate potential for disruptive surprises, we will strive to stay ahead of adversaries' technology efforts. Most importantly, we will protect our Homeland from hostile states' and non-state actors' use of weapons of mass destruction (WMD) and attacks in and through cyberspace. The threat array requires that we prepare the Air Force for a broad spectrum of future conflicts. At the same time, several factors have created a difficult and challenging fiscal environment in which to organize, train, and equip for the future.

The 2005 QDR specified a Force Planning Construct to shape the entire DOD force to protect our Nation, its ideals and interests now and in the future. Originally presented in the National Military Strategy (NMS), the Force Planning Construct provides guidance for determining the capacity and capabilities needed to meet both steady state and surge demands for homeland defense, irregular warfare, and conventional campaigns. As a result of the NMS guidance and comprehensive analysis, the QDR determined America's Air Force needs to organize, train, and equip 86 "modern combat wings."

Emerging National Security Concerns and Threats

While the global war on terror is our immediate priority, America's airmen must also stay ahead of competitors preparing for conventional conflict and attempting to counter the asymmetric advantage our air, space, and cyberspace power currently gives our joint team. Sustaining U.S. advantages in such conflicts will become increasingly more challenging as advanced air defense, aircraft, WMD, cyber and anti-satellite (ASAT) capabilities proliferate.

Integrated Air Defense Systems (IADS) continue to evolve, placing current generation aircraft at increasing risk. Modern IADS incorporate more data sources, process and pass information faster, and are increasingly mobile. Manportable air defense systems (MANPADS), shoulder-fired SAMs, also are an increasingly serious threat. Their availability, affordability, and proliferation increases the likelihood of modern MANPADS ending up in the hands of non-state actors, placing U.S. civil and military aircraft at risk around the world.

The lethality and availability of fourth-generation combat aircraft is also increasing, and potential adversaries are already purchasing and fielding these complex and capable weapon systems. Many nations are enhancing the capabilities of their existing fighter and bomber aircraft through use of aerial refueling, signature reduction technology, and cyberspace weapons that inject confusion or mask operations. Ever greater numbers of states are not only acquiring advanced aircraft, but are developing indigenous production capability, increasing the likelihood of proliferation.

Proliferation of WMD to countries and non-state actors remains a significant challenge to U.S. interests and a top priority in the QDR. While nuclear weapons and materials proliferation always pose grave dangers, chemical and biological weapons pose arguably greater detection challenges. Easier and less costly to make than nuclear weapons, chemical and biological weapons are easier to transport, produce and mask from detection because they can be camouflaged as dual-use civilian industrial products. Proliferation may also enable future adversaries, especially terrorist groups, to develop, use, or threaten to use WMD as an asymmetric response to American conventional warfighting dominance, which might otherwise deter them from directly challenging the U.S.

Perhaps less obvious, but all the more insidious, is the adversary's use of the cyberspace domain to support and carry out their attacks worldwide and on our shores. The adversary knows that they can contest our use of the electromagnetic spectrum and conduct their war of ideas from a supposed sanctuary in this domain.

Finally, we see challenges to our current advantages in the space domain. Employment of Global Positioning System (GPS) jammers in an attempt to reduce U.S. and coalition air strike precision is an example. While we can currently overcome this threat through a variety of methods, such a challenge presents a warning and a valuable lesson as we posture our air, space, and cyberspace forces for the future.

Recent foreign testing of kinetic ASAT weapon capabilities further demonstrates an explicit willingness to challenge, disrupt, or destroy America's space assets and capabilities. This testing also demonstrates a disregard for both American and glob-

al concerns over space debris and the damage it may inflict upon any object stationed in or traversing through low Earth orbit.

As technology matures and proliferates, and as access to space becomes available to more countries, organizations and individuals, threats to America's air, space, and cyberspace capabilities will continue to grow and evolve. America's airmen aim to be ready to meet these and all other threats to our Nation.

Irregular Warfare

Our Nation is now in its 6th year waging the global war on terror while the Air Force is entering its 17th year of engagement in Southwest Asia. Current conditions portend this to remain a long war. The enemy chooses not to operate as a "uniformed military," but rather uses criminal networks and terror tactics to attack from the shadows. They use indiscriminate violence against combatants and noncombatants alike. They extensively use propaganda to advance their radical ideology of tyranny and hatred. Iraq and Afghanistan are two current fronts in this war, but the struggle extends beyond these vital campaigns. The Air Force and the entire joint team must wage this war on a global scale, in multiple locations and domains at simultaneous times, and for a number of years.

We are strengthening our ability to deter and defend against non-state threats and our ability to conduct globally distributed irregular operations of varying duration. We stand ready to conduct a large-scale, long-duration irregular warfare campaign as an integral part of the joint team, to include counterinsurgency, security, stability, transition, and reconstruction operations.

Adapting to Nontraditional Roles

Airmen are finding innovative new uses for our current systems while successfully executing irregular warfare operations in Afghanistan and Iraq. Airmen increasingly find themselves engaged in nontraditional roles requiring ingenuity and the use of joint warfighting technology. Our missions and taskings range from standard close air support and armed reconnaissance to non-traditional taskings like convoy escort, infrastructure protection, provincial reconstruction, and host nation election support.

Still other airmen have stepped in to fill joint warfighter taskings in stressed skill areas in which other Services are shorthanded. The Air Force currently provides over 7,700 airmen to fulfill these "In-Lieu Of" (ILO) ground force taskings. These airmen fulfill ILO requirements in areas such as detainee operations, convoy operations and protection, Explosive Ordnance Disposal, Police Training Teams, Provincial Reconstruction Teams, Military Transition Teams, civil engineering, security, interrogation, communications, fuels, medical services, logistics, intelligence, and base operating support. The Air Force also fills another 1,200 Joint Individual Augmentee positions. Airmen began fulfilling these requirements in 2003 and will continue to do so through 2007 and beyond—until the ground force component recaptures these missions and our job is done.

Finally, Air Force mission, training, and force structure requirements will necessarily increase correspondingly as joint ground force, Army and Marine Corps requirements and end strength increase. The full range of Air Force air, space, and cyberspace capabilities and personnel are interdependently woven into joint ground forces operations.

Recognizing there will be an impact of increased ground forces on our budget, we are assessing our programs. We forecast there may be increased requirements in the areas of inter- and intra-theater airlift; command, control, communications, computers, intelligence, surveillance and reconnaissance (C^4ISR) capabilities; Close Air Support (CAS); Tactical Air Control Party (TACP) personnel; and extended ILO personnel requirements. While the Army and Marine Corps reset and recapitalize, we are following through in every way with our joint teammates.

Defending Our Homeland

Future threats to our Homeland are constantly evolving. They present challenges to the established methods and structures of homeland defense. Development, fielding and proliferation of standoff weapons, such as long-range cruise missiles, provide potential adversaries with offensive capabilities of increasing accuracy and range. In addition, we can expect many of these future weapons to be of relatively small size, presenting an extremely difficult detection and tracking challenge.

As we safeguard the aerial, maritime and cyber approaches to our Nation, the Air Force will continue to play a large role in providing the full spectrum of air sovereignty options, including air defense, missile defense and support to civil authorities for consequence management. Additionally, as illustrated by our response to Hurricane Katrina, the Air Force will surge and contribute to national responses in the event of natural disasters or catastrophic events, supplying airlift, communica-

tions, imagery from unmanned aerial vehicles (UAVs) and space assets, and combat search and rescue capabilities.

Cyberspace

America's Air Force is redefining air and space power for the 21st century.

Our current and potential adversaries already operate in cyberspace, exploiting the low entry costs and minimal technological investment needed to inflict serious harm. We cannot allow them to expand their foothold. We seek to deny our adversaries cyberspace sanctuary while ensuring our access and operations in this domain. Our Nation's ability to deliver effects in air, in space, on land, and at sea depends on control of this domain.

Cyberspace dominance goes beyond communications and information technology. It requires superiority across the entire electromagnetic spectrum—DC to daylight—radio waves, microwaves, infrared, x-rays, directed energy, and applications we have not even begun to think about—to ensure global command and control, global reach, and global power. We have a well-established capability to operate in cyberspace. We take advantage of physics, technology, and synergies to operate in and through it. Therefore, we are establishing a new Cyberspace Command to stand alongside Air Force Space Command and Air Combat Command. America's airmen are force providers the President, combatant commanders (COCOMs) and the American people can rely on to preserve freedom of access and operations in air, space, and cyberspace.

The newly designated Air Force Cyberspace Command will provide combat ready forces trained and equipped to conduct sustained combat operations through the electromagnetic spectrum and fully integrate these with air and space operations. In November 2006, we held a Cyberspace Summit and, in January 2007, we hosted the first-ever integrated cyber exercise, Cyber Vision 2007, at the U.S. Air Force Warfare Center (USAFWC). This exercise focused on dominating the cyberspace domain in a potential conflict. These events and future integration of Cyber Aggressor Teams into Red Flag will build upon the significant cyberspace capabilities we already contribute to homeland defense and the joint fight.

Cyberspace Command will leverage, consolidate and integrate unique Air Force cyber capabilities and functions across the spectrum of conflict from peace, to crisis and war: Command and Control; Electronic Warfare; Network Warfare; and Intelligence, Surveillance and Reconnaissance (ISR). Many Air Force programs, while contributing to air and space power, also directly contribute to our dominance of the cyberspace domain.

Loss of Buying Power

While the Air Force is postured to meet our Nation's near-term requirements, our ability to meet steady state and surge requirements over the long term hinges on our ability to organize, train and equip 86 modern combat wings, as mandated in the QDR. Achieving these goals will be difficult, as we balance fighting the global war on terror, maintaining our readiness, maintaining America's air, space, and cyberspace advantages, modernizing our equipment and capabilities, and shaping our airmen, organizations and force structure for the future.

Several factors have applied pressure to the Air Force budget: global war on terror and operations costs; increasing costs of fuel, utilities, manpower, and health care; increased costs to own, operate and maintain our aging aircraft; unforeseen base realignment and closure (BRAC) costs; and lost savings due to congressional restrictions on retirement and divestment of our least useful legacy aircraft. Although recent congressional support for planned legacy aircraft retirements has aided our divestment strategy, unnecessary restrictions draw critical resources away from our aircraft modernization programs and degrade our efforts to recapitalize our aircraft inventory.

We are meeting our current wartime commitments. We are also operating within the resources entrusted to our service—we are staying in bounds. We are self-financing our modernization and recapitalization efforts to the maximum extent possible though initiatives such as Force Shaping, Air Force Smart Operations for the 21st Century (AFSO21) and aircraft retirements, while focusing on a "mission first" basis. Furthermore, we are committed to operate, organize, train, and equip to meet the projected demands of the future—they are many. The Future Years Defense Program (FYDP) involves taking acceptable risk in lower priority areas in order to meet future readiness, capability, force structure, and national security requirements.

Next Generation Air Force

Our loss of overall buying power means the Air Force must attempt to rebalance our available resources and force structure to achieve Force Planning Construct

goals. To reach our 2025 force structure objectives, we will synchronize our investments to maximize their effect.

In 2005, we began divesting significant numbers of our oldest, least capable, and most costly and difficult to maintain aircraft. In 2006, we also initiated a carefully calculated reduction in personnel end strength to match our declining force structure. As investments in research, development, and procurement grow, we will continue building our force structure towards 86 modern combat wings. Our personnel end strength must concurrently keep pace as we modernize our force structure. These two elements—force structure and personnel end strength—drive our resource requirements.

The Air Force is committed—now and in the future—to not only defend our Nation but also provide good stewardship of the resources entrusted to us. We look forward to working closely with Congress to ensure our force structure and personnel investments are synchronized, and our efforts to posture, recapitalize and modernize America's Air Force fly together in close formation.

Air Force Priorities

As the Air Force strives to defend America's interests within a dynamic strategic environment, we remain committed to our top service priorities, as stated by Air Force leaders and outlined in our Vision:

- Fighting and winning the global war on terror
- Developing and caring for our airmen and their families
- Recapitalizing and modernizing our aging aircraft and spacecraft inventories

These priorities, together with our Enduring Core Values of Integrity, Service and Excellence, provide America's airmen a steady beacon, guiding how we organize, train and equip in defense of our Nation. Our national strategic requirements, global complexities and threats, and fiscal elements within the overall strategic environment will continue to shape how we execute these priorities. We remain focused on the global war on terror, our people, and a modern, capable force.

Your Air Force is dedicated to maintaining, evolving, and expanding America's capabilities in air, space, and cyberspace. These capabilities are America's Edge—the foundation of America's unparalleled Global Vigilance, Reach and Power.

FIGHTING AND WINNING THE GLOBAL WAR ON TERROR

Our Air Force has been engaged in over 16 years of continuous combat in Iraq, currently a central front in the global war on terror. In addition to OIF, the Air Force is a critical player on the joint and coalition team in Operation Enduring Freedom (OEF) in Afghanistan. Airmen also vigilantly defend the skies of our Homeland in Operation Noble Eagle (ONE). Our enemies are vile, unrelenting, adaptive and global. They are motivated by extremist ideologies and bent on subjugation and denial of basic freedoms of expression, government and religion. It will ultimately require all elements of national power to defeat them. Militarily, the Air Force remains committed to finding and destroying our Nation's enemies wherever they seek sanctuary, fighting side by side with friendly nations in this struggle against violent extremism.

America's airmen operate on a global scale every day. The full, complete impact of Air Force engagement includes airmen deployed outside of the Continental United States (OCONUS) to contingencies, forward deployed in Europe and the Pacific, and employed from their home stations as they execute global missions. The Air Force has nearly 30,000 airmen deployed in Central Command conducting theater operations. Similarly, 60,000 Pacific Air Forces and U.S. Air Forces Europe airmen are fully engaged in the full spectrum of dissuasion, deterrence, coalition training, and military-to-military activities.

Furthermore, the inherent qualities of air, space, and cyberspace—speed, range, and payload—allow the forward deployed Air Force footprint to be smaller, less vulnerable, and vastly more flexible. Airmen are also fully engaged in the global war on terror from their home stations, controlling satellites, standing on alert with intercontinental ballistic missiles (ICBMs), providing intelligence assessments, operating UAVs, and launching airlift, tanker and other aircraft missions essential to joint operations worldwide. Every day over 200,000 Active, Guard, and Reserve airmen fulfill COCOM missions around the world.

A Day in the Life of America's Airmen

The Air Force delivers Global Vigilance, Global Reach and Global Power for our Nation. America's airmen provide vigilance that is persistent, focused, and pre-

dictive; reach that is reliable, rapid and agile; and power that is flexible, precise, stealthy, and decisive.

A snapshot of current Air Force operations illustrates the myriad ways in which COCOMs employ air, space, and cyberspace power to accomplish their missions.

Global Vigilance

Air Force Global Vigilance capabilities are critical elements of the global war on terror, at home and abroad. For instance, the Air Force currently operates and maintains satellites directly serving Central Command and providing the communications, sensor, and navigation capabilities on which the lives and missions of soldiers, sailors, airmen, marines, and coastguardsmen depend. From bases in the continental U.S., our airmen also maintain space situational awareness (SSA) for the region, tracking over 500 daily orbital passes over Baghdad of satellites of all nations.

Theater-based aircraft have become critical elements in the Counter-Improvised Explosive Device (Counter-IED) effort by "scanning and jamming." On a daily basis U–2s, Global Hawk and Predator UAVs, and E–8C Joint Surveillance Target Attack Radar System (Joint STARS) aircraft survey, track, identify—and sometimes destroy—insurgents and safe houses. In fact, the Air Force maintains over 10 24/7 UAV Combat Air Patrols (CAP) in Central Command, providing persistent ISR and—in the case of Predator—a lethal strike option. In addition to their global responsibilities, stateside Airborne Warning and Control System (AWACS) crews and airplanes fly and stand on alert as part of our homeland defense surveillance requirements.

Global Reach

Air Force airlifters and tankers provide the global reach that underwrites the joint effort in the global war on terror. An Air Mobility Command aircraft departs a runway somewhere on the planet every 90 seconds, 24 hours a day, 365 days a year. On a typical day, the Air Force flies over 250 airlift sorties, moves over 1,000 tons of cargo, and transports nearly 2,500 passengers. In Central Command, intratheater airlift aircraft like the C–130 and C–17 have borne heavy loads, taking thousands of convoys off dangerous roads and reducing the threat of IEDs to about 8,500 people each month.

Aeromedical evacuation (AE) has emerged as a critical capability for the Joint Force. In fact, Air Force AE is responsible for the transport and care of over 36,000 patients in the global war on terror. Our airmen have achieved a recordsetting average patient movement time of 72 hours, a dramatic reduction from the 10–14 days required during the 1991 Persian Gulf War. Such rapid global movement provides U.S. service men and women the highest survival rates in the history of warfare.

Air Force tankers provide global mobility and reach for Air Force aircraft, the joint team and coalition forces. While the average tanker is over 40 years old, KC–135s and KC–10s nonetheless fly 30 tanker missions on a typical day in Central Command and stand on alert to provide additional endurance for our aircraft performing homeland defense missions.

Global Power

At the sharp end of Air Force capabilities, America's airmen deliver Global Power in the global war on terror. Using UAVs, tight air-ground integration, and time sensitive targeting, we have eliminated several high-value terrorist and insurgent targets in Afghanistan, Somalia, and Iraq. In a war where intelligence is fleeting, the Air Force has made constant innovations to shorten the time cycle it takes to deliver rapid, precise effects. Fighters originally designed for strike missions are now using their targeting pods as nontraditional ISR sensors over Iraq and Afghanistan, providing a unique extension of both vigilance and power for the Joint Force Commander (JFC). Battlefield airmen serve side by side with our joint partners on the ground and use live streaming video from Predators or targeting pods to orchestrate rapid air and ground attacks on insurgents. The successful June 2006 strike against al Qaeda leader Abu Musab al-Zarqawi is only one illustration of how the active Duty, Air National Guard, and Air Force Reserve Command seamlessly integrate capabilities from around the globe into precise, dislocating, and decisive effect.

Since the beginning of the global war on terror, the typical strike mission has evolved from a pre-planned sortie against a fixed target to a flexible, on-call mission profile responsive to a rapidly changing battlefield. In Central Command, fighters typically fly nearly 80 strike, electronic warfare, or non-traditional ISR sorties each day. Back in the U.S., fighters stand guard over our Homeland, ready to launch at a moment's notice. Worldwide, Air Force fighters and bombers, coupled with the strength of America's space and cyberspace capabilities, are the tools of reassurance, deterrence and dissuasion. America's airmen are the global, strategic muscle behind

U.S. diplomacy, providing a lethal over-the-horizon capability to directly influence events on the ground—whether based in Japan, Guam, or Whiteman Air Force Base (AFB), Missouri.

Fostering Joint Interdependence

Air Force dedication to joint interdependence is illustrated in the global war on terror. Around the world, we are committed to providing COCOMs an increased ability to integrate air, space, and cyberspace capabilities and gain cross-dimensional synergies in pursuit of National Security Joint Force objectives.

Fifth-Generation Fighters

Currently in production and fully operational at Langley AFB, Virginia, the F–22A is the newest member of the Air and Space Expeditionary Force—our airmen are putting the world's first fifth-generation fighter into action. Its attributes of speed, stealth, maneuverability, advanced sensors and adaptable, integrated avionics will meet our Nation's enduring national security requirement to gain and maintain joint air dominance, as well as enable precise engagement against a broad range of surface targets.

America's airmen are understandably proud of their contributions to the joint fight. They have prevented enemy aircraft from inflicting any U.S. ground force casualties for over 50 years. We dedicate our efforts and risk our lives to sustain this record. Production in sufficient numbers of fifth-generation fighters—both the F–22A Raptor and the F–35A Lightning II—remains the best guarantee of homeland air sovereignty and joint air dominance.

Numbered Air Forces

The Air Force has established component Numbered Air Forces (NAFs) dedicated to supporting each COCOM across the full range of military operations. Each component NAF provides an integrated and technologically advanced command and control capability, adaptable to contingencies across the spectrum of conflict. Over the next several years, we will continue to refine this command and control structure through the development of centralized "reach back" capabilities, integration of guardsmen and reservists, and more advanced cyber technologies.

Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) organizational construct is a modern design for the modern world.

Since the end of the Cold War, the Air Force has evolved from a force based at large, permanent U.S. and overseas bases to an expeditionary force, requiring fewer permanent bases and using an expanded network of temporary forward bases. As we adapted to this new operating environment, we quickly recognized the deployment construct for our force also had to change. Since 1999, we have organized our Air Force combat forces into 10 AEFs that present capability to COCOMs, provide trained and ready forces for emerging threats and contingencies, and help manage high deployment tempo through a stable and predictable rotation schedule. When demand for American air power skyrocketed after September 11, the Air Force extended the deployment period from 90 to 120 days to accommodate the COCOMs' demands.

We continue to adapt our people and organizational constructs to ensure airmen are highly motivated, exceptionally well-trained, and equipped with the right skill sets to present the joint warfighter with a broad set of capabilities. We realigned the AEF Center under the Air Force Personnel Center at Randolph Air Force Base, Texas, to leverage similar functions and merge permanent authorizations, wartime requirements, and assignments under a single commander. The Air Force is also moving forward with fielding of Contingency Response Groups (CRGs), organized, trained and equipped to provide an initial "Open the Base" capability to COCOMs. The CRG provides a rapid response team to assess the location-specific support requirements necessary to open an expeditionary airfield, as well as provide a rapid projection of America's vigilance, reach, and power.

Joint Warfighting Integration

Due to the dynamic demands of the global war on terror, airmen fly strike, ISR, combat search and rescue (CSAR), AE, electronic warfare and airlift sorties everyday over Afghanistan and Iraq. They also augment ground forces to provide security and stability in both countries. Airmen are working hand-in-hand with ground and naval forces training and augmenting both Iraqi and Afghan security forces, rebuilding critical infrastructure, and providing medical services to these war-torn countries.

Air Force CSAR helicopters remain on alert in Iraq and Afghanistan, providing commanders with the capability to rescue isolated military and civilian personnel. Air Force CSAR crews answer the moral obligation to safely secure and return any and every member of our joint team.

The effectiveness CAS provides soldiers and marines is another example of interdependence. Tactical training at the National Training Center provides soldiers and airmen the opportunity to see how they will deploy and fight together on future battlefields. The Army's Stryker Brigade Combat Teams now in service and the Future Combat System under development both rely heavily on Air Force strike capabilities to remain effective. Therefore, we are adding 700 TACP airmen to serve with ground components to ensure the Air Force's timely and precise effects are always available.

Building Global Partnerships

Fighting and winning the global war on terror requires commitment, capability, and cooperation from allies and partners around the world. We depend on our international partners to secure their territory, support regional stability, provide base access and overflight rights, and contribute a host of air, space, and cyber power capabilities as interoperable coalition partners. As the pace of economic, political and cultural globalization increases, the importance of strong global partnerships—both now and in the future—is abundantly clear.

The Air Force leads the way in developing enduring air force-to-air force relationships around the world. To strengthen these relationships, we are expanding Red Flag access to our allies and partners. We are also working to establish the Gulf Air Warfare Center as a tactical center of excellence. In addition to integrating coalition partners into our most robust combat training scenarios, we have established the Coalition and Irregular Warfare Center of Excellence to facilitate development of relevant airpower capabilities, capacities, and relationships in partner nations in the global war on terror, and to facilitate development of innovative Air Force irregular warfare applications. We are also expanding the 6th Special Operations Squadron to bolster our ability to train foreign air forces and expand our repertoire of nonkinetic capabilities in the global war on terror. Furthermore, our aircrews, especially airmen executing global mobility and airlift missions, interact daily with host nation personnel, representatives and citizenry, enhancing America's image of strength, freedom, and hope.

Through the Air Force Security Cooperation Strategy, we continue working with allies and friends to help them attain capabilities that complement our own air, space, and cyberspace capabilities. This document uses the Office of the Secretary of Defense (OSD) Security Cooperation Guidance as a foundation and aligns with COCOM Theater Security Cooperation strategies. This comprehensive, coordinated effort builds capability in potential partner air forces using the six U.S. Air Force Distinctive Capabilities as driving tenets.

Recent commitments, such as procurement of C–17 airlifters by Australia and the NATO Alliance, and broad international participation in the F–35A JSF program, will further reinforce our current and future interoperability with global partners. Finally, we have infused expeditionary, regional, cultural and linguistic education throughout our training programs at every level. The Air Force executes a global mission. Our approaches to operations, interoperability and training exemplify our global, international perspective.

Air Staff Intelligence Directorate

Intelligence is becoming more critical in today's rapidly changing security environment. Collection, analysis, and timely distribution of information are essential to kinetic and nonkinetic approaches to our Nation's security challenges. Accordingly, we moved Intelligence directly under the Chief of Staff, creating the position of Deputy Chief of Staff for Intelligence (A2) and elevating the position to a three-star billet from its former two-star billet.

Partnership with the National Reconnaissance Office

The Air Force and the National Reconnaissance Office achieved a groundbreaking agreement on 7 June 2006 to share expertise and best practices. The agreement focuses specifically on sharing lessons learned in developing, acquiring, fielding and operating modern space systems. Both organizations recognize the need to enhance their respective capabilities, as well as to work collaboratively to respond to future challenges.

Combat Search and Rescue Realignment

The transfer of the CSAR mission from Air Force Special Operations Command to Air Combat Command provides a clearer presentation of forces to joint com-

manders and ensures a direct CSAR link to the Combat Air Forces and the personnel they serve. In addition, the Air Force's Next Generation Combat Search and Rescue aircraft (CSAR–X) will modernize an aging CSAR fleet, provide greatly improved all-weather combat search and rescue worldwide—an essential component of our commitment to the joint team and our allies.

Air and Space Operations Centers

In June 2005, we achieved an Initial Operational Capability with our Air and Space Operations Center (AOC) Weapon System and are well on our way to a Full Operational Capability for the entire AOC inventory. The Air Force leads the way in delivering sovereign options to defend our Homeland and our global interests by providing a global command and control (C2) capability to COCOMs, enabling them to orchestrate air, space, and cyberspace effects in pursuit of national military objectives. AOCs are the central operational nodes in this capability, and the Combined AOC in operation at Al Udeid, Qatar, exemplifies the most advanced and robust AOC system in the Air Force today.

Aeromedical Evacuation

Air Force AE contributes a unique, nationally vital capability to the joint fight. Air Force AE innovations include use of "designated vs. dedicated" aircraft, "universally-qualified" AE crewmembers, able to fly on any AE-configured aircraft, and the extensive use of Critical Care Air Transport Teams to transport stabilized patients.

Air Force AE is combat proven. Since late 2001, we have orchestrated the care and transfer of more than 36,000 overseas patients to CONUS facilities. We continue to refine this remarkable capability and the "en route care" system built upon our expeditionary medical system.

Air Force AE is a Total Force system, and both AE and en route care are built on teamwork, synergy, and joint execution. Technological advances such as the single integrated patient data system, high-flow ventilators, high deck patient loading system, and the Joint Patient Isolation Unit are under development and will further enable safe patient movement regardless of transportation mode.

America's Air Force has provided soldiers, sailors, marines, coastguardsmen, and airmen the highest casualty survival rates in the history of warfare. By leveraging AE and en route care, we will continue to improve our ability to save and sustain lives.

Space Capabilities in Joint Operations

The entire joint force depends on Air Force space-based capabilities to meet not only the needs of military operations, but also the full spectrum of civil, economic, and diplomatic activities. Moreover, rescue and recovery operations in 2005 following Hurricanes Katrina and Rita clearly demonstrated the humanitarian mission utility of space-based communications, positioning and navigation services, and environmental monitoring. America's airmen safeguard the high ground of space and ensure America's unimpeded access to vital space capabilities.

Space Applications in Afghanistan and Iraq

Operations in Iraq and Afghanistan highlight the importance of space-based capabilities to U.S. and coalition forces. An example of Air Force response to warfighter needs is the successful deployment of the Satellite Interference Response System (SIRS), a defensive counterspace prototype. It aids in the identification, geolocation and reduction of interference sources for critical satellite communications. SIRS has improved the response time to unknown interference sources within the CENTCOM AOR and reduced friendly interference sources from impacting operations.

Blue Force Tracking capability is another success story. Joint Blue Force Tracking has fundamentally changed ground warfare. The ability to accurately locate friendly forces with GPS timing and positioning information, and then share that information, dramatically improves understanding on the battlefield and reduces the risk of friendly fire. The unprecedented real-time knowledge of friendly force locations renders all operations—especially night and urban operations—less dangerous and more effective.

Joint Space Operations Center

The 14th Air Force Air and Space Operations Center (Space AOC) at Vandenberg AFB, CA, serves as the core of the United States Strategic Command Joint Space Operations Center (JSpOC). The Space AOC/JSpOC is the primary command and control node for integrating the full resources of space-based sensor and command-control systems. The Space AOC/JSpOC proactively reaches forward to COCOMs, ensuring accomplishment of theater and global space objectives, while providing a

continually updated space common operating picture for integration into current wartime and peacetime missions.

The Space AOC/JSpOC consists of personnel, facilities, and resources providing long-term strategy development, short-term crisis and contingency planning, real-time execution, space asset reallocation, and space forces assessment. The Space AOC/JSpOC provides tailored space effects to joint forces worldwide.

The Space AOC/JSpOC maintains SSA through the fusion of intelligence, space- and ground-based sensor readings, and operational indications to allow U.S. and allied forces unfettered access to space. The Space AOC/JSpOC also provides predictive analysis of adversary space activity and supports the protection of National Security Space assets.

Counterspace

Air, space, and cyberspace superiority are the foundational elements of joint success in any action. Counterspace and Countercyber technologies and operations provide America with the tools to achieve space and cyber superiority, allowing America freedom of action while denying freedom of action to an adversary or enemy. SSA, Defensive Counterspace (DCS) and Offensive Counterspace (OCS) capabilities comprise the main elements of Air Force counterspace efforts.

SSA provides airmen with detailed knowledge of the space environment, enabling responsive, effective execution of DCS and OCS actions. Enhanced ground-based and new space-based SSA assets would provide the needed information. In the near-term, the Rapid Attack Identification Detection and Reporting System (RAIDRS), along with SIRS, will test detection and geo-location technologies. The Space Based Space Surveillance (SBSS) and Space Fence programs will deliver transformational capabilities to improve responsiveness, surveillance coverage, and small object detection. We expect to field these improved capabilities in the fiscal year 2009 and fiscal year 2013 timeframes, respectively.

Air Force Defensive Counterspace efforts will protect National Security Space capabilities vital to joint success. Some defensive strategies comprise technical solutions integrated into satellite designs. We will design other systems specifically to counter adversarial threats. Additionally, our airmen are continuously developing new tactics to mitigate potential threats to our space systems.

Offensive Counterspace technologies and operations seek to disrupt, deny, or degrade an adversary's ability to leverage space capabilities. The Counter Communications System (CCS) provides COCOMs a method to deny an adversary's access to satellite communications through temporary, reversible and nondestructive means. CCS expands the options available for the COCOM to address the proliferation of advanced space technologies and their availability to potential adversaries.

DEVELOPING AND CARING FOR OUR AIRMEN

Your Air Force today is a seamless Total Force, with over 690,000 airmen serving on Active Duty, in the Air National Guard (ANG), in the Air Force Reserve Command (AFRC) and as Air Force civilians. While modern equipment, technology and capability are essential to success, your airmen are the bedrock of America's ability to succeed in an era of challenge and uncertainty.

While emphasizing our global expeditionary culture, organization and mission, we remain committed to providing and maintaining the highest possible standards of education, training, health care, and installation services for America's airmen.

Force Shaping

When the Air Force began to develop a long-term force structure plan, we started with divestment of legacy aircraft. While we have achieved some success, significant investment gaps remain. Moreover, the costs of personnel continue to rise. Personnel costs have increased 57 percent in the past decade. In early 2006, Program Budget Decision 720 directed additional end strength reductions over the FYDP. As we manage this downsizing, we remain committed to a balanced force. We will increase manning in stressed career fields, and expand opportunities for career development and training. Our goal is a lean, more capable, more lethal Air Force, organized, trained, and equipped for our global, expeditionary mission.

To tailor our personnel mix to the new security environment, we authorized implementation of annual Force Shaping Boards (FSBs). The purpose of the fiscal year 2006 FSB was to reduce officer overages by identifying eligible officers for separation, while balancing career fields and officer commissioned year groups. Prior to the board, eligible officers were offered voluntary options to transition to other forms of service in and out of the Air Force. The Air Force also waived most Active Duty Service Commitments (ADSC) to allow officers to separate early. In addition, the Air Force is offering Voluntary Separation Pay to officers in overage career fields, and

we will convene a Selective Early Retirement Board to identify retirement-eligible officers for early retirement if necessary.

To achieve the required reductions of enlisted airmen, the Air Force instituted a date of separation rollback for personnel with limitations on their assignment or enlistment eligibility. We also offered a limited number of ADSC waivers for eligible members in overage career fields. These initiatives to shape the enlisted force join the tools already in place: Career Job Reservations, reduction in accessions, and the Noncommissioned Officer Retraining Program.

Overall, the Air Force aims for a reduction of over 4,000 officers and 10,000 enlisted members by the end of fiscal year 2007. These reductions are difficult but necessary to ensure the Air Force maintains the right size and mix of forces to meet the fiscal and global challenges of today and tomorrow.

Total Force Integration

A distinguishing hallmark of the Air Force is the ease with which airmen from Active Duty, ANG, and AFRC work together at home and abroad. From the build-up of the ANG after World War II, the first Reserve Associate unit in 1968 and the full integration of Guard and Reserve units into the Air and Space Expeditionary Force in the 1990s, the Air Force has a history of employing airmen from all components in innovative and effective ways.

One of the Air Force's significant commitments to long-term transformation is Total Force Integration (TFI). The Total Force construct seeks to maximize the Air Force's overall joint combat capability with Active Duty, Air National Guard and Air Force Reserve airmen working together cohesively. TFI is critical to meeting the challenges of competing resource demands, an aging aircraft inventory, and emerging missions.

New and Emerging Missions

As the Air Force transforms to a smaller, more agile and lethal force, we will retain the strengths of the Guard and Reserve and use them in new ways to reflect a changing mission set. Increased integration allows Air Force personnel to capitalize on experience levels inherent in the Guard and Reserve, while building vital relationships necessary to sustain successful combat operations.

Ongoing Total Force initiatives integrate Air Force components into missions critical to future warfighting, and include ISR, UAVs, space and cyberspace operations. Given the ease of employing these capabilities from home station, these missions are ideally suited for the Guard and Reserve. In a time of increasing demand for these capabilities, it only makes sense to use reachback technologies to tap into our Air Reserve component. Using this approach improves our operational effectiveness, reduces reliance on involuntary mobilization, and provides more stability for our airmen and their civilian employers. It also allows the Air Force to capitalize on the state-of-the-industry advanced skills and best practices residing in the ranks of the ANG and AFRC.

Way Ahead

The Air Force continues to make significant progress on our Total Force initiatives. We have identified 136, secured funding for 98 opportunities and are executing 19. We have established associate units at several locations including F–22As in Virginia and Alaska, C–17s in Hawaii, F–16s in Utah, and C–130s in Wyoming. Additionally, Guardsmen are analyzing global war on terror intelligence in Kansas, and reservists are flying operational global war on terror UAV missions from Nevada. With over 100 initiatives in the planning phase and many more in the development phase, Total Force Integration is paving the way for a smaller, more capable, more affordable Air Force.

Improving Training Opportunities

Spanning 6 decades of Air Force history, particularly over the past 16 years, our airmen have proven themselves as the global first responders in times of crisis—taking action anytime, anywhere. The foundation for this well-deserved reputation is the quality and frequency of the training and education we provide. Our Air Force training initiatives continue to evolve, improving our ability to develop and retain the world's best air, space, and cyberspace warriors—expeditionary, knowledge-enabled, ethical, and prepared for the interdependent fight.

Air Force Basic Military Training

We changed Air Force Basic Military Training (BMT) curriculum to stress an expeditionary mindset in all phases of training, providing airmen with more expeditionary capability from day one. These changes are the most significant in BMT history. The Air Force basic training experience now mirrors the AEF cycle with a pre-

deployment, deployment and reconstitution phases. We emphasize basic war skills and practical application throughout BMT. Beginning 1st quarter fiscal year 2009, BMT will incorporate 2 additional weeks of instruction—lasting 8.5 weeks total—to provide more opportunities for practical application and field exercises. Finally, we have added "Airman's Time," mentoring sessions in which our veteran instructors share their real world experiences, relate daily training events to warrior and Airmanship qualities, and reinforce the Core Values expected of all airmen.

Space Professional Development

Space capabilities have become vital in the defense of our Nation and the continued growth of the U.S. and world economies. Developing, fielding, operating, and maintaining the Air Force's broad array of space systems demands a highly-trained, expertly managed workforce of space professionals. As we begin to field even more capable and complex systems, the demands on our space professionals will only increase. We have brought these personnel together within the Space Professional Development Program, ensuring our operations, acquisition and support personnel receive the training, education and experience necessary to accomplish our mission in space—now and in the future.

U.S. Air Force Warfare Center

The U.S. Air Force Warfare Center (USAFWC) integrates initiatives across the Air Force. USAFWC sets the standard for executing joint and coalition air, space, and cyberspace operations. The USAFWC provides advanced training designed to ensure our Air Force warfighting capability remains unrivaled. USAFWC provides performance assessment and joint integrated exercise venues for units from the USAF, USN, USMC, and USA—as well as our allies. They provide adversary analysis through a unified and coordinated "Red Force" ready to "combat" the United States' and their coalition partners during all phases of testing, tactics development, training programs, and integrated exercises.

Red Flag

In addition to its original location at Nellis AFB, NV, the Air Force now conducts Red Flag exercises in Alaska using Eielson AFB, Elmendorf AFB, and the Pacific Alaska Range Complex. The two exercises are designated Red Flag-Nellis and Red Flag-Alaska, respectively.

Red Flag is expanding aggressor capabilities to provide enhanced training at both locations. The Air Force added an F–15 aggressor unit in Nevada and, starting in October 2007, we will establish an F–16 Aggressor Squadron at Eielson AFB ready to participate in Red Flag-Alaska exercises in 2008. Aggressor functions have expanded to include air defense, space, and cyber operations. This integrated aggressor force provides all Red Flag exercises with a consistent, world-class training capability. Bolstering the dissimilar combat experience, the Air Force also has taken steps to expand the participation of coalition partners and allies in Red Flag.

Overall, enhanced aggressor operations and common training concepts will increase the quality of Red Flag training, and two locations will increase the quantity of training opportunities. When complete, these changes will make a great program even better—saving lives in the next fight.

Military Personnel Exchange Program

Through the Military Personnel Exchange Program, the Air Force builds, sustains, and expands international relationships that are critical enablers for our Expeditionary Air and Space Force. Long-term success in the global war on terror calls for broad international partnership and integration. Expanding our exchange programs to Eastern Europe, the Middle East, and Southeast Asia is critical to the conduct of the global war on terror and in building lasting partnerships with our Allies.

Quality of Life

Your Air Force has been at war for nearly 17 consecutive years. These challenging times underscore the importance of properly maintaining the capabilities of the primary weapons in our Air Force arsenal—our airmen. Our focus on their quality of life ensures these vital "weapon systems" remain ready when called upon.

Expeditionary Support

We ensure the best possible facilities and programs at all our expeditionary locations. Our dining facilities are unequalled—currently serving over 36,000 meals daily to deployed forces. We also provide fitness and recreation support to help maintain the health and morale of our airmen. Additionally, our Learning Resource Centers provide the necessary means for distance learning, continued professional development, and connectivity with friends and family.

Our Airman and Family Readiness Program is an aggressive effort to prepare airmen and their families for deployment challenges. Mandatory pre-deployment briefings provide information on personal planning and stressors related to extended duty away from home, while mandatory post-deployment briefings prepare airmen for the dynamics of reuniting with their families.

Language and Cultural Education Opportunities

We are moving beyond traditional Air Force and joint warfighting skills development. Our educational programs provide increased opportunities for airmen to receive focused cultural and language training, facilitating greater professional interaction, deeper understanding, and more effective operations.

The expanded instruction includes cultural awareness, regional affairs, and foreign language proficiency. All Air Force Academy cadets and Reserve Officer Training Corps (ROTC) nontechnical scholarship cadets will be required to take language courses. Additionally, both Academy and ROTC cadets have increased opportunities for Foreign Language and Area Studies degrees and have expanded Cultural Immersion and Foreign Exchange Programs. Our enlisted basic military training also will provide instruction on cultural sensitivity.

Once in the Air Force, each level of Officer and Enlisted professional military education (PME) provides additional cultural, regional and foreign language instruction, developing leaders who can articulate U.S. policy and operate effectively in foreign settings. Furthermore, we will increase Developmental Educational opportunities for global skills, including overseas professional military education and the Olmstead Scholars Program. We will then vector these airmen into Political-Military Affairs or Regional Affairs Strategist career tracks, maximizing America's return-on-investment.

Housing and Military Construction

Air Force investments in housing underscore our emphasis on developing and caring for airmen. Through military construction (MILCON) and housing privatization, we are providing quality homes faster than ever before. Over the next 2 years, the Air Force will renovate or replace more than 4,200 homes through MILCON. We are on track to meet our fiscal year 2009 goal of eliminating inadequate housing at overseas locations.

Investment in dormitories continues to provide superior housing to our unaccompanied members. We have over 3,000 dormitory rooms programmed for funding over the next 6 years. Approximately 75 percent of these initiatives rectify inadequate dormitory conditions for permanent party members. Our new "Dorms-4-Airmen" standard is a concept designed to increase camaraderie, social interaction and accountability. The remaining dormitory program modernizes inadequate "pipeline" dormitories that house young enlisted students during their initial technical training.

MILCON is an essential enabler of Air Force missions; however, we are accepting risk in facilities and infrastructure funding in order to bolster our efforts to recapitalize and modernize our aging aircraft and equipment. We have prioritized the most critical requirements to support the Air Force and DOD requirements. Our MILCON strategy supports these priorities by focusing on new mission beddowns, dormitories, fitness centers, childcare centers, and depot transformation.

Joint Basing

The Air Force has a long and successful history of working toward common goals in a joint environment, without compromising Air Force principles and the well-being of our people. Joint Basing initiatives are no exception. We want Joint Basing to be a raging success. Therefore, each Joint Base should be required to provide an attractive setting to all of its assigned personnel.

To accomplish this end, we advocate the establishment of the highest Quality of Life standards of individual bases as the Joint Base Quality of Life standards. Joint Basing is an opportunity to improve efficiency, Quality of Life standards and common delivery of Installation Support Services. Joint Basing will consider best business practices to ensure enhancement of joint warfighting capabilities, eliminate duplication, and ultimately achieve synergy for base support services. These actions will optimize joint use of limited resources and result in more efficient installations from which all Services will project combat power for our Nation.

Through the establishment of the highest level of Quality of Life standards at each joint base, our airmen, soldiers, sailors, marines, DOD civilians, and their families will benefit from efficient, consistent Installation Support Services. These standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of Installation Support Services they deserve. As we work with OSD and our sister Services, we will ensure all Joint Basing initiatives guard

against any interference with the DOD's ability to perform its mission. Joint Basing allows us to build closer relationships and forge stronger ties among the Services. We will not only train as we fight, we will live as we fight.

RECAPITALIZING AND MODERNIZING THE FORCE

To meet the needs of our Nation at war and successfully build the 86 modern combat wings necessary to maintain a credible defense posture in the future, we are committed to aggressively recapitalizing and modernizing our inventories of aircraft, space systems, equipment, and operational infrastructure. Executing a successful recapitalization plan is a balancing act. We will continue to meet today's operational needs while striving to ensure America and our future airmen inherit an Air Force that is ready, capable and sustainable. We are committed to maintaining air, space, and cyberspace advantages and America's unparalleled Global Vigilance, Reach and Power—America's Edge.

Comprehensive Plan

Our recapitalization and modernization plan follows an integrated strategy of retirement, procurement, selective Service Life Extension Programs (SLEPs) and modifications—coupled with the broadest, most innovative science and technology program in DOD. We will progressively shed our oldest, most costly, and least capable legacy aircraft, while reinvesting in a smaller—but more capable—expeditionary force, emphasizing global and joint capabilities. While these strategies will sustain selected legacy systems for near-term, we will avoid billions of dollars on further SLEPs by working our stewardship of funds today. It has become far more expensive to continuously extend the life of older aircraft. We are fast approaching the point where it is cheaper to buy new aircraft.

Our plan will allow effective, efficient modernization and replacement of our air superiority, strike, space, ISR, mobility, special operations, and combat support systems. Fully recapitalized, America's Air Force will remain dominant in the conduct of modern, networked, cross-dimensional 21st century warfare.

An Aging Inventory

The Air Force is meeting today's combat requirements—but not without increasing risks and costs. We have an aging and increasingly unfit inventory of aircraft, space systems, and equipment. Of our inventory of approximately 6,000 aircraft, a significant number operate under flight restrictions. Many transport aircraft and aerial refueling tankers are more than 40 years old. The average age of the bomber force exceeds 30 years. The fighter force is the oldest it has ever been, at an average age of more than 18 years. Additionally, our airmen operate and maintain many satellites well in excess of their originally designed mission durations. Across every mission, the Air Force is experiencing detrimental effects of high tempo operations and age, including engine and structural fatigue, deterioration, corrosion and increased rates of component failure.

As a result, the Air Force's ability to meet the combat requirements of tomorrow is in question. The increased tempo of current operations delays routine maintenance and we find our systems becoming progressively less effective and more costly to own and operate. Aircraft and equipment modifications currently absorb 20 percent of the Air Force's procurement budget. This is the highest percentage in the history of the Air Force. In fact, 14 percent of our Air Force fleet is either grounded or operating under mission-limiting flight restrictions. Our comprehensive plan for modernization and recapitalization outlines the prudent investments necessary today to avoid the future capability risks and spiraling maintenance and modernization costs we currently experience with our legacy systems.

Inventory Management

Fiscal responsibility is a critical element of our plan. The Air Force is committed to planning and operating within our allocated resources. However, we face fiscal constraints that introduce risk into our efforts to successfully posture America's Air Force for the future. We appreciate congressional language in the 2007 National Defense Authorization Act supporting our efforts to retire older aircraft and manage our inventory of aging equipment. However, remaining legislative restrictions on aircraft retirements remain the biggest obstacle to efficient divestiture of our oldest, least capable, and most costly to maintain platforms and equipment. Keeping these legacy aircraft on the flightline levies additional operations and maintenance costs at the expense of modernization programs and funding. These costs cascade into procurement delays for future platforms and divert resources away from expanded joint capabilities. We welcome the opportunity to work with Congress to overcome

these fiscal challenges, reduce risks to meeting our national security and joint requirements, and successfully prepare our Air Force for the future.

Procurement Priorities

We design and structure every Air Force program throughout our diverse, comprehensive recapitalization and modernization plan to meet critical Air Force, joint, and national requirements. Several programs currently receive our highest attention and represent our top priorities within the plan.

Our top acquisition priorities include: the KC–X Tanker; the CSAR–X Combat Search and Rescue Helicopter; space communications, space situational awareness and early warning programs; the F–35A JSF; and Next Generation Long Range Strike—a new bomber. We will continue to advocate and advance these and many other modern elements of air, space, and cyberspace capability. Collectively they will strengthen America's advantages in Global Vigilance, Reach and Power for years to come.

Global Vigilance

The Air Force acts as the global eyes and ears of the joint team and our Nation. Using a vast array of terrestrial, airborne, and spaceborne sensors, we monitor and characterize the Earth's sea, air, space, land, and cyber domains around the clock and around the world. Our command, control, communications, and computers (C^4) networks link the joint team together and speed information to users at the point of action, from commanders in AOCs, to ground units engaged with the enemy, to a pilot dropping a precision-guided munition.

The future vision of all the U.S. military Services is information-driven. Success will hinge on America's cyberspace advantages. Air Force assets like Joint STARS, AWACS, Rivet Joint, Global Hawk, Predator and our constellations of satellites, contribute vital networking and C^4ISR products and services to every aspect of every joint operation. Our recapitalization and modernization plan aims to increase dramatically the quantity and quality of C^4ISR capabilities, products and services available to the joint team and the Nation. Our plan especially focuses on ensuring Air Force space communications, SSA and early warning missions provide uninterrupted continuity of service for America and our allies.

Transformational Satellite Communications System

The Air Force continues to pursue next-generation satellite communications technology with the Transformational Satellite Communications System (TSAT). The TSAT program will employ Internet Protocol networks, on-board routing and high-bandwidth laser communication relays in space, dramatically increasing warfighter connectivity. TSAT capabilities will enable the realization and success of all DOD and joint visions of future network-centric operations, such as the Army's Battle Command-on-the-Move and the Navy's Sea Power 21 vision and Fleet FORCEnet/FORCEview concepts. In 2007, we expect the TSAT program to complete system design milestones.

Advanced Extremely High Frequency System

The Advanced Extremely High Frequency (AEHF) satellite communications system reaches Assembly Integration and Test in 2007, preparing for first launch in spring 2008. When deployed, AEHF will provide the secure, survivable, anti-jam communications that MILSTAR currently provides. AEHF will, however, also provide greater bandwidth, larger throughput, faster dissemination, and better service quality to U.S. and allied users.

Wideband Global SATCOM System

In 2007, the Air Force will take the first major step in the modernization of its satellite communications architecture with launch of the first satellite in the Wideband Global Satellite Communications (SATCOM) System (WGS), a program formerly known as Wideband Gapfiller Satellite. A single WGS satellite has more communications capacity than the entire Defense Satellite Communications System it replaces, enabling direct broadcast of digital multimedia, high-bandwidth imagery and digital video information directly from global and theater sites to deployed warfighters.

Terminal Programs

Air- and ground-based satellite communications terminals provide warfighters with critical links to America's space assets from anywhere in the world. Our terminal modernization programs are maintaining pace with the high performance satellites they support. Through programs like the Family of Advanced Beyond Line of Sight Terminals (FAB–T) and the Ground Multi-band Terminal, the Air Force

will transform its air- and ground-based space capabilities with terminals that consolidate logistics support, provide increased communications throughput, and ensure seamless command and control.

Space Based Missile Warning Capabilities

The Air Force is America's only provider of Space-Based Missile Warning. Providing a robust missile warning capability to the Nation through enhanced space-based ISR systems remains a priority in 2007. We expect to launch the final Defense Support Program launch (DSP–23) in spring 2007, continuing 36 years of the DSP constellation's outstanding service.

The Space Based Infrared System (SBIRS) represents the next generation of Early Warning satellites. The first SIBRS Highly Elliptical Orbit (HEO) payload is currently deployed on-orbit and undergoing operational testing. The HEO–2 payload has been delivered for integration. Launch of the SBIRS Geosynchronous Earth Orbit (GEO)–1 satellite is scheduled for late 2008. Once fielded, SBIRS will provide a transformational leap in capability over our current DSP system.

Space Radar

Space Radar (SR), another key transformational space-based ISR program, will have the ability to look into denied areas and to cue additional sensors, such as those on Predator and Global Hawk. The SR will provide COCOMs unprecedented surface wide-area surveillance capabilities, updating its AOR coverage report several times per hour. SR will characterize objects and activities of interest for target development in conjunction with other assets to meet critical joint warfighter requirements. In 2007, the program will focus on building engineering development hardware while emphasizing risk reduction, integration, and systems engineering.

National Polar-orbiting Operational Environmental Satellite System

The National Polar-orbiting Operational Environmental Satellite System (NPOESS) is a tri-agency program sponsored by DOD, the Department of Commerce, and NASA. NPOESS will support DOD forces worldwide as well as Homeland Security agencies. The system will provide assured, timely and high-quality environmental data to our warfighters for weather forecasting, mission planning and weapons employment. NPOESS environmental data will also enhance our domestic preparedness when dealing with natural disasters.

Rapid Attack Identification Detection and Reporting System

Meeting the requirement to assist in the protection of our space assets, the Rapid Attack Identification Detection and Reporting System (RAIDRS) will provide a capability to detect and locate satellite communications interference using fixed and deployable ground systems. A fully operational RAIDRS Spiral 1 will be delivered in fiscal year 2008 and provide detection and location of SATCOM interference. Future developments will automate data analysis and fusion, as well as provide decision support tools for near-real-time actions.

Global Hawk

The RQ–4A Global Hawk is a high altitude, long endurance UAV providing the joint warfighter with persistent vigilance and observation of targets in day, night and adverse weather. Global Hawk entered development in 2001 after completing a successful Advanced Concept Technology Demonstration. We plan to develop and field the aircraft in blocks of increasing capability, allowing accelerated delivery to the warfighter, while the system evolves and expands to its full potential.

We have already employed block 10, the first of four production variants, in support of global war on terror. It provides an effective, persistent imagery capability using synthetic aperture radar (SAR) and electro-optical/infrared (EO/IR) sensors. The larger Block 20 aircraft, which will begin development test in early 2007, will provide 50 percent more payload capacity carrying enhanced SAR and EO/IR sensors for even clearer images at greater ranges.

In 2012, Block 30 will field a more versatile, multi-intelligence capability by integrating Block 20 imagery sensors with a robust signals intelligence (SIGINT) suite. The fourth Global Hawk variant, Block 40, will be available for operations in 2011. It will carry a single payload—a Multi-Platform Radar Technology Insertion Program sensor—to provide the warfighter a highly advanced radar imagery and moving target indicator capability. Global Hawk has demonstrated its combat value in global war on terror and the Air Force will continue to mature and enhance its capabilities in the coming years.

MQ–1 Predator

Leading the way in armed reconnaissance, the Air Force is currently flying MQ–1 Predator missions 24 hours a day, 7 days a week. The MQ–1 Predator is a medium-altitude, multi-role, long endurance UAV, providing persistent ISR and strike capabilities to COCOMs. Predator aircraft are able to transmit live, full motion digital video to ground-based and airborne targeting teams equipped with the Remote Operations Video Enhanced Receiver (ROVER) system.

The Predator is operational, and by 2010, we will expand its capability from 10 to 21 total CAPs to meet increased COCOM and warfighter demands. We also plan to incorporate Target Location Accuracy improvements to rapidly provide targeting data for GPS-guided munitions.

Total Force airmen in Nevada and California control Predator aircraft operating in numerous locations around the world, including Iraq and Afghanistan. By 2010, this capability will spread to Air National Guard units in Arizona, North Dakota, and Texas. The Predator has transformed the way we fight, providing persistent ISR, reliable target acquisition and lethal strike capability for COCOMs and our joint warfighters.

RC–135 Rivet Joint

The RC–135 Rivet Joint continues its four decades of success in providing SIGINT capabilities across the full spectrum of joint operations and national information needs. Most missions directly support OEF and OIF tactical operations, adding to Rivet Joint's outstanding record of accomplishment and continuous presence in CENTCOM since 1990.

In addition to mission equipment upgrades, we have completed re-engining and cockpit modernization, keeping the force viable until 2040. In 2007, the Air Force will procure Rivet Joint 17, a global war on terror acquisition for additional medium-altitude SIGINT capacity.

Rivet Joint has become the cornerstone of an airborne targeting modernization effort known as Net-Centric Collaborative Targeting. Rivet Joint has demonstrated the capability to horizontally integrate C^4ISR assets across the entire Joint Force and dramatically improve target location accuracy, timeliness and identification.

Joint Surveillance Target Attack Radar System

The E–8C Joint Surveillance Target Attack Radar System (Joint STARS) is an airborne battle management, command and control, intelligence, surveillance, and reconnaissance platform. Its primary mission is to provide theater ground and air commanders with surface moving target indications (SMTI) and tailored surveillance in support of operations and targeting. Joint STARS has been a significant contributor to U.S. Air Force fighting effectiveness in Operations Desert Storm, Joint Endeavor, Allied Force, OEF, and OIF. Continuing modifications and enhancements will sustain Joint STARS viability beyond 2034.

E–3 Airborne Warning and Control System

The E–3 AWACS is the premier airborne command and control platform in the DOD and a key element of all airborne operations. AWACS supports decentralized execution of the joint air component missions and provides theater commanders with the ability to find, fix, track, and target airborne or maritime threats, and to detect, locate, and identify radars. AWACS has been the key airborne asset in all operations since its fielding in 1983. Our ongoing modernization of the platform will position AWACS to remain a viable airborne command and control platform beyond 2035.

Air and Space Operations Center

The Air and Space Operations Center (AOC) Weapon System is the Combined/Joint Force Air Component Commander's (C/JFACC's) tool for employing air, space, and cyberspace power. The AOC enables decision-makers to focus and synchronize our air, space, and cyber superiority, global attack, precision engagement, information superiority, and rapid global mobility capabilities across the full range of military operations in multiple, geographically separated arenas.

The AOC weapon system, with its Theater Battle Management Core System (TBMCS), has evolved significantly since its designation as a weapon system in 2001. We used the Al Udeid Combined AOC model to establish the AOC Weapon System Block 10.1 baseline. Creating this baseline enabled us to standardize our development, procurement and presentation of C2 capabilities to Joint and Combined Commanders worldwide. Increment 10.1 standardizes configuration among the five deployed Falconer systems, providing operators with greater and faster access to air battle management information. The program team efforts continue to generate

greater system performance for warfighters, with major improvements planned for delivery over the next 2 years.

The Air Force has committed to continue evolving and modernizing our AOC Weapon System through the FYDP, building toward a fully operational, cross-dimensional C2 enterprise by fiscal year 2014.

Battle Control System-Fixed

The Battle Control System-Fixed (BCS–F) system is a cooperative program with Canada. The system provides air defense and surveillance capability for the entire North American continent. BCS–F supports ONE and serves as the Air Force's homeland defense battle management, command, and control system. The BCS–F system integrates data from multiple radar sensors providing tactical communications and data link capabilities with other military and civil systems responsible for air surveillance, air defense and control of sovereign U.S. air space.

Battle Control System-Mobile

The Battle Control System-Mobile (BCS–M) is the next generation of Low Density/High Demand (LD/HD) ground-based tactical C2 nodes supporting the warfighter with theater air defense, airspace management, aircraft identification, wide-area surveillance and tactical data link management. These are the same missions the current legacy system, the Control and Reporting Center, performs in support of OIF, OEF, and ONE, as well as homeland defense activities such as counterdrug operations and special security events.

Air Force Distributed Common Ground System

The Air Force Distributed Common Ground System (AF–DCGS) is the Air Force's premier ISR Tasking, Collection, Processing, Exploitation and Dissemination (TCPED) weapon system. From reach back locations, AF–DCGS operators collect raw sensor data from the Global Hawk, Predator, and other platforms around the world, turn it into decision-quality intelligence in near-real-time, and send it directly to those in need at the Joint Task Force level and below. Its proven capabilities in sharing and correlating multi-source SIGINT, imagery intelligence, and signature intelligence data will be enhanced with the fielding of the AF–DCGS Block 10.2, which is leading the way in DOD's net-centric ISR enterprise transformation.

Global Reach

America's airmen provide not only the long legs and heavy lifting for joint warfighters' rapid global mobility, but also the long arms for global strike and high endurance for global persistence and presence. On a daily basis, Air Force mobility forces support all DOD branches as well as other government agency operations all over the world. Increased demand and decreased availability underscore the critical need for tanker recapitalization and investment to ensure the long-term viability of this national capability. Without prudent, timely investment, our national defense, global vigilance, reach, presence, and power are put in serious peril.

Tanker Recapitalization

Aerial refueling capability is essential to the expeditionary nature of America's Armed Forces. Aerial refueling serves as a joint force multiplier, providing American and coalition air forces with increased range, persistence, and endurance. We are committed to maintaining an inventory of tankers that guarantees the projection of U.S. combat power.

For the past 50 years, the Air Force's primary tanker platform has been the KC–135, and it has served with distinction. However, we are carrying great risk operating this aircraft beyond expected service life. Some of the oldest models already operate well beyond the point of cost-effective repair. Tanker recapitalization is not a new idea. In 1999, a thorough GAO report presaged the declining operational utility of our aging tankers and underscored the need for immediate investments in recapitalization. Given the increased operational requirements of the global war on terror, procurement of a new tanker aircraft—the KC–X—has become both an operational necessity and the most fiscally prudent option to maintain America's global presence and expeditionary capabilities.

The KC–X is our number one procurement priority. KC–X tankers will provide increased aircraft availability, more adaptable technology, and greater overall capability than the current inventory of KC–135E and KC–135R tankers they will replace. Enhancements in every aspect of aircraft operation will provide the joint warfighter with more flexible employment options. It is imperative we begin a program of smart, steady reinvestment in a new tanker—coupled with measured, timely retirements of the oldest, least capable tankers. Recapitalizing our tankers will ensure the viability of the vital national capability they provide.

Intratheater Airlift

The Air Force has a two-pronged approach to modernize America's intratheater airlift capabilities. First, we are striving to replace our oldest aircraft with a mixture of new C–130Js and Joint Cargo Aircraft (JCA). The JCA offers the potential for additional solutions to the Air Force's intra-theater airlift recapitalization strategy. JCA will provide a modern mobility platform suited to accessing an array of demanding and remote worldwide locations, including short, unimproved and austere airfields.

Second, we will standardize remaining C–130s via the C–130 Avionics Modernization Program (AMP) and center-wing box replacement programs. C–130 modernization extends operational lifetime, reduces operation and sustainment costs, and increases the combat effectiveness of our intratheater airlift capability.

For decades, C–130s have been the workhorses for intratheater airlift during numerous contingences. Additionally, the C–17 has done a superb job augmenting the C–130s in the intratheater airlift role. Similarly, the new C–130Js, which are far more capable than legacy C–130s, have proved their worth supporting global war on terror and humanitarian operations since December 2004.

Intertheater Airlift

The C–17 continues its outstanding support for joint operations across the spectrum of conflict. During the past year, C–17s flew over 44,000 sorties, bringing the total number of OEF and OIF missions to over 123,000. Additionally, the C–17 flew 900 humanitarian and disaster relief sorties following Hurricanes Katrina, Rita and Wilma, as well as the Southeast Asian tsunami, Pakistani earthquake, and the Lebanon noncombatant evacuation operations. Given this high operational tempo, the Air Force appreciates congressional action to procure additional C–17s to sustain a fleet of 190.

During 2006, the Air Force's other heavy lifter, the C–5 Galaxy, flew 5,500 sorties in support of the global war on terror. Since 11 September 2001, C–5 have flown over 50,000 sorties in support of the joint warfighter and provided humanitarian aid around the world. To keep the C–5 mission capable and maximize capability, the Air Force is continuing the C–5 Avionics Modernization Program (AMP) and the Reliability Enhancement and Re-engining Program (RERP). The AMP and RERP efforts ensure compliance with emerging airspace requirements, upgrade aircraft propulsion, and improve over 70 other unreliable C–5 systems, enabling this large airlifter to remain viable through 2040.

Together, the C–17 and C–5 weapons systems provide complementary capabilities and are critical to meeting our U.S. intertheater airlift requirements today and in the future—for the entire joint force.

Space Launch Operations

The Air Force continues to fulfill its role as the guardian of the world's premier gateways to space and America's vital national space launch capabilities. Space launch is another element of Air Force space capability that is vital to American global military, political, and economic success.

With 14 operational launch successes, the Evolved Expendable Launch Vehicle (EELV) program provides assured access to space in support of operational requirements. In fiscal year 2007, we expect to continue building upon our DOD launch successes with seven EELV and three Delta II launches.

Launch and Test Range System. The Eastern and Western Ranges, located at Cape Canaveral Air Force Station, FL, and Vandenberg AFB, CA, respectively, comprise the Launch and Test Range System (LTRS). The LTRS, part of the DOD's Major Range and Test Facility Base (MRTFB) infrastructure, provides tracking, telemetry, communications, command and control to support the testing of ballistic missiles, precision weapons, national missile defense and advanced aeronautical systems. The LTRS also provides the vital infrastructure necessary to support manned and unmanned space launches for DOD, national, civil and commercial space missions. We will continue LRTS modernization and further reinforce our capabilities to ensure space launch safety and mission success.

Global Power

The U.S. Air Force provides the joint team a historically unprecedented ability to deliver a precise, tailored effects whenever, and wherever and however needed—kinetic and nonkinetic, lethal and nonlethal, at the speed of sound and at the speed of light. It is an integrated cross-dimensional capability that rests on our ability to control air, space, and cyber. We exploit these domains to hold at risk any target on the surface of the Earth. As we continue to transform this capability, we will focus on expanding our effectiveness in multiple dimensions. We will continue to re-

fine our abilities to deliver lethal and nonlethal effects at the time and place of our choosing, shortening the sensor-to-shooter "kill chain."

Combat Search and Rescue

Uniquely within DOD the Air Force organizes, trains and equips dedicated forces for Combat Search and Rescue (CSAR) mission. Air Force CSAR crews fulfill our absolute moral imperative to safely secure and return all of our airmen and any member of our joint team.

We are recapitalizing this vital combat capability with the CSAR–X aircraft. This effort represents one of our top Air Force acquisition priorities. These modern aircraft will enable COCOMs to recover isolated joint or coalition personnel engaged across the spectrum of military operations as well as perform non-combatant evacuation and disaster relief operations. CSAR–X aircraft will relieve the high operations tempo (OPTEMPO) strain placed on the current LD/HD inventory of HH–60G Pave Hawk helicopters, and they will present COCOMs with key combat and noncombat mission options.

This new aircraft will dramatically improve Air Force CSAR mission capabilities. It will provide our personnel recovery forces with an aircraft that is quickly deployable and capable of operations from austere locations. It will operate 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 aircraft to operate in an increased threat environment, and in-flight refueling will provide an airborne alert capability and extend its combat mission range.

These increased capabilities are crucial to meeting current and future joint operational needs, while providing greater capability to Air Force CSAR forces, "that others may live."

F–35A Lightning II

The F–35A Lightning II JSF is a fifth-generation multi-role strike fighter aircraft optimized for air-to-ground attack. The F–35A is the Conventional Take-off and Landing (CTOL) variant, and it will recapitalize F–117, F–16, and A–10 combat capabilities. The F–35A will complement the capabilities of the F–22A. Like the Raptor, the F–35A reaps the benefits of decades of advanced research, development, and field experience.

The F–35A will provide affordable precision engagement and global attack capabilities for the Air Force, Navy, Marines, and our international partners. In 2006, the JSF program delivered the first CTOL variant test aircraft and completed its first flight on 15 December 2006.

Next Generation Long-Range Strike

Range and payload are the soul of an Air Force. These elements form the foundation of strategic military deterrence. The LRS mission, a primary reason the Air Force became a separate Service in 1947, continues as a vital and unique Air Force contribution to national defense. The Air Force has a three-phased strategy to help ensure the U.S. meets its enduring LRS capability requirements. Phase One includes near-term maintenance and modernization of current bombers and air-to surface weapons.

By 2018 and in accordance with QDR goals, Phase Two will deliver a new LRS bomber incorporating highly advanced technologies. This next generation bomber will combine speed, stealth, payload, and improved avionics/sensors suites. This new bomber will bring America's bomber forces up to the same high standard we are setting with our F–22A and F–35A fifth-generation fighters. It will ensure our bomber force will continue to be effective in meeting COCOMs' global needs across the full range of military operations. The Analysis of Alternatives will be complete in the spring of 2007.

In Phase Three, the Air Force plans to field a revolutionary LRS capability in the 2035 time frame using an advanced system-of-systems approach. We expect technology maturation to yield advancements in several areas, including hypersonic propulsion, advanced materials and nonkinetic weapons.

F–22A Raptor

The F–22A Raptor is the Air Force's primary air superiority fighter, providing unmatched capabilities for operational access, homeland defense, cruise missile defense and force protection for the joint team. The F–22A's combination of speed, stealth, maneuverability, and integrated avionics gives this remarkable aircraft the ability to penetrate denied, anti-access environments. The F–22A's unparalleled ability to find, fix, track, and target enemy air- and surface-based threats ensures air dominance and freedom of maneuver for all joint forces. In addition, the F–22A is the

only airborne system in the U.S. military that can conduct network-centric warfare and provide ISR capability from inside adversary battlespace in the opening moments of any contingency.

Until the F–22A became operational in 2005, America's Air Force had not fielded a new fighter since the 1970s. Today, combat-capable Raptors are in full-rate production on the world's only fifth-generation fighter production line. As of 1 January 2007, 84 aircraft have been delivered, including 44 combat coded aircraft, and another 25 are in production. The first operational F–22A unit declared initial operational capability at Langley AFB, Virginia, in December 2005. The second operational F–22A unit will pick up the AEF rotation in May 2007. Meanwhile, the third operational unit is standing up at Elmendorf AFB, Alaska with a projected AEF rotation of May 2008. We will also station a fourth unit at Elmendorf, followed by fifth and sixth units at Holloman AFB, New Mexico, and the seventh unit at Hickam AFB, HI.

The F–22A flew its first operational mission in support of ONE in January 2006, participated in the Alaskan Northern Edge exercise in July 2006, and is preparing for upcoming AEF deployments.

MQ–9 Reaper

Similar to its smaller MQ–1 Predator sibling, the MQ–9 Reaper is a medium-altitude, multi-role, long endurance UAV that will provide persistent ISR and improved strike capabilities to COCOMs. MQ–9 incorporates MQ–1 operational design improvements, a larger airframe, battle-proven sensors, full motion digital video, Rover connectivity and expanded munitions capability.

Initial mission capability will begin at Nellis AFB, NV, with future expansion to New York ANG. In 2007, we expect to continue rigorous MQ–9 development and demonstration, as well as operational employment with pre-production aircraft to meet urgent joint warfighter needs.

The MQ–9, like the MQ–1, will also incorporate Target Location Accuracy improvements to support GPS-guided munitions. Ultimately, the MQ–9 will provide theater commanders with expanded employment options in a vastly improved Hunter-Killer UAV, incorporating a larger payload, automatic cueing, and self-contained capabilities to strike time sensitive and hard targets.

CV–22 Osprey

The Air Force will procure 50 CV–22s, with an Initial Operational Capability scheduled for fiscal year 2009. The CV–22 is a V–22 tilt-rotor aircraft designed to meet a U.S. Special Operations Command (USSOCOM) requirement for long-range infiltration, exfiltration, and resupply of Special Operations Forces. The CV–22's advanced systems include Terrain Following/Terrain Avoidance Radar, Integrated RF Countermeasures, Directional Infrared Countermeasures, the Multi-mission Advanced Tactical Terminal, and additional fuel tanks and tactical communications gear.

Global Positioning System

The GPS constellation serves as a global utility for precision navigation and timing. GPS is yet another Air Force mission that has become vital to American military and global economic activity. As with all elements of the Air Force space mission, we are dedicated to ensuring uninterrupted continuity of GPS services.

GPS modernization continues in 2007 with additional launches of GPS IIR–M satellites. The GPS IIR–M satellites will provide a new military signal more resistant to jamming and a new civil signal for improved position accuracy for civil, commercial, and recreational GPS users. The follow-on system, GPS IIF, will provide IIR–M capabilities plus an additional civil signal for aviation safety-of-flight services. The development of the next-generation GPS–III will further enhance navigation and precision-engagement capabilities and improve resistance to jamming, as well as add a third civil signal compatible with the European Galileo System.

Counter Communications System

As part of the broader Counterspace mission, the ground-based, theater-deployable CCS provides COCOMs with a non-destructive, reversible capability to deny space-based communication services to our adversaries. CCS enhances our capability to ensure air, space and cyberspace superiority for the Nation.

We plan to procure three additional operational CCS and one training system. This comprises the full complement of systems for two Space Control Squadrons. We will continue block upgrades to the CCS to enhance our Offensive Counterspace capabilities and begin pre-acquisition work for the next generation CCS.

Intercontinental Ballistic Missiles

America's ICBM force remains the foundation of our Nation's nuclear deterrent capability. Modernization programs are crucial to the Minuteman ICBM, which, when initially deployed in the 1960s, were designed to last 10 years. Service life extension programs are underway to ensure the Minuteman III remains mission capable through 2020. These programs replace obsolete, failing, and environmentally unsound materials, while maintaining missile reliability, survivability, security, and sustainability. These efforts are critical to sustaining the ICBM force and are vital to America's nuclear deterrent posture.

Operationally Responsive Space

The Air Force intends to continue its demonstration, acquisition, and deployment of an effective Operationally Responsive Space (ORS) capability in support of the DOD's focus on meeting the urgent needs of the COCOM.

ORS includes the ability to launch, activate, and employ low-cost, militarily useful satellites to provide surge capability, reconstitute damaged or incapacitated satellites, or provide timely availability of tailored or new capabilities. ORS capabilities can lead to long-term benefits by advancing technology, improving space acquisitions, enhancing the skills of the technical workforce, and broadening the space industrial base.

Space Development and Test Wing. In 2006, the Air Force established the Space Development and Test Wing (SDTW), headquartered at Kirtland AFB, New Mexico, to focus on the development and testing of orbital assets with the goal of encouraging innovation in the space mission area.

One of the Wing's responsibilities is ORS. Working with other services and agencies, it will perform concept development, design, manufacturing, and operation of small satellites, as well as other activities required to support the fielding of ORS capabilities. As capabilities are developed and fielded, the wing will directly interface with user organizations responsible for employing ORS capabilities in joint and coalition operations.

During fiscal year 2007, we will develop a plan further refining ORS. This plan will fully define ORS roles and missions, along with the organization and reporting structure. In addition, we plan to develop specific acquisition policies, implementation schedules, funding, and personnel requirements to support deployment of ORS capabilities.

Science and Technology

True to our history over the past century of powered flight, the Air Force continues to maintain the most complex, diverse and ambitious science and technology (S&T) portfolio of all the Services. History clearly demonstrates the broad benefits to America of our S&T efforts, in terms of military power, industrial capability, economic growth, educational richness, cultural wealth, and national prestige. Examples include aerospace technology and propulsion, materials science, advanced computing and communications, atmospheric science, remote sensing and satellite navigation. What has been good for the Air Force has been great for America. We are committed to building upon this heritage.

The Air Force S&T Program develops, demonstrates and tests technologies and advanced warfighting capabilities against the spectrum of 21st century threats. As we continue to adapt to a volatile and uncertain world, today's focused investment in our S&T Program will strive to produce the future warfighting capabilities needed to ensure America's continued technological pre-eminence and military flexibility. Additionally, Air Force S&T organizations work closely with the other Services, Defense Agencies, Intelligence Community, and other Federal agencies, such as the National Aeronautics and Space Administration, as well as partner nations. Through these partnerships, we leverage efforts, share information, and advance state-of-the-art technologies.

The Air Force S&T Program provides the foundation for future joint warfighting capabilities, focusing on dominance of the air, space, and cyberspace domains for America.

Improving Energy Efficiency

The Air Force is taking the lead in reducing the DOD's dependence on foreign oil. As the DOD's leading consumer of jet fuel, we are currently engaged in evaluating alternative fuels and engine technologies leading to greater fuel efficiency. Air Force efforts focus on high-efficiency aerodynamic concepts, advanced gas turbines and variable cycle engines providing higher performance and greater efficiency.

As a part of this effort, the Air Force is performing flight tests on a B–52 using a blend of MILSPEC JP–8 fuel and a synthetic fuel derived from natural gas. We plan to continue airworthiness certification testing of synthetic fuel.

Cyber Technology

Fulfilling its role as a leader in the Information Age, the Air Force is exploring technologies and concepts of operations within the cyberspace domain. Air Force Cyberspace initiatives will provide tools for offensive and defensive cyberspace operations as well as bolster our information assurance capabilities. The Air Force is investing in technology concepts to ensure reliable, operational links between individuals and systems—in addition to machine-to-machine interfaces—to ensure cyberspace dominance, information delivery, situational awareness, and rich connectivity across the joint team.

Small Satellites

The Air Force is pursuing development of small satellite technologies, including modular buses with "plug-n-play" payloads, along with the development of low-cost launch systems. We aim to provide a greater range of responsive space applications for the tactical warfighter. Small satellite technology demonstrations have achieved lighter payloads and reduced development and integration timelines. Additionally, these achievements serve to mitigate technology risks for larger, more complex satellite programs in development. Small satellites with operationally responsive payloads could potentially provide either specifically tailored, stand-alone capabilities, or rapid augmentation capability for a satellite or constellation of satellites that suffer failure or attack.

Directed Energy

Directed energy weapons will profoundly transform how we fly, fight, and defend ourselves, and we are integrating them into our broader cyber operations effort. As lasers and radio frequency weapons find applications in the battlespace, their ability to operate at the speed of light will change both offensive and defensive capabilities and tactics. New designs and technology may be necessary to offer adequate protection for our people and capabilities.

Weapons in development include the Airborne Laser (ABL), a large aircraft carrying the High Energy Laser for missile defense. Additionally, the active Denial System has demonstrated the viability for a long-range, nonlethal, anti-personnel weapon.

These systems benefit from many years of technology development. Revolutionary technologies continue to be developed. These include versatile high power solid-state lasers; devices for aircraft self-protection; higher power active denial components for airborne applications; relay mirrors to extend the range of systems like ABL; and high power microwave devices to disable electronics covertly without affecting structures or people.

Hypersonics

The Air Force is a world leader in the development of practical hypersonic air-breathing propulsion. Hypersonic research, relating to flight speeds greater than five times the speed of sound, offers dramatically reduced time-to-target for conventional weapons and, in the future, may provide "airplane-like" on-demand access to space. Our effort involving supersonic-combustion-ramjets (Scramjets)—specifically our planned flight tests of the X–51 Scramjet Engine Demonstrator—highlights our commitment to maintaining America's leading role in this field.

We also expect advanced hypersonic munitions technologies to improve penetration capabilities and decrease collateral damage. These characteristics will allow us to expand our target attack ability, particularly in urban environments and against time critical, hardened, and buried targets.

Composites

Air Force S&T is exploring advancements in composite structures and manufacturing technologies for lightweight unconventional aircraft shapes. Example applications include short take-off and landing capabilities, high-lift aircraft wing systems, integrated propulsion inlet/diffuser geometries, and integrated flight control surfaces. We expect these efforts to shorten development times for next generation aircraft with lighter, stronger airframes offering far greater mission utility than legacy aircraft.

Simultaneously, we are addressing sustainment of composite structures, in order to ensure future aircraft built with these materials will be readily maintainable and serviceable.

Nanotechnology

Investment in nanotechnologies could provide stronger and lighter air vehicle structures including potential applications in unmanned vehicles. Other nano-materials show promise as high-performance water-repellant coatings. These coatings may protect Air Force systems against corrosion and chemical/biological contaminants, providing significant savings in maintenance costs and extending the lifetime of aircraft and other military equipment.

DELIVERING EXCELLENCE

Fighting the global war on terror, developing and caring for our airmen and their families, and recapitalizing and modernizing the Air Force all require substantial national resources.

Throughout 2006, the Air Force embarked on several forward-leaning initiatives to improve our organization, efficiency, agility, and lethality. We are committed to good stewardship of America's resources, while strengthening America's current and future air, space, and cyberspace capabilities.

The Air Force is making strides in a range of activities and through multiple, overlapping initiatives to improve what the QDR refers to as "reshaping the defense enterprise." The Air Force is moving toward financial transparency and reinforcing our culture of efficiency and process improvement through the AFSO21 initiative. We are also transforming our approach to infrastructure and maintenance, executing an aggressive energy strategy, and reforming our acquisition practices—emphasizing a "Back to Basics" approach to space acquisitions, in particular.

All of these efforts will lead to greater efficiency, lower operating costs, and greater availability of resources for recapitalization and modernization of critical Air Force capabilities. In short, our airmen are striving to provide an even higher return on America's national security investments.

Air Force Smart Operations for the 21st Century

To meet the challenges of this environment and the road ahead, we have embarked on an Air Force-wide effort embracing efficiency and process improvement. AFSO21 applies many concepts developed and proven in industry—Lean, Business Process Reengineering, Six Sigma, and Theory of Constraints methodologies. We expect significant savings from this initiative.

The AFSO21 vision is to increase combat capability by integrating process improvement into the culture of all of the active Duty, Air National Guard and Reserve airmen, as well as our civilians and contractors. All airmen must understand their role in improving daily processes. AFSO21 identifies and eliminates activities, actions and policies that do not contribute to efficient and effective operations.

We seek several outcomes from AFSO21. First, we want all airmen to be fully aware of the importance of their work—how they contribute directly to the Air Force mission and national defense. Second, we will strive to improve safety and maintain quality of life for all Air Force personnel. Third, we push to decrease process cycle times, thereby increasing our ability to respond to rapidly changing demands. Fourth, we aim to cut costs and free up funds for modernization. Finally, we seek to eliminate waste.

Process changes have occurred at every level of the Air Force, resulting in significant savings. We have more work to do, but institutionalizing AFSO21 concepts into daily operations allows us to meet the enormous challenges of the next decade and ultimately sustain and modernize the world's premier air, space, and cyberspace force.

Business Transformation

The Air Force vision of Business Transformation creates rapid and predictive operational support and leads to greater situational awareness for commanders. Our high-level Business Transformation goals include improving warfighter effectiveness through fast, flexible, agile, horizontally integrated processes and systems; establishing a culture of continuous process improvement; achieving efficiencies allowing us to return resources for the recapitalization of aging weapons systems and infrastructure; and creating an acquisition process unparalleled in the Federal Government.

National Defense Authorization Act Certification and Portfolio Management. The Air Force fully leverages DOD enterprise transition planning and DOD-mandated certification reviews. We ensure business systems development supports the effects and capabilities articulated in the Agile Combat Support concept of operations. These certification reviews have resulted in the shutdown and elimination of hundreds of legacy systems and allowed us to redirect additional resources to critical warfighting requirements.

Transparency. The Air Force is accelerating efforts to deliver authoritative information to decision makers at all levels, improving information availability and quality, realizing warfighter cross-service information requirements, and implementing DOD-wide information priorities. We will achieve transparency by using correct information at all echelons—trustworthy, traceable, auditable, and valuable. We will support cross-domain or cross-mission efforts by defining architecture and information standards necessary for easy discovery, use and reuse of data.

Clean Audit Quick Look

Warfighters perform their missions with increasingly limited resources and manpower. Decisionmakers at every level need the best information when allocating these scarce resources. To achieve greater levels of information fidelity, the Air Force is committed to improving transparency in its business processes, to include Financial Management. A Clean Audit Opinion defines a major objective of this commitment. Financial transparency requires the Air Force to have processes and procedures in place ensuring data is accurately collected at the source, flows efficiently through to reporting systems and analytical tools, and is error-free.

The Air Force Information Reliability and Integration (AFIR&I) plan is our road map toward financial transparency. It is a key component of the DOD Financial Improvement and Audit Readiness (FIAR) Plan aimed at improving DOD financial health. The AFIR&I Action Plan reinforces our ongoing commitment to ensuring the absolute highest level of stewardship of our Nation's investments in the Air Force.

Energy Conservation

We are pursuing an aggressive energy strategy and are committed to meeting and surpassing the energy goals mandated by the Energy Policy Act of 2005 (EPAct 05) and other national policies. We successfully reduced our energy consumption in accordance with past legislation and continue to use a variety of programs aimed at reducing our use of fossil fuels and controlling cost growth. Our vision creates a culture where airmen make energy considerations in all their actions. We aim to implement our vision with solutions that include alternate sources of domestic energy as well as an aggressive drive for greater efficiency in our facilities and vehicles.

The Air Force remains the largest renewable energy purchaser in the U.S. Our commitment to install 18 megawatts of solar photovoltaic energy at Nellis AFB is one example of our pursuit of on-base renewable power generation. Currently 37 bases meet some portion of their base-wide electrical requirements from commercial sources of wind, solar, geothermal or biomass. We have several projects planned, in design, or under construction to expand this capability. With our combined purchase and production strategy, the Air Force is poised to surpass the renewable goals set by the Energy Policy Act.

The Air Force applies sustainable development concepts in the planning, design, construction and operation of facilities using the Leadership in Energy and Environmental Design (LEED) certification process. Our long-term goal is to ensure 100 percent of eligible new facilities are LEED certifiable by fiscal year 2009. This complements our use of facilities construction and infrastructure improvement programs designed to create cost effective energy efficiencies in new and existing facilities.

We have also taken an aggressive stance on replacing our existing general-purpose vehicles with low speed vehicles (LSVs) without adversely affecting peacetime or wartime mission requirements. This measure will reduce vehicle acquisition cost, fuel expenditures and ozone-depleting exhaust emissions and free up funds for use in other critical areas. Our goal is to replace 30 percent of general-purpose vehicles with LSVs by fiscal year 2010. Coupled with the goal to replace 100 percent our general-purpose vehicles with alternative fuel vehicles, the Air Force is taking the lead in the use of alternative energy technologies.

Acquisition Excellence

The Air Force continues its goal of streamlining the acquisition process to providing efficient and responsive services to the warfighter. A number of completed and ongoing projects have contributed to the improvement of acquisition, and fiscal year 2008 promises more progress.

We have revitalized the Acquisition Strategy Panel, providing a systematic and disciplined approach to develop an effective acquisition program roadmap. The newly developed Air Force Review Board process provides a structured and repeatable system that aids decision-making on critical aspects of selected acquisition programs. We have also streamlined periodic review processes by combining several independent reviews into a single event, saving preparation and travel time.

In 2006, the Defense Acquisition Performance Assessment (DAPA) made a number of recommendations for improving the acquisition system. The Air Force is in the process of evaluating and implementing key recommendations of the DAPA re-

port. For example, the Air Force is exploring the concept of Time Certain Development (TCD) as the next step in evolutionary acquisition. TCD involves structuring a program to deliver its initial capability to the warfighter at an explicitly specified (and much shorter) interval. Such a policy helps improve the responsiveness of the acquisition system and keeps our warfighting capabilities aligned to current threat conditions.

To enhance the credibility of the acquisition system, the Air Force is strengthening its efforts to analyze risks prior to initiation and execution of a program. The Air Force is prototyping the Probability of Program Success model, a framework for identifying and reporting risk issues that threaten a developer's ability to deliver on time and budget. Use of this model has the potential to highlight risk areas requiring the program manager's attention.

The Air Force is improving the source selection process, ensuring appropriate use of incentives, assessing current contracting organizational alignments, and implementing strategic sourcing strategies. We are committed to providing support of contingencies and to the warfighter by acquiring commodities and services by the most effective means possible. We continue to maintain the majority of the deployed contingency contracting assets in the Iraq/Afghanistan AOR, and we remain dedicated to supporting the COCOMs through joint and Air Force taskings.

Space Acquisition

The Air Force is committed to revitalizing and restructuring its overall space acquisition strategy. We will build upon our heritage of providing unmatched space capabilities to meet national, COCOM, and Joint Force objectives by developing and executing more deliberate plans focused on cost and schedule containment.

The Air Force "Back to Basics" initiative is part of our plan to improve space acquisitions. The initiative promotes a renewed emphasis on management techniques and engineering practices that lead to better definition of requirements as well as deliberate acquisition strategy planning. Clear and achievable requirements, appropriate resources, disciplined systems engineering, and effective management are the basic elements—the foundation upon which successful acquisition depends.

The "Back to Basics" initiative promotes a block approach strategy focused on delivering capability through value-added increments. This concept is consistent with current policy specifying "evolutionary acquisition as the preferred strategy" for DOD acquisition. Specific capability increments are based on a balance of capability, delivery timeline, technology maturity, risk, and budget. Well-defined increments reduce many of the instabilities plaguing our past efforts. We will deliberately apportion cost, schedule, and technical risk across these increments to meet the primary objective—delivering combat capability on a predictable timeline and at a predictable cost.

In 2006, the Air Force restructured two major programs to comply with the "Back to Basics" strategy initiative. We have restructured the GPS III and TSAT programs to reduce risk and define executable block strategies. We expect these changes to deliver warfighting capabilities in the least amount of time.

In 2007, the Air Force will expand the implementation of its "Back to Basics" initiative by deliberately and establishing block development strategies for a greater number of programs within the Air Force space portfolio. We will continue our conscientious efforts to stabilize requirements, funding, and workforce within program blocks. This strategy will place increased emphasis on cost estimating, systems engineering, and risk management to provide capability to our warfighters.

Small Business Programs

The Air Force employs over 129 small business professionals across the country. They strengthen our Nation's industrial base through their advocacy for the small business community. They also identify future procurement opportunities for small businesses and refer these companies to potential Air Force customers. We surpassed our small business goals for the third consecutive year across all Air Force primary small business programs. Small business prime contract awards, in both dollars awarded and percentage of total procurement, increased in every category. We awarded a record $8 billion in Air Force contracts to small businesses, accounting for 16.9 percent of all awarded contract dollars. Additionally, we awarded $86 million to Historically Black Colleges and Universities (HBCU) and other minority institutions, accounting for 9.1 percent of all awarded contract and grant dollars to institutions of higher education.

Operations and Maintenance Facility Projects

The Air Force will continue to prioritize investments in facilities and infrastructure critical to mission operations. Maintenance and repair of runways, weapons system facilities, utility systems, and training facilities represent the Air Force's top

projects. We will invest O&M funds to maximize the economic life and value of this critical infrastructure, minimizing mission disruptions. The Air Force continues to face significant challenges in preserving an aging inventory of utility systems, airfield pavements, and essential support facilities.

Depot Maintenance Transformation

Throughout Air Force history, our depots have been vital to success. Our commitment to retain technically relevant depot-level maintenance and repair capability will ensure sustainment of the world's dominant air, space, and cyberspace capabilities beyond the next decade. We programmed investments in depot infrastructure, equipment, and personnel throughout fiscal year 2004-fiscal year 2009 in order to implement the Air Force Depot Maintenance Strategy and Master Plan. The Air Force strategy benchmarks industry standards to improve depot maintenance infrastructure, implement re-engineering initiatives, and transform depot processes to maintain "world-class" status.

Repair Enterprise

As an expeditionary air, space, and cyberspace force, we challenged our logisticians to develop agile combat support concepts that enhance our current and future warfighting capabilities. Repair Enterprise (RE21) is a lean logistics initiative and an integral part of the Global Logistics Support Center (GLSC) concept of providing global logistics support to the Air Force. RE21 leverages global visibility of all repair assets, centralized funds management, strategic sourcing, and partnerships with industry to provide the Air Force highly technical logistical support. The main RE21 goal is to establish an enterprise-wide single repair network supporting the entire Air Force supply chain and to optimize support to the warfighter through the GLSC.

MINDING THE FUTURE

September 18, 2007, will mark the 60th Anniversary of the creation of our independent United States Air Force. This year, we commemorate this anniversary of our proud Service—a service born of revolutionary ideas, forged in combat, and proven through decades of progress and achievement. The mission of the Air Force remains to fly, fight and win—in, through and from air, space, and cyberspace.

While remembering our history and reaffirming our commitments to the current fight, we are ever mindful of the need for investment in future capabilities. We will remain focused on our top priorities: Fighting and Winning the global war on terror; Developing and Caring for Our Airmen; and Recapitalizing and Modernizing the Force. Meeting these priorities has become more challenging in light of current fiscal constraints. Nonetheless, we will move forward, striving to maintain the Global Vigilance, Reach and Power advantages America has come to expect. Our allies respect us, and our enemies fear us.

The Air Force has faced challenging times in its past and is meeting the stress of today's operating environment. It is our heritage and mission to fly, fight, and win. Our legacy inspires us. Our mission propels us. Our core values guide us. We have inherited and will build upon a rich heritage—a heritage shaped through the ingenuity, courage and resolve of great airmen who preceded us. Our proud heritage, focused priorities, and enduring core values will serve to guide our actions and reaffirm our commitments today, over the next 60 years, and beyond.

Headquarters U.S. Air Force

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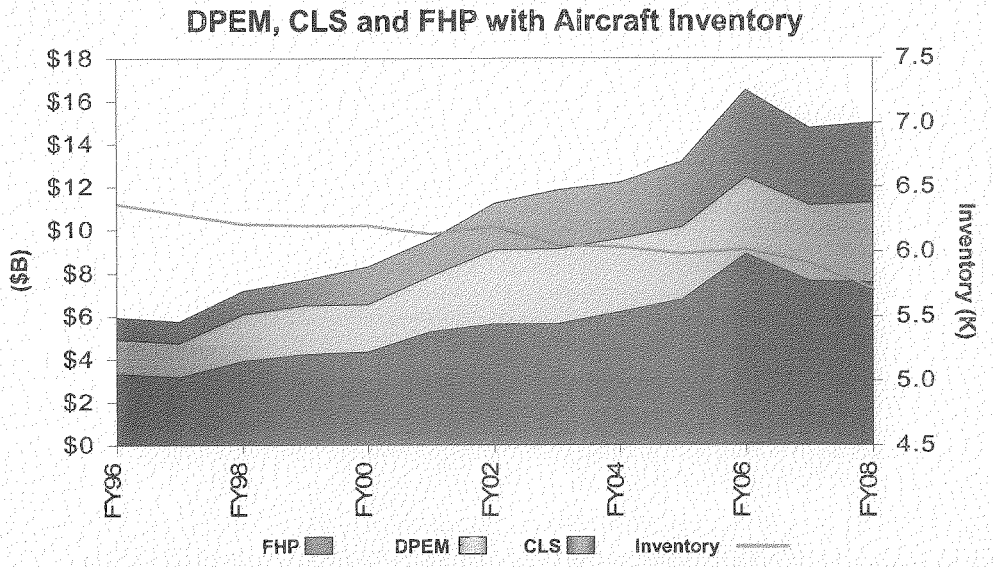
2007 Air Force Posture Statement Package

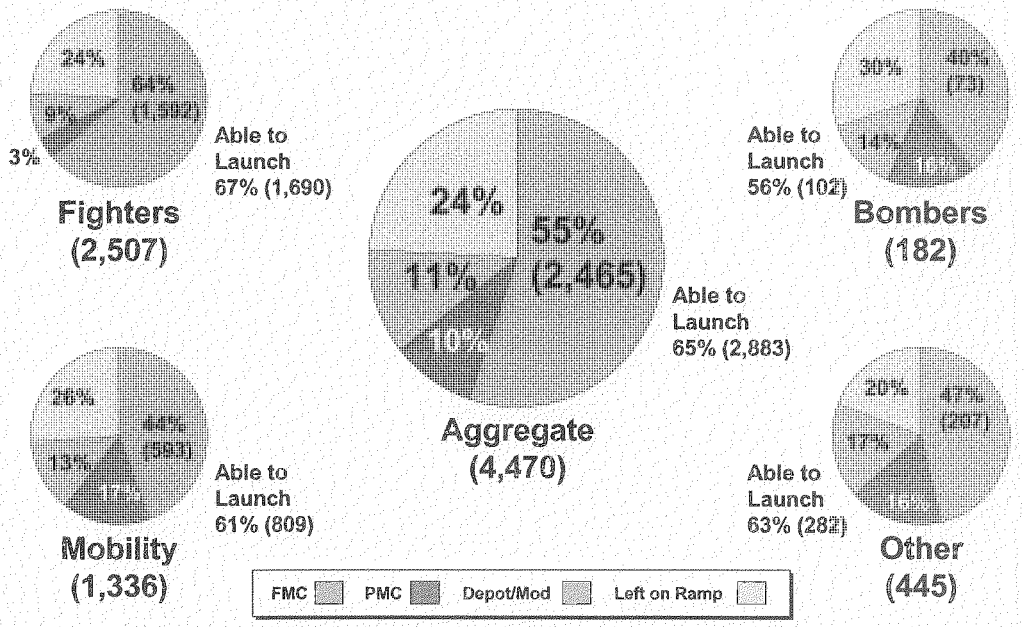
February 2007

Increased Operating Costs



Operating Costs up 179% Over Last Ten Years and Continue to Stress our Ability to Recapitalize

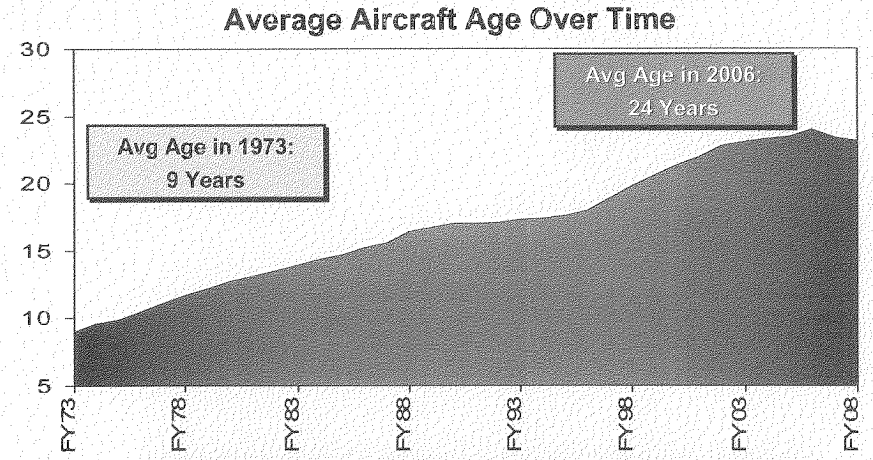
Aircraft Readiness - 1st Qtr 07



Sources: GCSS AF – Data Services and MERLIN

Data as of: 31 Dec 06

Oldest Inventory in History



Aircraft Retirements	Avg Age	Aircraft Retirements	Avg Age
KC-135E Stratotanker	48	U-2 Dragon Lady	24
B-52H Stratofortress	45	F-117A Night Hawk	21
C-130E Hercules	42		

14% of the Fleet is Grounded or Has Mission-Limiting Restrictions

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Declining Readiness

Impact of GWOT on AF Readiness

89 90 91 93 94 95 97 98 99 01 02 03 05 07

OPTEMPO and Operating a Smaller, Older Fleet the Underlying Cause

Readiness Has Declined 17% Since 2001

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Increasing Cost of Operations
Spare Parts +69%
Utilities +16%
Contracts +3.5%
Fuel +9%
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Declining Aircraft Procurement

PROCUREMENT	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Total FYDP
KC-X	0	0	0	7	13	14	14	48
C-17 Globemaster	22	0	0	0	0	0	0	22
C-130J Hercules	9	9	0	0	0	0	0	18
HC-130 Hercules	0	0	2	4	4	4	4	18
MC-130 Combat Talon	0	0	4	4	4	4	4	20
HH-47 CSAR	0	0	0	10	10	14	17	51
Joint Cargo Aircraft	0	0	0	8	12	18	18	56
CV-22A Osprey	2	5	6	5	5	5	5	33
F-35A Lightning II	2	6	8	12	24	42	48	142
F-22A Raptor	20	20	20	0	0	0	0	60
MQ-9A Reaper	2	4	9	11	11	8	8	53
RQ-4A Global Hawk	5	5	5	5	5	5	5	35
MQ-1B Predator	24	24	26	42	26	24	18	184
T-6 Texan	48	39	0	0	0	0	0	87
Total	134	112	80	108	114	138	141	827

Excludes FY07/08 GWOT requests and R&D Quantities

By Comparison, AF Procured 390+ Fighters in 1980

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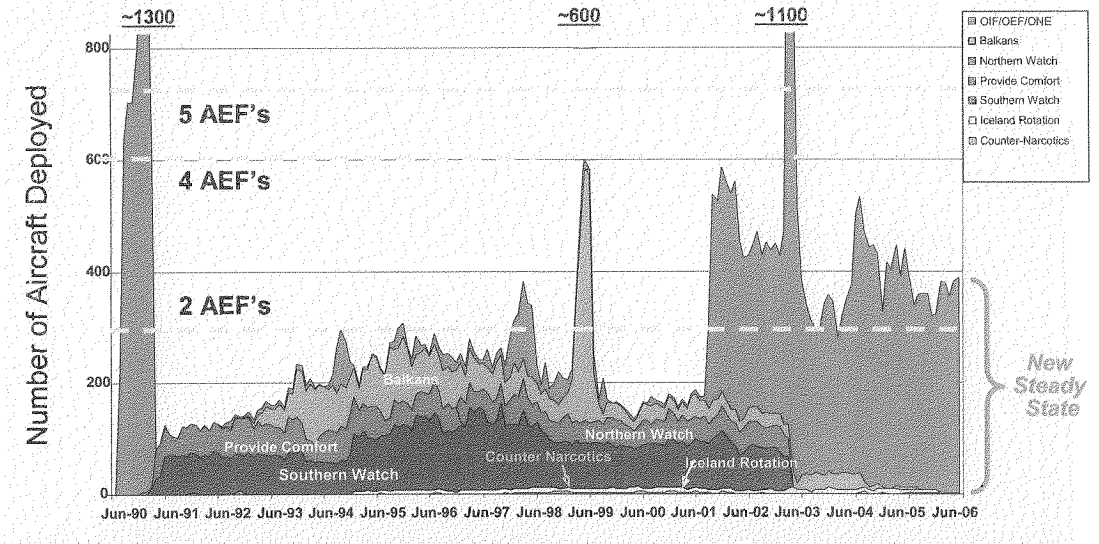
USAF Aircraft Deployed Worldwide
Total Force



New steady state is larger than much of 1990s ... but AF has 1,280 fewer aircraft, higher PERSTEMPO, and older equipment

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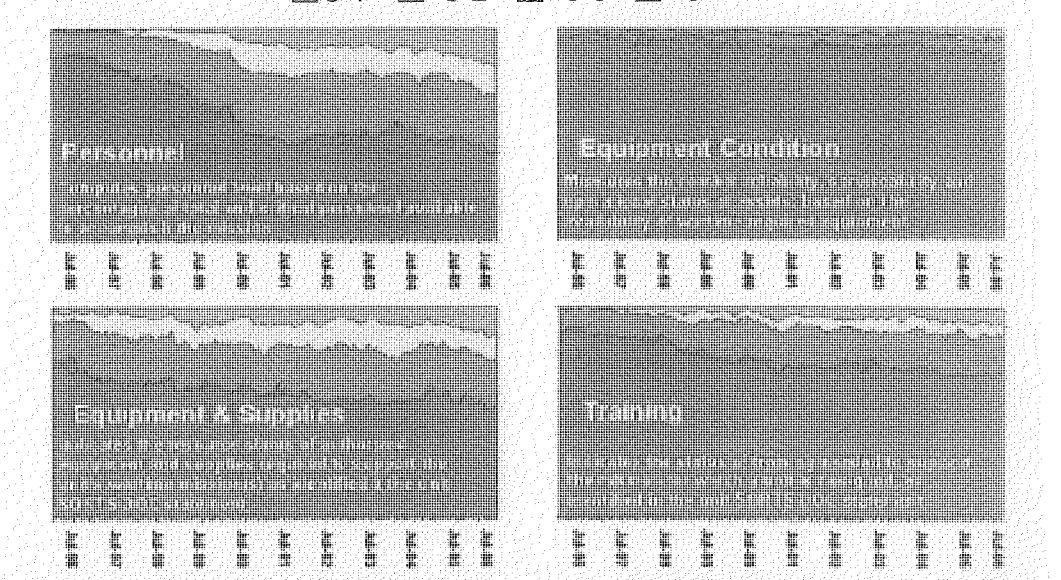
Status of Resources and Training



Total Force Major Ops Units

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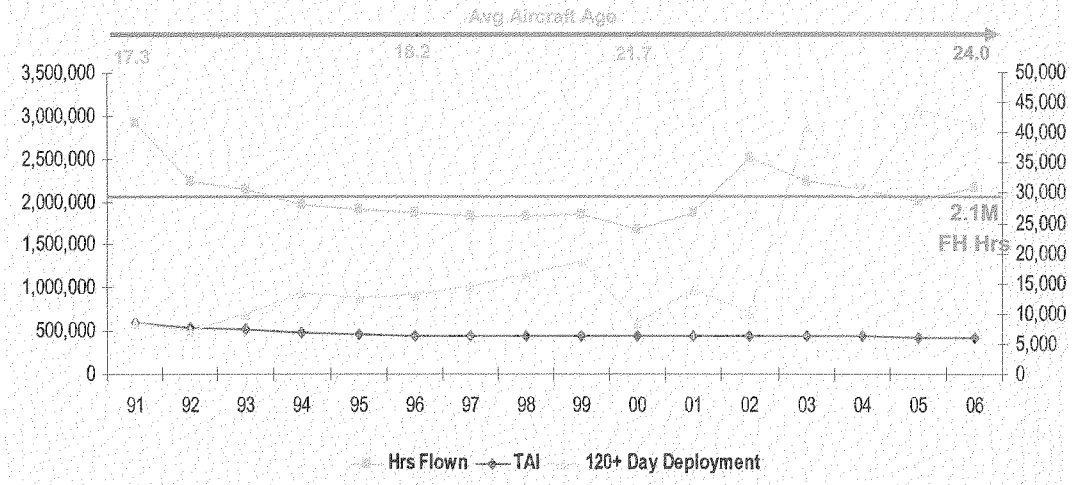
Air Force at War for 16 Years



SOURCES: AF/A3OC, AFKS, AFTOC

We are flying at the same level we did 13 years ago (~2.1M hrs/yr)…but with 1,280 fewer aircraft, higher PERSTEMPO and older equipment

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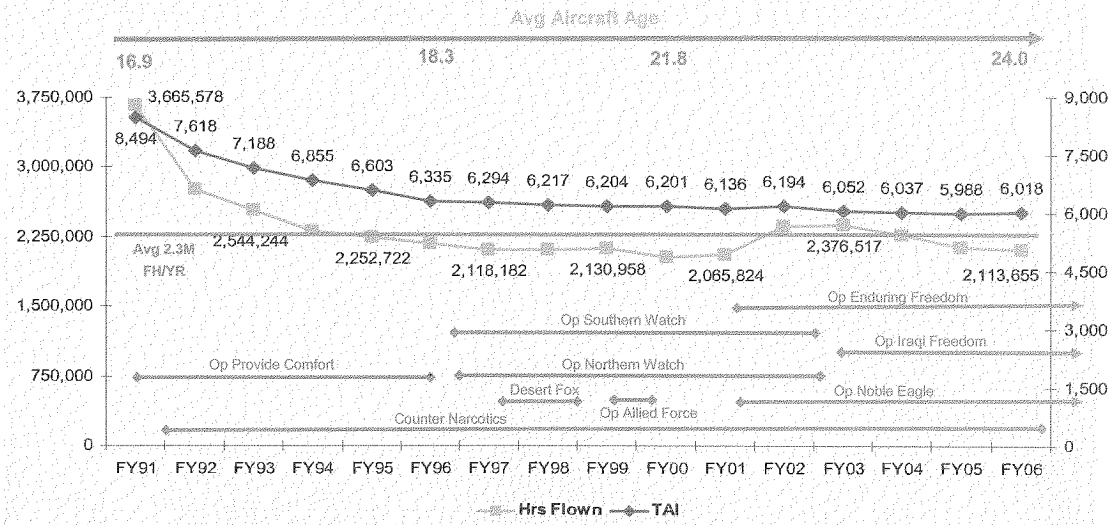
16 Years of Combat Operations

Sustaining Ops in a Demanding Environment



"GWOT missions are only the latest in a string of 16 consecutive years of combat in the CENTCOM AOR" -- CSAF, 18 Jan 07

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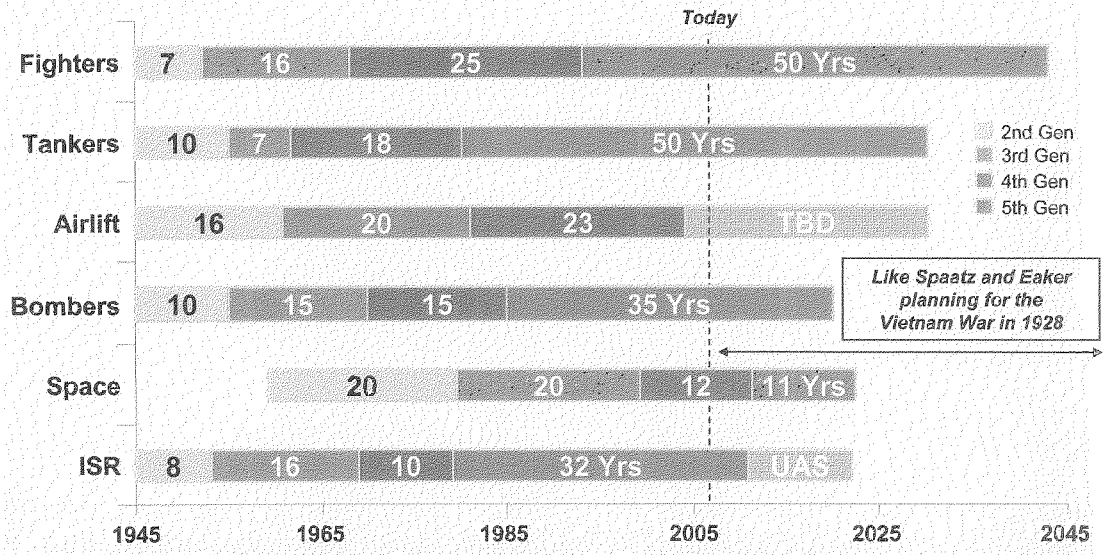
Accepting Unnecessary Risk: Generational Transitions



Current recapitalization approach doubles the transition time between aircraft generations

US Air Force Aircraft Inventory

Mission	MDS	TAI	PAIs	PMAI	PTAI	POAI	PDAI	Avg Age	Avg Hours	Oldest	Newest	Active	ANG	AFRC
Fighter/Attack	A-10A	248		180	61		7	25.7	8,289	10/Apr/1979	14/Mar/1984	128	76	44
	OA-10	108		81	27			25.3	8,809	03/Jul/1979	27/Feb/1984	75	26	7
	F-15A	75	-5	75				28.9	6,297	05/Mar/1975	02/Apr/1981		75	
	F-15B	14		8	6			29.2	6,622	24/Mar/1976	18/Apr/1979		14	
	F-15C	337		258	68		11	23.6	6,460	24/May/1979	20/Oct/1989	289	48	
	F-15D	54		20	31		3	24.0	6,327	22/Jun/1979	11/Aug/1987	49	5	
	F-15E	223		163	48		12	14.6	4,324	12/Aug/1987	28/Sep/2004	223		
	F-16A	21	-8	1	18		2	22.8	4,659	25/Feb/1982	28/Sep/1993	2	19	
	F-16B	22	-2	2	11		9	19.1	3,459	09/Jul/1982	04/Aug/1994	9	13	
	F-16C	1,076		858	191		27	17.0	4,487	23/Oct/1984	09/Mar/2005	581	439	56
	F-16D	178		79	85		14	17.0	4,273	23/Oct/1984	05/Oct/1994	129	43	6
	F-22A	81	1	44	25		12	1.8	222	24/Feb/2000	29/Nov/2006	81		
	F-117A	52		41	8		3	20.7	4,557	27/Aug/1982	01/Apr/1991	52		
	MQ-9 Predator B	5					5	1.5	333	29/Sep/2004	02/Mar/2006	5		
Fighter/Attack Total		**2,494**	**-14**	**1,810**	**579**	**0**	**105**	**19.1**	**5,242**	**05/Mar/1975**	**29/Nov/2006**	**1,623**	**758**	**113**
Bomber	B-1B	67		52	12		3	19.4	5,728	26/Sep/1986	25/Jul/1988	67		
	B-2A	21		20			1	12.4	3,259	17/Jul/1989	07/Nov/1997	21		
	B-52H	94		76	14		4	45.1	16,786	28/Jan/1960	28/Oct/1962	85		9
Bomber Total		**182**		**148**	**26**	**0**	**8**	**31.8**	**11,154**	**28/Jan/1960**	**07/Nov/1997**	**173**	**0**	**9**
Tanker	KC-10A	59		59				22.0	20,169	09/Mar/1981	05/Apr/1990	59		
	KC-135D	4		4				41.2	14,101	15/Sep/1965	03/Jan/1966		4	
	KC-135E	111		110			1	47.7	18,063	28/Nov/1957	28/Jan/1963	1	98	12
	KC-135R	363	-1	337	24		2	45.1	18,093	28/Jun/1958	31/Dec/1964	166	133	64
	KC-135T ("R", two fuel capable)	54		54				46.9	18,885	28/May/1959	28/May/1961	30	16	8
Tanker Total		**591**	**-1**	**564**	**24**	**0**	**3**	**43.4**	**18,340**	**28/Nov/1957**	**05/Apr/1990**	**256**	**251**	**84**
Strategic Lift	C-5A	59		52	7			35.2	19,791	11/May/1970	03/May/1973	7	20	32
	C-5B	47		47				19.0	16,616	08/Jan/1986	08/Mar/1989	36		11
	C-5C ("A" for large cargo)	2		2				36.5	16,253	02/Jun/1970	02/Jul/1970	2		
	C-17A	160	1	145	14		1	5.9	6,887	15/Sep/1991	20/Dec/2006	144	8	8
Strategic Lift Total		**268**	**1**	**246**	**21**	**0**	**1**	**14.9**	**11,504**	**11/May/1970**	**20/Dec/2006**	**189**	**28**	**51**
Tactical Lift	C-130E	147	-13	98	45	2	2	42.1	26,470	28/Jun/1961	26/Feb/1974	109	30	8
	C-130H	276	-3	262	10	4		19.4	9,607	02/Aug/1974	20/Mar/1997	61	138	77
	LC-130H (Ski Equipped)	10				10		14.8	12,467	05/Dec/1984	27/Mar/1998		10	
	NC-130H (Test Bed)	1					1	40.8	9,864	22/Mar/1966	22/Mar/1966	1		
	C-130J	36		28	8			3.4	1,523	18/Mar/1999	24/Aug/2006	8	21	7
Tactical Lift Total		**470**	**-16**	**388**	**63**	**16**	**3**	**25.2**	**14,323**	**28/Jun/1961**	**24/Aug/2006**	**179**	**199**	**92**
Command & Control	E-3B (AWACS)	23		19	4			28.4	21,444	16/Sep/1976	12/Mar/1981	23		
	E-3C (AWACS)	9		9				23.8	19,295	18/Nov/1981	18/Jun/1984	9		
	E-4B (NAOC)	4		4				32.6	13,440	27/Jun/1973	04/Aug/1975	4		
	E-8C (JSTARS)	17		17				6.2	51,888	04/Mar/1996	22/Mar/2005		17	
	TE-8A (Trainer)	1			1			16.0	56,656	11/Jan/1991	11/Jan/1991		1	
Command & Control Total		**54**		**49**	**5**	**0**	**0**	**20.7**	**30,729**	**27/Jun/1973**	**22/Mar/2005**	**36**	**18**	**0**

Integrity - Service - Excellence Data as of: 31 Dec 06

US Air Force Aircraft Inventory

Mission	MDS	TAI	Delta	PMAI	BTAI	FOAI	PDAI	Avg Age	Avg Hours	Oldest	Newest	Active	ANG	AFRC
ISR - Manned	NC-135W (Test Bed)	1					1	44.8	25,946	28/Mar/1962	28/Mar/1962	1		
	OC-135B ("Open Skies")	2					2	44.7	32,250	28/Apr/1962	28/Apr/1962	2		
	RC-135S (Cobra Ball)	3		3				44.7	28,845	28/Feb/1962	28/May/1962	3		
	RC-135U (Combat Sent)	2		2				41.9	22,086	20/Jan/1965	05/Feb/1965	2		
	RC-135V (Rivet Joint)	8		8				42.2	32,458	26/May/1964	26/Jan/1965	8		
	RC-135W (Rivet Joint)	9		9				44.5	41,692	28/May/1962	28/Aug/1962	9		
	TC-135S (Trainer)	1			1			44.5	28,612	28/Jun/1962	28/Jun/1962	1		
	TC-135W (Trainer)	2			2			44.6	35,840	28/May/1962	28/Jun/1962	2		
	WC-135C (Sniffer)	1		1				42.6	26,321	05/Jun/1964	05/Jun/1964	1		
	WC-135W (Sniffer)	1				1		44.7	32,070	28/Apr/1962	28/Apr/1962	1		
Re-rolled C-26B from OSA	RC-26B	11				11		12.6	6,549	23/Mar/1992	19/May/1995		11	
	U-2S	29		27			2	23.6	10,929	26/Apr/1968	20/Mar/1990	29		
	TU-2S (Trainer)	5		1	4			22.7	7,422	03/May/1982	22/Sep/1987	5		
	WC-130H	10		7		3		41.0	18,910	23/Aug/1965	05/May/1966		3	7
	WC-130J	10		10				5.7	1,846	01/Oct/1999	30/Nov/2002			10
ISR - Manned Total		95		68	7	15	5	28.6	17,352	28/Feb/1962	30/Nov/2002	64	14	17
ISR - UAV	MQ-1B Predator A	84		62	14		8	2.7	1,773	10/Sep/1999	23/Oct/2006	84		
	RQ-4A (Global Hawk)	7		6			1	1.9	627	30/Sep/2003	10/Aug/2006	7		
ISR - UAV Total		91		68	14	0	9	2.6	1,685	10/Sep/1999	23/Oct/2006	91	0	0
Electronic Warfare	EC-130H (Compass Call)	14		14				33.6	18,589	23/Aug/1965	12/Dec/1974	14		
	TC-130H (Trainer)	1			1			41.2	18,443	19/Oct/1965	19/Oct/1965	1		
	NKC-135B (Big Crow)	1					1	42.3	30,201	24/Sep/1964	24/Sep/1964	1		
	NKC-135E (Big Crow)	1					1	49.4	10,577	28/Jul/1957	28/Jul/1957	1		
Electronic Warfare Total		17		14	1	0	2	35.5	18,792	28/Jul/1957	12/Dec/1974	17	0	0
Special Ops	AC-130H (Spectre)	8		8				37.2	18,220	27/Aug/1969	10/Nov/1969	8		
	AC-130U (Spooky)	17	1	17				15.9	5,519	25/Jul/1988	21/Dec/1992	17		
	CV-22A	5	1	1	4			0.8	208	16/Sep/2005	13/Dec/2006	5		
	EC-130E (Commando Solo)	1		1				42.4	23,339	07/Aug/1964	07/Aug/1964		1	
	EC-130J (Commando Solo)	7		7				6.5	1,480	17/Feb/1999	28/Feb/2003		7	
	MC-130E (Combat Talon I)	14		11	3			41.7	21,056	05/Jun/1963	30/Sep/1965			14
	MC-130H (Combat Talon II)	20		17	3			18.4	6,651	10/May/1985	29/Jan/1992	20		
Include 4 used for CSAR	MC-130P (Combat Shadow)	27		23	4			37.8	18,327	08/Apr/1965	31/May/1996	23	4	
	MC-130W	2		2				18.2	6,565	12/Feb/1988	15/Jun/1989	2		
	MH-53J (Pave Low III)	11		3	8			37.8	11,684	31/Mar/1967	31/Dec/1970	11		
	MH-53M (Pave Low III)	20		20				35.8	11,100	30/Aug/1968	13/Dec/1974	20		
Special Ops Total		132	2	110	22	0	0	28.8	11,823	28/Nov/1962	13/Dec/2006	106	12	14
CSAR	HC-130N (Tanker)	10		7	3			22.5	8,220	02/Apr/1970	30/Apr/1996	3	6	1
	HC-130P (Tanker)	23		22	1			40.2	16,957	28/Aug/1963	16/Jan/1986	16	3	4
	HH-60G	101		86	12		3	16.5	4,242	08/Dec/1982	06/Feb/1999	68	18	15
CSAR Total		134		115	16	0	3	21.0	6,721	28/Aug/1963	06/Feb/1999	87	27	20

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Data as of: 31 Dec 06

US Air Force Aircraft Inventory

Mission	MDS	TAI	Delta	PMAI	PTAI	PDAI	PDAI	Avg Age	Avg Hours	Oldest	Newest	Active	ANG	AFRC
OSA/VIP/Other	C-9C (OSA/VIP)	3				3		31.8	15,765	19/Feb/1975	11/Apr/1975	3		
	C-12C (Embassy Utility)	16				12	4	30.4	8,416	01/Oct/1975	30/May/1979	16		
	C-12D (Embassy Utility)	6				6		22.7	5,955	08/Mar/1984	25/May/1984	6		
	C-12F (Utility)	2				2		22.6	16,627	06/Jun/1984	08/Jun/1984	2		
	C-12J (Utility)	4				3	1	19.0	9,749	16/Dec/1987	03/Feb/1988	4		
	C-20B (OSA/VIP)	5				5		19.6	11,504	24/Feb/1987	15/Sep/1987	5		
	C-20C (OSA/VIP)	3				3		19.7	3,630	24/Feb/1987	07/Aug/1987	3		
	C-20H (OSA/VIP)	2				2		11.8	7,548	23/May/1994	16/Jan/1996	2		
	C-21A (OSA/VIP)	76			5	71		21.9	13,588	15/Aug/1987	18/Sep/1987	72	4	
	C-32A (OSA/VIP)	4				4		8.3	5,383	29/May/1998	02/Apr/1999	4		
	C-32B (Other)	2				2		3.5	31,050	31/Oct/2002	17/Feb/2004		2	
	C-37A (OSA/VIP)	9				9		6.0	4,867	14/Oct/1998	13/Sep/2002	9		
	C-38A (OSA/VIP)	2				2		8.8	4,630	30/Mar/1998	30/Mar/1998		2	
	C-40B (OSA/VIP)	4				4		2.9	3,012	05/Dec/2002	07/Jun/2005	4		
	C-40C (OSA/VIP)	3				3		3.6	3,176	19/Sep/2002	26/Aug/2004		3	
	UH-1N (OSA/VIP/Other)	62		19	12	29	2	36.0	11,071	03/Mar/1970	07/May/1971	62		
	VC-25A (Air Force 1)	2				2		16.2	5,848	23/Aug/1990	14/Dec/1990	2		
OSA/VIP/Other Total		**205**		**19**	**17**	**162**	**7**	**24.8**	**11,036**	**03/Mar/1970**	**07/Jun/2005**	**194**	**11**	**0**
Trainer	T-1A	179			179			12.2	6,202	14/Jan/1992	17/Feb/1998	179		
	T-6A	293	8		293			2.8	1,262	29/Jun/1999	15/Dec/2006	293		
	T-37B	186	-3		186			42.1	19,321	28/Nov/1957	12/Jan/1970	186		
Converting to T-38Cs	T-38A	89	-3		84		5	40.3	15,950	28/May/1962	02/Jul/1971	89		
	T-38C	408	4		405		3	39.0	14,817	28/Apr/1961	01/Jun/1996	408		
Converting to T-38Cs	AT-38B	7			1		6	43.7	12,127	28/Aug/1961	22/Jul/1965	7		
	T-41D (AFA Trainer)	4			4			37.4	12,271	14/Nov/1967	23/Mar/1970	4		
	T-43A (UNT)	8			8			32.7	21,446	21/Sep/1973	12/Jul/1974	8		
	T-51A (AFA Trainer)	3			3			1.4	515	01/Aug/2005	01/Aug/2005	3		
	UH-1H (Helicopter UPT)	27			27			35.3	9,840	15/Mar/1968	15/Sep/1976	27		
	UH-1V (Helicopter UPT)	3			3			34.0	6,451	15/Jun/1971	15/Nov/1973	3		
	UV-18B (AFA Jump)	3			3			22.8	18,406	06/Sep/1977	06/May/1997	3		
	TG-10B (AFA Glider)	12			12			4.4	1,345	16/Apr/2002	08/Nov/2002	12		
	TG-10C (AFA Glider)	5			5			4.3	517	16/Apr/2002	20/Nov/2002	5		
	TG-10D (AFA Glider)	4			4			4.2	160	16/Apr/2002	16/Sep/2003	4		
	TG-12A (AFA Glider)	1					1	6.4	0	24/Aug/2000	24/Aug/2000	1		
AETC request all to AMARC	TG-14A (AFA Glider)	14			14			4.0	102	24/Jun/2002	17/Jul/2003	14		
	TG-15A (AFA Glider)	2			2			3.1	99	12/Dec/2003	12/Dec/2003	2		
	TG-15B (AFA Glider)	3			3			3.0	36	17/Dec/2003	17/Dec/2003	3		
Trainer Total		**1,251**	**6**	**0**	**1,236**	**0**	**15**	**25.8**	**10,557**	**28/Nov/1957**	**15/Dec/2006**	**1,251**	**0**	**0**
Grand Total	**Grand Totals**	**5,984**	**-22**	**3,599**	**2,031**	**193**	**161**	**24.0**	**9,604**	**28/Jul/1957**	**20/Dec/2006**	**4,266**	**1,318**	**400**

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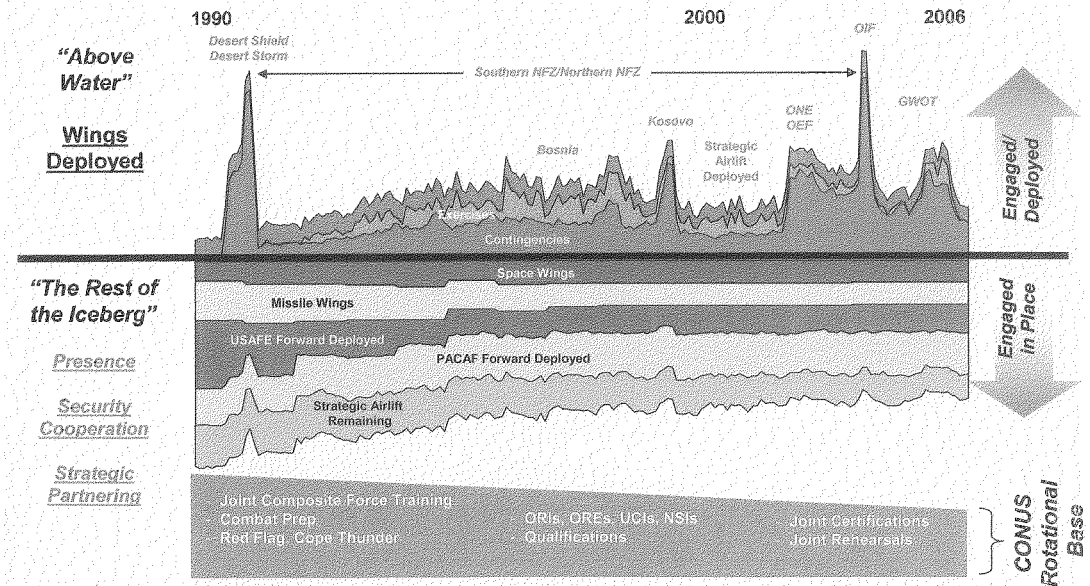
Data as of: 31 Dec 06

UNCLASSIFIED

The Long View: USAF Commitments since 1990

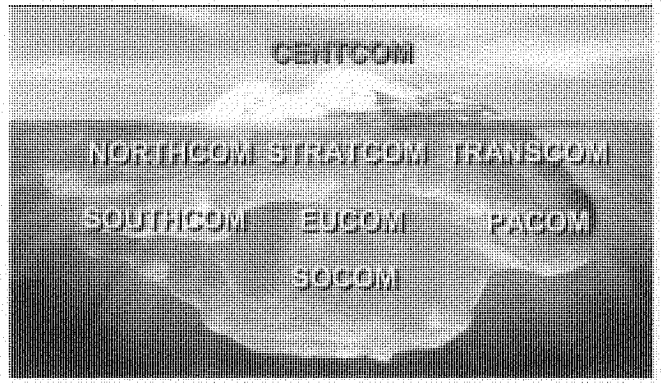


Cost Sources: *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, CRS, 24 Apr 06; *Military Compensation: Balancing Cash and Noncash Benefits*, CBO, 16 Jan 04

Here is What We Do Today…

28,360 Deployed Airmen

COCOM OPS support, done every day, mostly from home station

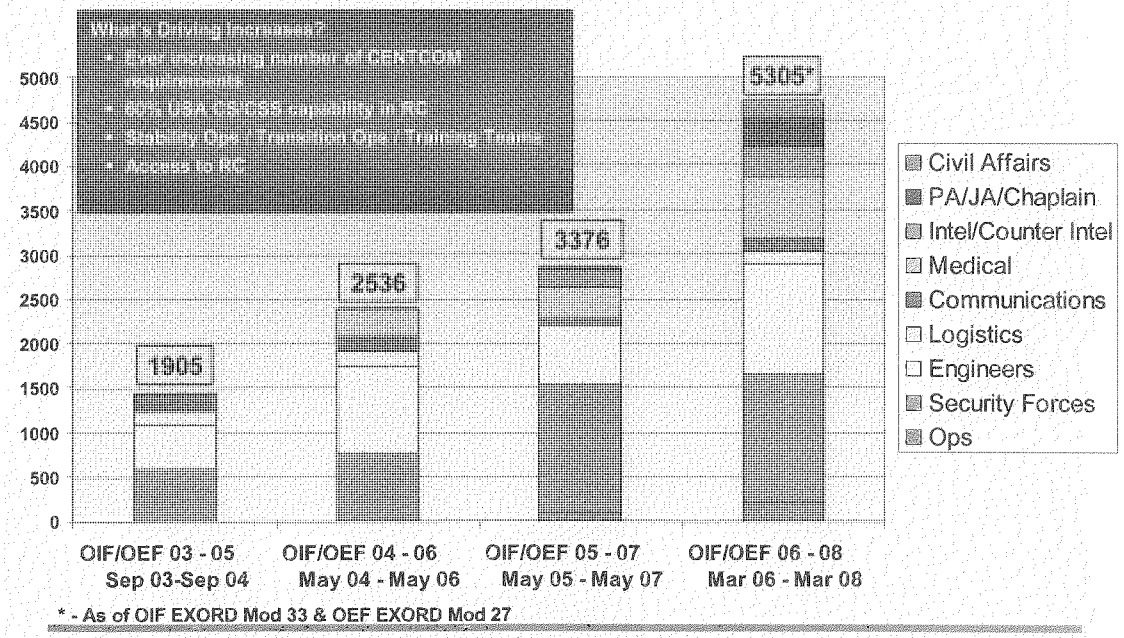


Strat Mob: 50K
Strat Bmr: 11K
Space / Msl: 13K
C4ISR / Intel: 26K
Homeland Def: 6K
SOF / CSAR: 14K
Fwd: 61K
Add'l AEF: 22K
Other: 4K

- 213,000 Airmen performing COCOM daily ops
- Deployed support only accounts for 13% of the airmen supporting the COCOMs every day

GWOT TANKER BRIDGE
9,000 mile tanker bridge stretched from the US through Europe and Southwest Asia to the Indian Ocean.
3 to 4 Million lbs of Fuel per day/365 days a year
$9.5 Billion in US Fuel Expenditures in FY10

Growing ILO Taskings



* - As of OIF EXORD Mod 33 & OEF EXORD Mod 27

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Enlisted Stressed AFSCs List

Top 12 most stressed enlisted AFSCs out of 251

Critical AFSC lists and Bonus Programs
Health Measures

		Chronic Critical Promotion	OSD Critical Retention	Initial Enlistment Bonus	SRB Zone A	SRB Zone B	SRB Zone C	CSRB	Manning	Retention	Sustainment Deviation	Avg # of TDY days	% over 120 days TDY	PERSTEMPO	Work Tempo (Dec 2005)
1A8X1	Airborne Crypto Linguist	5/6/7	X	X	6	6	3		69%	156%	1.11	21%	78		2.02
1T2X1	Pararescue	5/7	X	X	6.5	5.5	2.5	X	65%	118%	1.53	16%	89		1.51
1T0X1	Surv, Evas, Res, Escape	5/7	X	X	5	3.5	1		86%	97%	1.15	16%	76		1.46
3P0X1A	Security Forces Mil Work Dog				2				85%	94%	0.95	32%	95		1.46
3P0X1B	Security Forces Cmbt Arms				2				80%	97%	1.14	26%	85		1.46
7S0X1	Special Investigation					2	5		99%	80%	0.67	25%	78		1.36
2T1X1	Vehicle Operations				2				104%	88%	0.14	35%	105		1.34
1C4X1	Tactical Air Comd&Cnt	6/7		X	5	4.5	3.5		85%	99%	0.82	39%	107		1.25
1N0X1	Operations Intel	6/7	X		4.5	5.5	3		91%	102%	0.64	26%	78		1.21
2E2X1	Comm Ntwk, Swtch & Crypto Sys				2	2			115%	116%	0.58	21%	64		1.20
1C2X1	Combat Control	5/7	X	X	6	5.5	4.5	X	79%	112%	0.83	24%	86		1.19
3E8X1	Explosive Ord Dispos	7	X	X	3	3.5	1		94%	92%	0.93	37%	102		1.19

Notes:

- **Table sorted by Work Tempo**
- **Work Tempo is one of five measures Air Force uses to assess AFSC health**
- **Various force management tools are used to reduce stress and increase career health**

Officer Stressed AFSCs List

Top 10 most stressed officer AFSCs out of 30

Retention Programs
Health Measures

		Critical Skills Retention Bonus (CSRB)	Promotion Continuation Policy	Increased ADSC	Aviation Continuation Pay (ACP)	Aviation Career Incentive Pay (ACIP)	Accession Bonus	Special Duty Pay	Continuation Bonus	Manning	Retention	Sustainment Deviation	% over 120 days TDY	Avg # of TDY days	PERSTEMPO	Work Tempo (Dec 2005)
DC	Dental Corps						X	X	X		81%	99%	0.89	2%	20	1.27
11X	Pilot		X	X	X	X					95%	106%	0.43	15%	66	1.23
MC	Medical Corps						X	X	X		87%	109%	0.85	10%	42	1.22
12X	Navigator			X		X					93%	99%	0.64	17%	66	1.16
BSC	Biomedical Sciences Corps	X					X	X	X		88%	86%	0.52	7%	38	1.14
NC	Nursing Corps	X					X	X			88%	103%	0.85	13%	47	1.13
13D	Control and Recovery			X				X			78%	93%	1.17	22%	87	1.09
13B	Air Battle Manager			X	X	X					112%	122%	0.61	10%	54	1.02
65F	Finance										91%	118%	0.39	13%	51	0.97
13M	Airfield Operation										104%	104%	0.70	16%	61	0.95

Notes:

- **Table sorted by Work Tempo**
- **Work Tempo is one of five measures Air Force uses to assess AFSC health**
- **Various force management tools are used to reduce stress and increase career health**

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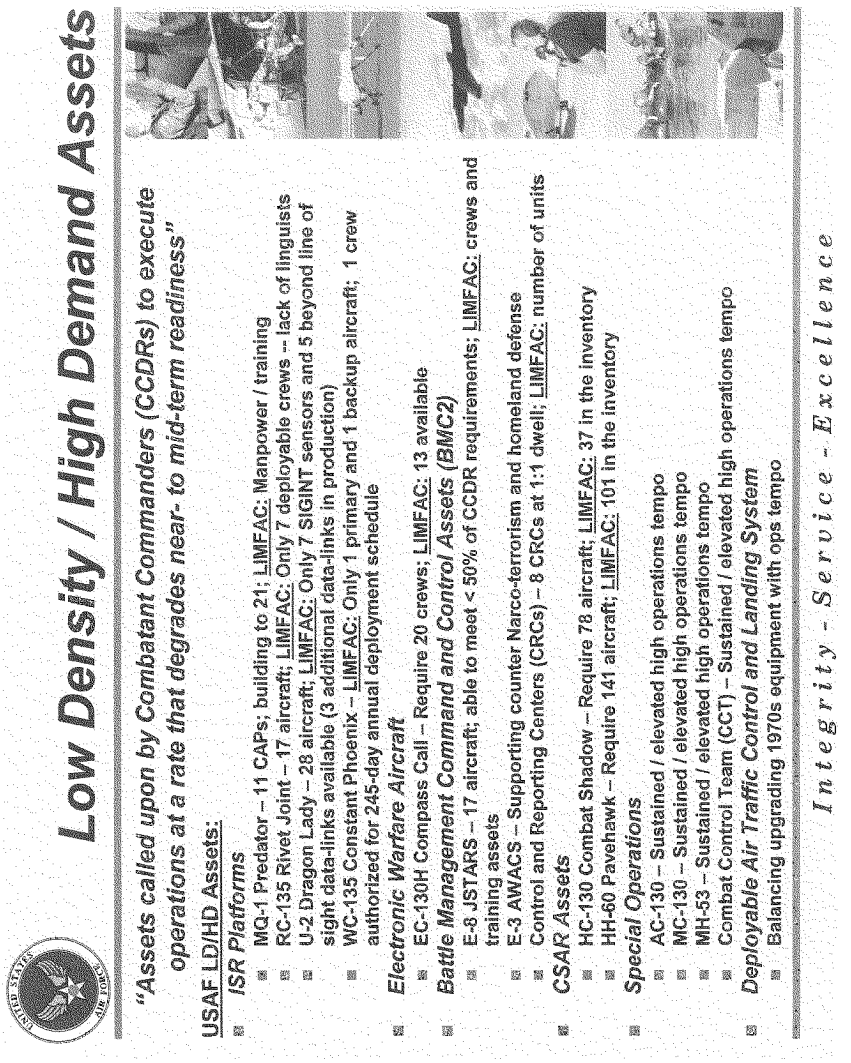


Chairman LEVIN. Let me just first thank the airmen and thank you for all you do, what you stand for, for your commitment to this Nation, and for the courage that you show. We also would appreciate it if you'd extend our thanks to your families, to those who give you the support that's so essential to keep you going. This committee is totally behind our men and women in uniform, as is the Nation. I hope you all feel it. It's heartfelt. Thank you for being with us today. It's an honor to be in your presence.

Secretary Wynne.

STATEMENT OF HON. MICHAEL W. WYNNE, SECRETARY OF THE AIR FORCE

Secretary WYNNE. Mr. Chairman, thank you so much for even taking the time to acknowledge and thank our airmen. It is an absolute privilege for General Moseley and I to be their leaders.

We are grateful for this committee's steadfast support of our Nation's airmen. They are responsive, whether answering the call for humanitarian relief, providing commanders and combatants realtime intelligence, or striking with lethal and precise effect. They are agile, with the ability to provide America's strategic shield or form an air bridge from the continental United States halfway around the world to southwest Asia—an air bridge, our airmen have maintained now for 17 years—or keep steadfast watch in space and in the skies. They even superbly perform our assigned ground-force missions, although all realize that the adage, ''Every airman a rifleman,'' sacrifices strategic leverage the Nation wants and needs from its airmen. We look for the ground-force reset to potentially rectify this. Given the age of our air and space equipment, there is no doubt that our freedoms are balanced on the courage, skills, and ingenuity of our Total Force airmen.

Today, our airmen are incredibly busy and fully engaged in the global war on terror, not just in Iraq or Afghanistan, but around the world, and yet fully engaged in the strategic deterrence posture that keeps America safe in the long term.

Our airmen are providing global vigilance through our manned and unmanned aircraft and space systems. For example, Air Force assets and airmen surveil, identify, track, and sometimes even kill enemies as a part of the joint force's critical counter-improvised explosive device (IED) mission.

We are providing global reach. Our C–130s and C–17s execute precision airdrop and conventional cargo missions, which are saving countless lives by taking dangerous convoys off the road. Our aeromedical evacuation personnel are giving our soldiers, sailors, airmen, and marines the highest survival rate in the history of warfare.

We provide global power, directing, conducting, or threatening strikes 24 hours a day, 7 days a week, 365 days per year.

Our strategic mission in Iraq was completed long ago, when we swept the skies of aircraft, which allows the unimpeded operation of unmanned air vehicles (UAVs) and our fighters. For example, our battlefield airmen levy global power through technology like the ROVER platform, which is a laptop computer, which gives a new level of connectivity and situational awareness by linking users with a laptop terminal with full-motion video sensors on our Predator UAVs and our advanced targeting pods on our fighters. ROVER-equipped users get realtime, full-motion video from these eyes in the sky and provide our ground commanders spherical awareness, not just 360 degrees, but also a God's-eye view.

We are also the only Service with dedicated combat search-and-rescue forces, or PJs. As airmen, we consider combat search-and-rescue a moral imperative to be able to retrieve the airmen we send deep into enemy territory. But these combat search-and-rescue forces are equally adept at rescuing other Services' isolated personnel when they're required to do so.

As in other domains, your Air Force is engaged daily in cyberspace. We have established within the 8th Air Force a new cybercommand to address how we can better train and present our forces to the U.S. Strategic Command, the combatant commanders, and other Government agencies engaged in this domain.

It's these linkages where other Services and agencies rely on us to own our warfighting domains and we count on them to own theirs. That makes our military truly interdependent today. So, we owe our ground forces and our maritime partners the very best in leveraging our air, space, and cyberspace assets to meet their mission intent.

We say that we set strategic and tactical conditions for victory, and we mean to do that. It has been 53 years since any American soldier has been strafed from the air, and we hope to push that for another 53 years.

Today, we're doing just that, meeting our wartime requirements. But wear and tear and loss of buying power all translate into risk into our future readiness capacity and capability. Today's emerging threats also threaten our future dominance. Proliferation of advanced technologies and new threats, such as double-digit surface-to-air-missile systems, nuclear weapons in North Korea, and the recent Chinese antisatellite (ASAT) test—which proved that space is no longer a sanctuary—make it imperative that we adjust our inventories for this new century. We are responding by fielding a next-generation long-range strike bomber by 2018 as well as funding new satellites, tankers, and combat search-and-rescue aircraft.

Last year, I laid out a very difficult strategy to address this most pressing need: recapitalizing our aging air and space inventories. We've started this process, while remaining in bounds by essentially self-funding, to the maximum extent possible, our recapitalization. We have self-funded by essentially restructuring our force size and reshaping the Total Force on a mission-first basis, buying fewer, but more capable platforms, and implementing new initiatives to become yet more efficient.

When I was a young officer leaving the Air Force in 1973, the average age of our equipment, including space assets, was approximately 8½ to 9 years old. Our inventory's age is now triple that, averaging 24 to 25 years old. With this in mind, I have advised our airmen that it is their duty to ensure that the airmen of tomorrow are as confident and as capable against the threat as we are today, and if part of that duty means that we have to leave the Air Force to provide that resource, we will do it. We can ensure this only by intensively husbanding every resource—people, flying hours, and expenses—and dedicating the freed resources to recapitalization.

I want to thank Congress for its continued help in allowing the Air Force to manage our flying inventory and in assisting us in this duty to our future.

I want to thank Congress also for its continued help recapitalizing our space inventory. We are taking the necessary steps in our fiscal year 2008 budget to ensure uninterrupted, continuous service in communications, early warning, position, navigation, timing, and environmental sensing satellites. We appreciate your support in the development, procurement, and fielding of these critical space

capabilities because our military and the citizens of our great Nation depend upon their continuous service.

We are providing our airmen access to safe, quality, affordable, well-maintained housing in a community where they choose to live, through housing privatization. In the Air Force, our tenet has long been, ''We recruit airmen, but we retain families,'' and we make quality of life on our bases a key component of this tenet.

In summary, your Air Force is in the fight, not just in Iraq, but globally. Your airmen are the Nation's strategic edge. They are expeditionary, highly-trained warriors, and, with your help, we will provide them with the necessary training, equipment, and quality of life to keep this Nation's asymmetric advantage of global vigilance, reach, and power. Recapitalizing our aging equipment inventories is the key.

Finally, I want to add my thanks to our airmen here and abroad. They are amazing, eager to serve, and mindful of their mission all around the world. I am proud to be their secretary, and look forward to your questions.

Chairman LEVIN. Thank you very much, Mr. Secretary.

General, do you have any additional comments?

General MOSELEY. No, sir.

Chairman LEVIN. Thank you.

I think we'll try a 6-minute round of questions this morning, because of the looming vote we have here at 11:30.

Mr. Secretary and General Moseley, both, do you believe that the fiscal year 2007 and fiscal year 2008 supplemental requests adequately fund your requirements?

Secretary WYNNE. Sir, I think they do adequately fund our requirements. But, as always, there's tension between strategic and tactical. If you gave me another dollar, I would know exactly where to spend it. Right now, it would probably be on C–130Js, because that is how we are taking more convoys off the road. Second, I would probably spend it on strategic deterrence, because of a fifth-generation fighter study, as well as a space event. That's what I would tell you, sir.

Chairman LEVIN. Thank you.

General, do you believe your 2007 and 2008 supplementals adequately fund your requirements?

General MOSELEY. Sir, as we worked on the fiscal year 2008 President's budget, the Air Force spent 2.2 million man-hours balancing the program objective memorandum (POM) that is the submission of the President's budget. That is the rest of the money moved around in the Department. We were able to catch up with the two supplementals as well as the UPL. So, with the two supplementals and the UPL, sir, I think we're adequate. But I also know where I would spend an extra dollar.

Chairman LEVIN. When will you have to receive the 2007 supplemental funding in order to avoid a major cash-flow problem?

Secretary WYNNE. Sir, I believe the Department is working against a late-April receipt, but we are very concerned that it could extend beyond Memorial Day. I understand that the Comptroller is beginning to take whatever preventive actions are necessary to cash-flow this engagement.

Chairman LEVIN. Thank you.

On the C–130 issue, the Department is asking to buy 17 new C–130Js in the 2008 supplemental. That seems to be a large number, given that the Air Force has only been buying nine aircraft a year in the regular 2008 budget. How is it, Mr. Secretary, that the Air Force would be asking for such a large number in the supplemental?

Secretary WYNNE. I think, at this stage of the engagement, sir, we have forecast, again, that we will be conducting an air bridge, both strategically and tactically, for some time to come. Right now, our C–130Es are excluded from theater, because they are so broken. We are running only C–130Hs, what used to be the backbone of the National Guard. We recognize that we are flying these on double time and are essentially going to forecast their exhaustion at some point in time. With that, we think we should backstop our tactical airlift with the request for C–130Js, and we think that they have shown a dramatic effect in direct delivery for getting convoys off the road—all of the Marine convoys except for troops, and about 9,000 per month of our Army, Air Force, and Navy personnel who are driving convoys every month. This, sir, I'd like to extend.

Chairman LEVIN. So, why not part of the regular budget? Why is this in a wartime emergency supplemental?

Secretary WYNNE. I think, sir, the 2.2 million hours that the General referred to really addressed that part of our force structure that we think of as how we would operate in peacetime. I think the backfill to the special operators that we have been asked to do—and they have, therefore, taken, essentially, more C–130Hs from us than we anticipated—plus the dramatic increase in mission set that we find we can perform, has caused this.

Chairman LEVIN. Okay. Tell us, if you would, about the C–17 procurement, General. The fiscal year 2008 budget for the Air Force does not have any funding to keep the C–17 production line open. You've been quoted, General, as saying that you'd like to retire C–5A aircraft and buy more C–17s. Last year, Congress added 10 C–17 aircraft to the fiscal year 2007 bridge supplemental, and you had asked for 7 more C–17s in your 2007 UPL. You have two C–17s on your UPL for this year. Some are asking—suggesting that we fund 16 more C–17 in the budget itself. On the other hand, looking at the C–5, and the question of whether or not we should re-engine the C–5, that would cost about $100 million per aircraft. 70 percent of its service life would be ahead of it if we re-engined that aircraft. It would cost about half as much as a C–17. So, given the top-line pressure, General, on the whole DOD, and the Air Force, in particular, and given the statement of Secretary Wynne about intensifying our effort to utilize every possible resource that we can, how do you reject, General, the C–5 re-engining option and, instead, put that focus on the C–17s and put those on your UPL?

General MOSELEY. Sir, there are a couple of unknowns that we're working our way through now. One is the growth in the land component with the Army and the Marines, not just in this surge, but in overall growth. We're beginning to ask, "does the Mobility Capability Study that we ran last year cover what potentially will be a larger land-component footprint?" The answer is no, the original Mobility Capability Study did not cover this growth. So, we're looking now, with the Army, to see what the brigade combat teams

(BCTs) and what the Marines' regimental combat team means to strategic airlift. We don't know the answer to that yet, and we'll work our way through that, this summer, because we've not seen the actual footprint from the Army or the Marines, other than raw numbers of growth.

So, Mr. Chairman, we know that there will be a larger requirement for strategic lift. The baseline of the original Mobility Capability Study was about a minimum of 300 or so strategic airlifters, to include C–5A, B, C, and the C–17. What we have asked for is the ability to manage the C–5 fleet; to be able to ask Air Mobility Command to give us the worst actors, wherever those tail numbers are, and to be able to retire those. General McNabb believes that's about 25 or 30 C–5s. What I would like to do is be able to work with the committee, the Guard, Reserve, and Air Mobility Command to look at where those particular 25 or 30 airplanes are, and begin to look at something to replace those in those units. We had seven C–17s on the UPL last year to cover the attrition reserve in BAI aircraft, which we didn't buy. The two this year are to cover part of the NATO transfer of an airplane, and to cover that attrition reserve in backup aircraft inventory. We didn't put any more in there because we don't have the rationale, beyond the numbers that we have, given the C–5s, and not knowing what the growth in the Army and the Marines will do to us.

What we would like to do is to be able to run the avionics modernization program, out on all of the remaining C–5s, and then run the re-engining program out on the C–5s that have the most life. We are complying with the guidance of the committee on the A model re-engining, and we'll have that data out, so we'll be much more informed about the A model. It may, in fact, be okay.

But, sir, in the buy of the C–17, we're in a very interesting place right now, where our land-component brothers are growing, our strategic airlift inventory is static, our C–5s are becoming much harder to maintain, and the reliability on them is in question. The C–17 line is about to be shut down. That's the concern. That's the crease in history that we're in right now, where we're going to have to make some decisions.

I'll give you an anecdote on the C–5. The last presidential deployment support missions into Central and South America, where we took the majority of the strategic airlifters to support the presidential mission, the Nation of Argentina refused landing rights and overflight of the C–5s. When we asked to be able to bring the C–5s in to support the presidential mission, back through the assistant attache to our Tanker Airlift Control Center at Scott, we were told that the Government of Argentina refuses landing rights and overflight for six C–5s, because the last time we took them down there, they broke, and it took too long to get them off their airfield.

So, there's a variety of concerns in being able to match the requirement that see ahead of us, with Army and Marine growth, with the global response, and being able to do this with strategic airlifters. So, sir, that's a long answer to a short question.

Chairman LEVIN. Thank you.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

Just a quick follow-on of the 17 versus the 5. The 17 has operational advantages, particularly shorter takeoff and landing. Reverse thrust enables it to support land forces in a wide variety of airfields throughout the world. I would hope that you'd rely on that also, because it was at great expense that we built that technical capability into that aircraft.

Gentlemen, I'll ask both of you to give us just a short report. Again, I focused, in my opening remarks, on the role that the Department of the Air Force is providing our operating forces the world over. We've heard reports, candid reports from the Chief of Staff of the Army and others, that the Army is, whatever word you wish, stretched, pushed. The Guard and Reserve are suffering. But they're still standing strong and carrying out the missions. Do you have any general quick description of your department and its impact. I don't say this by word of criticism to this surge concept, but, nevertheless, it has put, very swiftly, a larger tasking on all of our Services to meet the requirements for moving over this additional 21,500, now up to 30,000 individuals, and putting them in place. What is the impact on your department today?

Secretary WYNNE. Sir, it's primarily in our security forces, and then we actually have teams of battlefield airmen that deploy with each of the BCTs and the Marine regiments, much like our space weapons major here, so there is a direct impact. Then, of course, there's an indirect impact, because we are now providing what I will tell you is almost valet service, in that we can precision-drop supplies to our soldiers and to our marines. We can also precision-drop weapons. Our marines are fully equipped with the ROVER technology, so we have essentially stretched those forces to meet this surge.

I would tell you that, for the Air Force, somebody brilliant in the 1990s who decided that we were in a long war, because we were in a long war at that time. We had been in southwest Asia for 6 years when we went to the rotating force concept called the air and space expeditionary force (AEF). We are benefiting from their brilliance, and our airmen are satisfied. We do not have a problem in recruiting, retention of our Guard, Reserve, or our Active Forces. In fact, it pains me every time that I have to reduce our force structure by restructuring our forces, because all of us are volunteers who add value to the Air Force.

Senator WARNER. Indeed, the story of the Air Guard is extraordinary, and that preceded these particular operations in Afghanistan and Iraq. We have to be mindful that you flew those missions over Iraq for many years, as the consequence of the first Iraq conflict, to comport with the understandings that we imposed on Iraq at that time.

I then would turn to another issue. We have airlift capacity like no other nation. Unfortunately, other nations are not stepping up to augment their own force structures. Are we not carrying the bulk of the airlift requirements, for example, for Afghanistan, even though, there, NATO is taking over the major burden?

General MOSELEY. Sir, we are. Remember, last year at this time, when we were working through the C–17 issues, we also were able to partner in the international market. I believe there are 12 or 18 C–17s that'll be built for Australia, the U.K., Sweden, NATO, and

Canada. But those are yet to be delivered. The British Royal Air Force flies four or five C–17s, and they've been very helpful in this. But the preponderance of our NATO and coalition partners operate C–130 equivalents, or they contract or lease out big Russian Anatovs to be able to fly that lift.

Senator WARNER. We must be mindful that all of our rotations of personnel to and from these fronts are done by air now. No longer do we have the great troop ships that load up with a thousand or two and cross the ocean; it's all done by air, am I not correct?

General MOSELEY. Correct, sir. That is the partnership also with the Civil Reserve Air Fleet and with contract carriers for our people.

Senator WARNER. Were you impressed with that Airbus yesterday? Do you have it in the back of your head that you'd like to have one or two in your inventory?

General MOSELEY. Sir, I'm still a little fuzzy on how you get 600 people through Customs and get their bags, and have 600 people so they can go to the restroom before they get on the airplane.

Senator WARNER. Wait a minute, wait a minute, back up. I'm saying, would that be a troop carrier of the future?

General MOSELEY. Sir, let's see if it works. Yes, sir.

Senator WARNER. Good answer. But it was a spectacular, in overall aviation, achievement. None of us who admire aviation cannot be impressed by that.

Let's get to the tough question, General. I don't know how long ago it was that you were sworn in as Chief of Staff of the Air Force, but I do remember visiting with you and having a small hand in getting your nomination to the floor very expeditiously. But, in the course of that hearing, we have a standard question we ask all of our uniform officers. There could come a time, and when you're before Congress, that you have to provide your personal views on tough issues. This issue of the single-engine or dual-engine requirement for the JSF is one of those tough issues. Drawing on your enormous experience with aviation—re-engining, new aircraft, all of that—don't you think it is a wiser, more prudent course for the United States to keep in competition two suppliers, given that it is proven to reduce cost, proven that you increase quality by virtue of that competition? Second, this JSF is a multi-mission aircraft. One model, of course, is the short take-off, vertical landing (STOVL). That STOVL could well require additional power, particularly on the takeoff mode. What is your personal opinion as to whether or not our Nation, which is taking the lead in developing and producing the JSF—with now, what, eight or nine other nations?

General MOSELEY. Eight, and growing, sir.

Senator WARNER. Eight, and growing. Do not we have an obligation, not only to ourselves, but those partners, to provide the two-engine option?

General MOSELEY. Sir, we've wrestled with this long and hard inside our world. The real answer is, it's $2 billion that we don't have. But if you're asking me my personal opinion, I believe there is always value in competition, and there's always value in having additional sources.

But, sir, I go back to the notion of, I'm a satisfied customer. I've spent most of my life sitting on a Pratt & Whitney motor. I have no issues with that engine. We don't have $2 billion to do this.

Senator WARNER. I'm not suggesting anything against Pratt & Whitney. They've had a long and distinguished career of providing this country with engines. But I'm just concerned about the STOVL requirements of the aircraft. Does that not require additional thrust?

General MOSELEY. Sir, we don't know yet, because we haven't got one built, and we haven't received one into the developmental testing (DT) and operational test and evaluation (OT&E) phases. If you're asking a fighter pilot, more thrust is always better because you don't know what you're going to be hanging on the airplane, and you don't know what the drag will be, and you don't know how big the weapons will be in the future. So, there's always a notion of increased thrust. Sir, at the end of the day, this is about money. It's $2 billion that we don't have.

Senator WARNER. Then we buy fewer aircraft or take some reduction to achieve the safety that is accompanied with that additional thrust.

My time is up, Mr. Chairman.

Chairman LEVIN. Thank you Senator Warner.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman, and thanks to both of you for being here.

I just want to pick this up. I hadn't intended to do it first, but since we're on the flow about the alternative engine, my friend, Senator Warner, and I wrestled around a little bit with this last year too. Obviously, in the best of all worlds, with no limitations on funding, I'm sure everybody would like two engines instead of one. But I do think General Moseley made the point, which is the $2 billion. I'd ask you, General, or Mr. Secretary, if Congress ordered you to go ahead with an alternative engine for the JSF, where would the $2 billion come from?

Secretary WYNNE. Sir, we are so delicately balanced within our budget, and I hesitate to say that, because our comptroller probably has her ear to the ground here on anything that I would give up, and I just don't have something I would give up. We are at a limit when we go down 40,000 people. I am not intending to take any further people out. So, I think General Moseley has this right. This is about money, in the worst way. In every case, we are buying weapons systems at too low a rate. Even the JSF, we're not going to get it at the rate we got the F–16. We had to take a trimdown of the F–22, from 28 to 20 per year.

Senator LIEBERMAN. Right.

Secretary WYNNE. We're not buying the tankers at the rate we bought in the past so, everything, sir, just as you've described, is about money.

Senator LIEBERMAN. At a minimum, I assume, if Congress pushed you to go ahead with the two engines for the JSF, it would delay the JSF, or narrow the program.

Secretary WYNNE. If the money came out of the program, that is correct, sir. If it were "manna from heaven," I would say there is

probably not the impact on the program, because there is a parallel path for the engine that the program manager already has.

Senator LIEBERMAN. Right. If there was not a monetary concern. But, obviously, if you had to take it out of the JSF budget, I presume it would delay the JSF?

Secretary WYNNE. It would hurt.

Senator LIEBERMAN. I remember a hearing we had last year with the Vice Chiefs of the four Services, and they were very strong on that fact. I remember, particularly, the Marines were concerned about it. I'm sure we'll come back to that. I appreciate your answers.

I want to ask you a broad question at the beginning. In some sense, your opening statement answered it. Not to ask you to deliver another opening statement, but, in brief, we went through a period of time where, and I know this was never real, but there were a certain number of people who felt there was not a conflict that we couldn't win from the air. Now we're at a point in the war on terrorism where I think some people are beginning to think that we only win these conflicts on the ground, and that the role of the Air Force is less. Just speak for a moment or two, if you would, about the particular value-added responsibility of the Air Force, in the context of the war on terrorism and conflicts like Iraq, Afghanistan, and other special operations kinds of missions that we'll have to perform for years to come with this war against radical Islam.

Secretary WYNNE. Sir, we believe we set the strategic and then the tactical conditions for victory. In that regard, our strategic imperative, when 2003 opened up, was, we had only stealth fighters go to downtown Baghdad to remove the air defense system. As a result of doing that, we swept the skies of enemy aircraft, and we opened up all of the altitudes for slow-moving UAVs or to fast-moving fighters or nonstealthy bombers to loiter overhead and essentially dispense weaponry. We feel like this ability to maintain total air dominance is key to our police action, which is what's going on now, on the ground, and our ability to restore stable governance in any part of the world where we so choose.

I will tell you that when the mullahs in Tehran wake up in the morning, they really do not worry about an army coming over the Straits of Hormuz, they worry about the United States Air Force crushing their national interest. Same way when some of our patrons in North Korea wake up, and they look south, they are not looking south for an army invasion coming over the mountains, they're much more concerned about the United States Air Force essentially sweeping the skies and creating, strategically, a successful victory.

Senator LIEBERMAN. I presume you would say the same to those who say that we're about to invest much too much money in the F–22 and the JSF. The critics would say that these are geared for the Cold War that is no more. What's your quick defense to that, not just the war on terrorism, but, obviously, the possibility of a rising peer superpower that we would be in conflict with?

Secretary WYNNE. What I was shocked at, but not surprised, was the Chinese ASAT test. It follows the Chinese dramatic investment in naval and air superiority. The Chinese now have more Sukhois on the ground than we have in our F–15E program. I would tell

you that the Chinese intend, very much, to be a peer competitor, and I am hoping, as all airmen do, that we can manage their entry well into the world using economic sweeteners, rather than military brickbats.

Senator LIEBERMAN. Right.

General MOSELEY. Senator, there's another part of this. While we focus on a tactical fight, we can't forget the strategic-level challenges that we face. An air force and a navy are the strategic shield and long sword for this country. Mike Mullen, if he were sitting here, he and I could almost finish each other's sentences about aircraft production, the aerospace industry, the shipbuilding industry, and the requirement to get fifth-generation systems and the new technology out in ships. The ability for the Air Force to operate on a global scale is one of the asymmetric advantages that this country has, and, in my view, must maintain; that is a bomber, that is a tanker, that is strategic airlift, that is our satellite systems, that's our unmanned vehicles, and that's these new fifth-generation fighters that will dominate the air and space mediums. Because, again, we are very proud of the fact that the last soldier killed from the air was in April 1953.

Senator LIEBERMAN. Right

General MOSELEY. That is a testament to the partnership of the United States Army and the United States Air Force. It also says something about what we do in support of ground activities and also what we do in direct attack, whether it's strategic attack or long-range aviation or interdiction. So, sir, we're beginning to worry a bit about the recapitalization and the modernization path and how to operate these old systems against a growing threat.

Senator LIEBERMAN. Right. I appreciate your answers. My time is up. I would just add this, and not ask a question, that all the Services are under pressure here. I know the bottom line on the military budget is large, but we're still spending a percentage of our gross domestic product (GDP) below the historic average, let alone the average in a time of war. The fact that your Service plans to thin its ranks by about 57,000 people by fiscal year 2011, which, factoring in Guard and Reserve personnel, is quite remarkable. You're doing it not because you want to, I take it, but because it's necessary to stay modern and be ready for the next generation of challenges, in terms of the equipment we're acquiring for you.

General MOSELEY. Right.

Senator LIEBERMAN. So, anyway, I thank you. Well done. I look forward to working with you.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I was glad that Senator Lieberman ended on that note. All Services are on a starvation diet now. It goes back to the question of where we are in adequately funding our Services and looking into the future. You can't make these changes and get results in a year from now, it has to be planned out. I always go back to when I was on the House Armed Services Committee and someone testified in 1994, that in 10 more years we wouldn't need ground troops. The generals are all smart, General Moseley, but they're going to be wrong, when you say, "what are our needs going to be in the fu-

ture.'' That's the reason that I think that having gone through the entire 20th century, for 100 years, spending 5.7 percent of our GDP on military, and then dropping down as low as 2.7 percent at the end of the 1990s, was something that was a mistake. It would be my goal to get back up there where you don't have to try to make these decisions and see where things are broken. I disagree with Senator Warner on the alternative engine, for the same reason that Senator Lieberman talked about, but it would be great to have that luxury. It would be. If we could afford it, that would be a great luxury to have.

We went through this with the C–17 virtually every year since the late 1980s, as to problems we're going to have and how many we're going to have. I was honored, in 1995, to actually fly in the right seat to Altus, Oklahoma, on the first C–17 that came to Oklahoma. It's an incredible vehicle, and everything else is old. In the last 17 years, the things that we've gone through with our lift vehicles: Operations Desert Storm, Northern Watch, Southern Watch, Desert Fox, and Iraqi Freedom. So, here we are now faced with something that I consider to be a crisis, and that is, if we stop the C–17 at this point, what happens to the line?

Now, I'd like to ask you, to the best of your knowledge, because I've heard a variety of figures, how many C–17s would it take to keep the line open?

Secretary WYNNE. Sir, I have been pushing Boeing for that for a long time, to try to make sure that they can tell us what they can do. I can only remember, back when we were talking about terminating the F–16 line, and I think the contractor, at that point, came back in with less than one a month, if he could continue to go out and get foreign military sales. I have taken that as a token number, as a target. But Boeing has not been back to me with what they could do. I think they could do with less than one a month, and I've told them, if they could come back, we would try to figure out how to fit them in. The problem is, on all of our programs, we're down to the minimum sustaining rate on so many of our programs, and one hiccup of cost and we're done. Most of the arguments we're all having on whether it's aircraft retirements or on some of the reliability aspects have to do with, we don't have the money to really overlap.

Senator INHOFE. Yes, I understand that. General Moseley, I appreciate your telling the story, the Argentina story, because that means I don't have to do it on my time. [Laughter.]

But it is pretty incredible to think that around the world there are countries that don't let us overfly and land because our equipment's so old and worn out. I know it's true. On 1 of our 12 trips to the Central Command area of responsibility—I think it was probably about a year ago—on a C–130, going into Baghdad—we didn't lose one engine, we lost two engines.

Senator WARNER. How old was it, though?

Senator INHOFE. It was an E model.

General MOSELEY. Sir, you have four engines on the airplane, so you had two left. [Laughter.]

Senator INHOFE. I understand that. [Laughter.]

But I also have been an aviator for 50 years now, and I don't want to lose two engines on a four-engine airplane.

General MOSELEY. No, it's not good.

Senator INHOFE. We do have a serious problem.

I'd like to pursue this thing, just briefly, on the fifth-generation fighters. We've talked about General John Jumper admitting that the Sukhoi SU series that you've referred to is better, in many ways, than our best strike fighters. Of course, I think it's important that they get in there. I notice, though, that the fifth-generation fighters were not in the supplemental. I understand that maybe two of them were in but they came out. Do you want to comment on that?

Secretary WYNNE. Yes, sir. I will tell you that our fighters have been the source for funding for other programs for several years, ever since PBD–753 essentially reduced the F–22 to its lowest level of affordability and funded some other programs that were bills facing the Department. Here, I think, in the supplemental, we had an increase in ground forces above the surge that we had expected, and the Department rallied around and essentially stripped out all the fixed-wing aviation, to include the fifth-generation fighters.

Senator INHOFE. Yes.

Secretary WYNNE. Our argument, simply, was that we had taken combat losses. We've lost over 130 aircraft, 50 fighters, since 2001, although not all in combat.

[Mr. Wynne provided the following clarifying information.]

We've lost over 130 aircraft, 50 fighters, since 2001, although not all in combat.

Secretary WYNNE. We knew we did not want a fourth-generation replacement, and so, we did try to get a fifth-generation. I understand it caused controversy, and the Department reacted by removing it.

Senator INHOFE. It's just one of these things where everything is bleeding, at this time. We don't have the resources for it.

My time has expired, but I would like to have you mention one thing about the UAV taking the lead between the Army and the Air Force. It's a discussion that I'd like to at least get in the record, just very briefly, if that would be all right, Mr. Chairman.

General MOSELEY. Senator, I would like to, if you would allow me, for the record, to provide the letter that I sent to the Deputy Secretary that outlined our position.

[The information referred to follows:]

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, DC

MAR 5 2007

MEMORANDUM FOR DEPUTY SECRETARY OF DEFENSE
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF
CHIEF OF STAFF OF THE ARMY
CHIEF OF NAVAL OPERATIONS
COMMANDANT OF THE MARINE CORPS
COMMANDANT OF THE COAST GUARD
COMMANDERS OF THE COMBATANT COMMANDS

FROM: HQ USAF/CC
1670 Air Force Pentagon
Washington, DC 20330-1670

SUBJECT: Executive Agency for Medium- and High-Altitude Unmanned Aerial Vehicles (UAVs)

Interdependence makes our fighting forces unstoppable in combat. Time and again we've seen the synergies achieved when we work seamlessly together, maximizing our nation's warfighting effectiveness while minimizing or eliminating seams and redundancies. ISR capabilities have improved and multiplied, and must be included in this notion of interdependence. I've tasked the Air Staff to begin a comprehensive study of all existing and planned U.S. ISR systems – both airborne and space-based – to consider the efficiencies and inefficiencies in the theater and global templates. As part of this broad effort we must develop a flight plan *now* toward increasing the interdependence of our medium- and high-altitude UAVs (3,500 feet above ground level (AGL) and higher), beginning with establishment of the Air Force as the Executive Agent (EA) for them.

The Air Force is organized, trained and equipped to be the EA for medium- and high-altitude UAVs. The existing *role* of the Air Force in conducting joint, interdependent warfare from the air and through space and cyberspace – as well as the assigned global and theater *missions* of the Air Force – make this Executive Agency assignment the right decision in fielding, integrating and operating these unmanned systems. The Air Force has a proven template for providing vital air, space and cyberspace capabilities that all services and COCOMs benefit from using. Our intent is to continue to leverage the great work of the Joint Unmanned Aerial Systems (UAS) Center of Excellence (COE) outside Las Vegas, the Army's UAV COE at Huntsville, and our industrial partners, while synchronizing and consolidating efforts under the direction of a single UAV EA.

The Air Force is already responding to growing theater demands for UAVs (see Attachment 1, Note from SECDEF Mil Assist). We've "max surged" nearly all our global and theater ISR assets, deployed all available UAVs forward and accelerated production of Predators to meet growing joint demand. We intend to transfer even more Air Combat Command assets to Air Force Special Operations Command to provide them a total of 6 UAV Combat Air Patrols (CAPs). This is in addition to 2 CAPs OPCON to CENTCOM and 3 CAPs for OGA. I have also directed the Air Staff to engage the COCOM staffs in developing the next set of beddown

options – to include the COCOMs' sites – in order to better address the growing demand for this critical theater capability. To address these and other COCOM challenges and meet growing global requirements, our FY 2007 budget submission re-programmed $2.3B to nearly double UAV coverage by accelerating Predator acquisitions. Our FY 2008 budget includes nearly $13B to buy 241 UAVs – a 265% increase in UAVs and ground support equipment over the previous baseline – to equip 12 Total Force Predator squadrons (battalion equivalents) and better meet warfighting needs (see Attachments 2 through 6).

As we explore options to further increase theater airborne ISR, we also need to focus on how to improve employment of deployed ISR assets. To optimize ISR operations in Iraq, we need to move to a joint functional approach. With some services' exclusive assignment of medium-altitude ISR assets to individual units, the joint functional component commander responsible for airborne ISR – the Combined Force Air Component Commander (CFACC) – is constrained in conducting a truly joint, strategy-driven, ISR campaign. The rapidly growing number of medium- and high-altitude ISR aircraft compounds the issue. A joint theater ISR strategy, with the CFACC controlling all medium- and high-altitude theater ISR assets, will better meet the ISR needs of the joint force commander.

With what we see on the horizon across the globe – increasing demand for all-altitude, full motion video (FMV)-capable aircraft and decreasing sensor-to-shooter kill chain timelines – our theater and global ISR challenges will only grow. A joint theater ISR strategy for all medium- and high-altitude ISR assets (again, those that fly above 3,500 feet AGL) and the establishment of the Air Force as DoD's EA for these assets is the best way to solve these challenges. Our development of the heavily-armed MQ-9 Reaper (see Attachment 5) – a concept that began with the RQ-1 Predator as a relatively simple "eye in the sky" but has grown and matured into a highly lethal killer scout backed by a global command and control and intelligence system – is a perfect example of the dramatically increasing combat capabilities associated with the Air Force's UAV efforts. With the Air Force as EA, we will be able to capitalize on streamlined processes and efficiencies to field even more capable UAVs, support systems and associated equipment faster and cheaper than the DoD's unsynchronized efforts do currently.

Take the Air Force-led development and fielding of the Remote Operations Video Enhanced Receiver, or ROVER, for example. ROVER provides FMV from a variety of airborne platforms to line of sight users via airborne, mobile, fixed, or man-portable terminals (see Attachment 8, UAV CONOPs). Within 16 months of ROVER's conception, the Air Force had outfitted all Air Combat Command Predators with ROVER transmit capability. We have since expanded ROVER transmit capability to other UAVs and aircraft equipped with advanced targeting pods. We have also produced over 1200 downlink terminals that we've delivered to all Joint services, interagency partners, and a host of international partners. Our future plans call for thousands more miniaturized ROVERs to be built and distributed to an expanding list of international partners. Essentially, we have already assumed the mantle of EA for ROVER.

And we have taken the lead in aggressively partnering with allied countries expressing a growing interest in these UAVs systems and their ROVER links. At least ten coalition nations have expressed interest in purchasing the Predator, Reaper or Global Hawk, and in training more closely with Airmen using them and their ISR products. The Royal Air Force has already established a permanent presence at Nellis AFB, Las Vegas, and will train nine Predator/Reaper crews – pilots and sensor operators – at Creech AFB outside Las Vegas, over the next year. We expect this to be the tip of the iceberg.

There are myriad reasons to address this challenge now, including improving distribution of UAVs' intelligence across all theaters and components; avoiding duplication of separate service acquisition efforts by centralizing procurement of all medium- and high-altitude UAVs and their associated ground equipment; decreasing time and cost to field new capabilities; standardizing UAV operations, training, and combat TTPs; standardizing UAV downlinks; expanding and integrating international partners' use of UAVs; and controlling ballooning UAV bandwidth to ensure prioritized intelligence distribution.

Joint interdependence gives our warfighters an asymmetric combat edge. Designating the Air Force as the EA for medium- and high-altitude UAVs is the step we can take *now* to increase combat effectiveness on a global scale. I request this action be taken soonest. Over the next 45 days, I will follow up with a comprehensive plan to optimize our Nation's ISR capabilities. I have requested service and COCOM staff participation in this effort. I look forward to tackling this Executive Agency for medium-to-high altitude UAVs, and partnering with you in future ventures.

Sincerely

T. MICHAEL MOSELEY
General, USAF
Chief of Staff

Attachments:
1. SECDEF Mil Assist Note
2. USAF UAV Force Structure
3. USAF UAV Programs
4. MQ-1 Requirements and Roadmap
5. MQ-9 Requirements and Roadmap
6. RQ-4 Requirements and Roadmap
7. USAF UAV Specifications
8. USAF UAV CONOPS
9. USAF Airborne ISR Sensors and Coverage

cc:
ALMAJCOM/CC

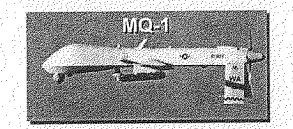
CHIEF -

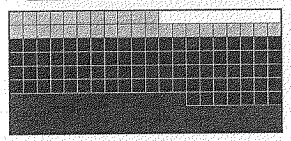
ONE OTHER COMMON CONCERN IN BOTH AFG & IZ IS THE DESIRE FOR MORE PREDATOR ORBITS. IN PARTICULAR, JSOC FORCES WERE THE MOST VOCAL, BUT NATO ALSO VOICED THIS. I SPENT SOME TIME WITH THE ACCE, CHRIS MILLER, WITH DUTCH HOLLAND & NORDO ON THIS, SO THEY ARE AWARE. WHILE THEY USED THE TERM PREDATOR, THEY REALLY WANTED A PLUS UP IN ANY REAL TIME, FULL-MOTION CAPABILITY WE MIGHT HAVE. REALIZE THE WELL IS NEAR DRY, BUT WANTED TO PASS THIS DISCUSSION.

V/R -

Gene

USAF UAV Force Structure





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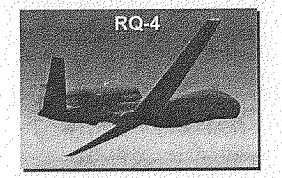

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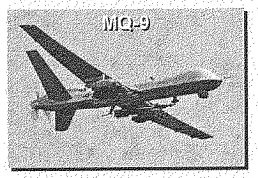

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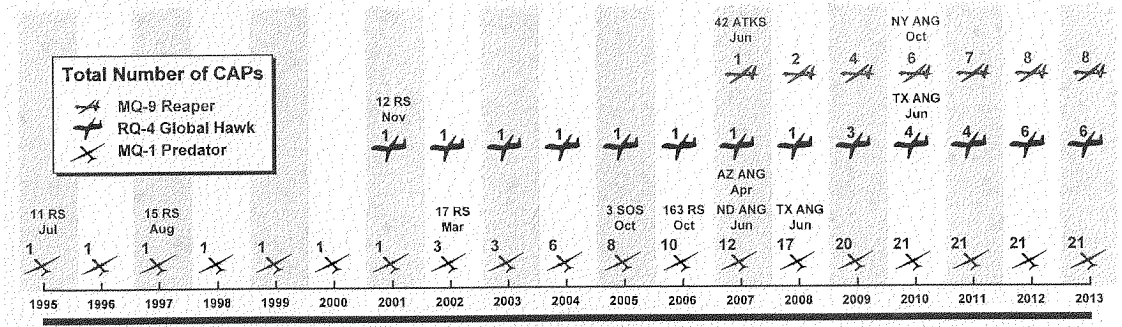


USAF UAV Programs

MQ-1

	FY08	FY09	FY10	FY11	FY12	FY13	FYDP
Funding ($M)							
FY08 PB	676.7	770.4	810.1	693.1	622.4	606.2	4178.9

RQ-4

	FY08	FY09	FY10	FY11	FY12	FY13	FYDP
Funding ($M)							
FY08 PB	1032.4	1323.2	1104.6	1106.9	1102.3	985.3	6654.7

MQ-9

	FY08	FY09	FY10	FY11	FY12	FY13	FYDP
Funding ($M)							
FY08 PB	211.0	394.2	379.6	389.9	332.7	345.0	2052.4

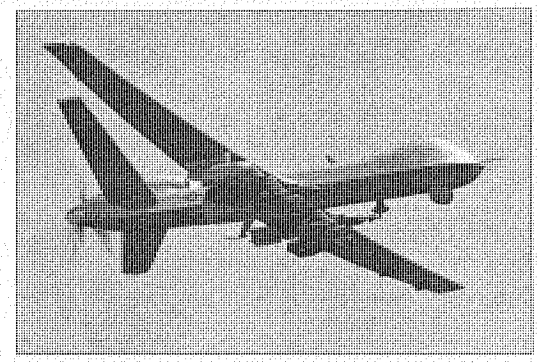
FY 08 PB includes nearly $13B for AF UAVs

MQ-1 Requirements & Roadmap

- **Requirements:** Predator CDD (JROC approved 5 Jul 05), QDR Report 2006 and JROCM 238-05/001-07
  - MQ-1 will function as a dynamically re-taskable weapons system, able to combine all elements of the targeting cycle (find, fix, target, track, engage, and assess) in a single system.
  - Objective force structure is 170 aircraft and 39 ground stations
  - Currently operating 11 CAPs
  - Building to 21 CAPs as validated by the JROC.
- **Roadmap:**
  - Active duty: Creech AFB (3 MQ-1squadrons); 1 AFSOC MQ-1 squadron (currently located at Nellis AFB)
  - 432nd Wing – Will stand up in Oct 08 (projected)
  - AF ANG: CA, ND, AZ, TX (4 MQ-1 squadrons standing up within FYDP)
  - All Launch and Recovery Elements are currently located in CENTCOM

MQ-9 Requirements & Roadmap

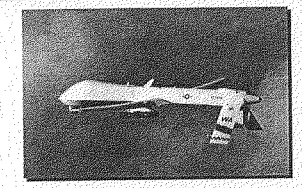
- **Requirements:** Reaper CDD (JROCM 207-06), and CPD 29 Jan 07 (JROCM 018-07)
  - MQ-9 Hunter-Killer UAV will combine all elements of the time sensitive targeting process phases IAW the Multi-Service Tactics, Techniques, and Procedures for Time Sensitive Targets, (find, fix, track, target, engage and assess) in a single, persistent, flexible system starting FY07.
  - Objective force is 60 aircraft and 19 Ground Control Stations
  - First CAP stands up in Jul 07
  - Building to 8 CAPS
- **Roadmap:**
  - Active Duty: 42nd Attack Squadron stood up in Nov 06
    - First CAP – Jul 07
  - AF ANG: NY ANG IOC FY10



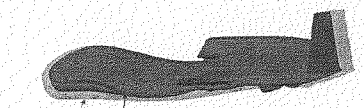
RQ-4 Requirements & Roadmap

- **Requirements: Global Hawk CDD – JROC approved 28 Jul 06**
  - The RQ-4 is a high-altitude, long-range, long-loiter system to support worldwide ISR and battle management missions across the spectrum of conflict, day/night, all weather
  - The objective force structure is 54 aircraft and 10 ground stations (18 PMAI Block 30)
    - 7 Block 10s – EO, IR, SAR sensors
    - 6 Block 20s – Enhanced EO, IR, SAR sensors (EISS)
    - 26 Block 30s – EISS plus SIGINT (Multi-INT)
    - 15 Block 40s – Multi-Platform Radar Technology Insertion Program (MP-RTIP)
  - Fielding
    - Main Operating Bases at Beale AFB, CA, and Grand Forks AFB, ND
    - Forward Operating Locations in CENTCOM, EUCOM, and PACOM
- **Roadmap:**
  - Block 10 fielding now, complete in FY 07: 2 in CENTCOM, 2 at Beale, 3 in test at Edwards
  - Block 20 fielding 3 Qtr FY 09, complete FY 09: In production. IOT&E scheduled Nov 08
  - Block 30 fielding IMINT-only 4 Qtr FY 09, Multi-INT FY 12, complete FY 16: In production
  - Block 40 fielding FY 11, complete FY 15: Test aircraft in production
  - Beale AFB MOB: Conducting operations
  - Grand Forks AFB: Stand-up in FY 10
  - CENTCOM FOL: Conducting operations with Block 10. Block 30 IMINT in FY 11. End state Block 30 in FY 12
  - PACOM FOL: Stand-up FY 09 with Block 20. End state Block 30 in FY 12
  - EUCOM FOL: Stand-up FY 09 with Block 30 IMINT. End state Block 30 in FY 13

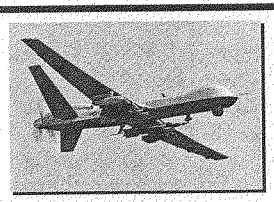
USAF UAV Specifications



MQ-1 Predator



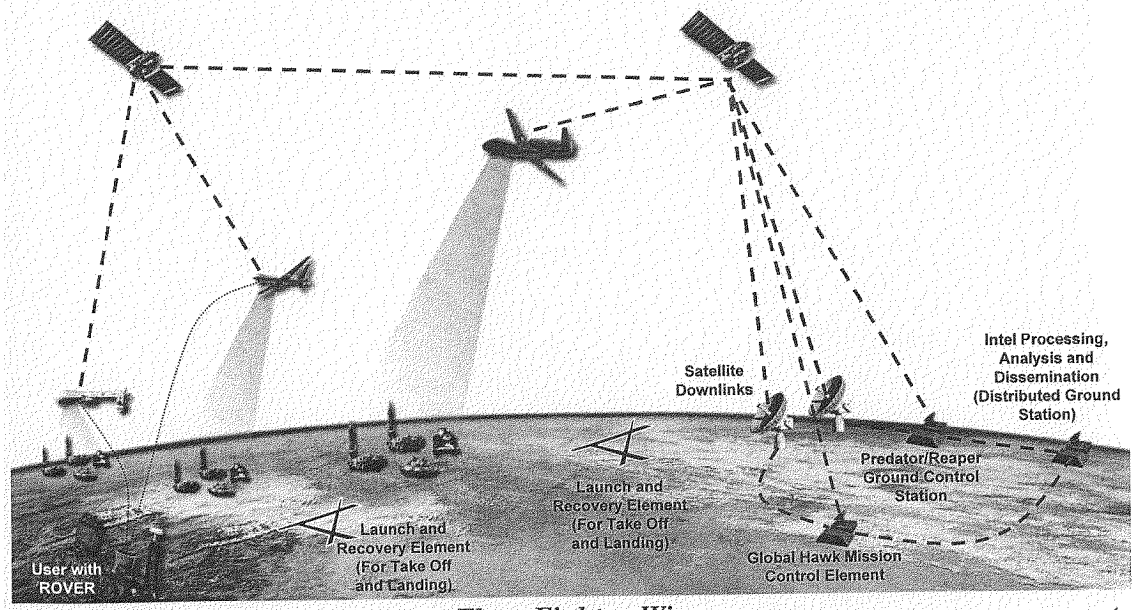
RQ-4 Global Hawk



MQ-9 Reaper

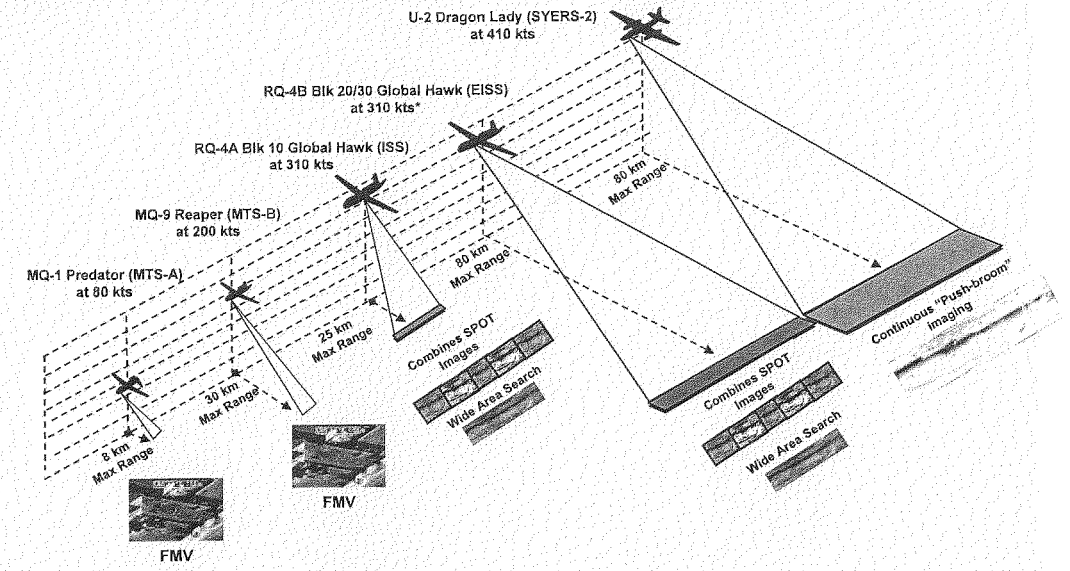
	MQ-1 Predator	RQ-4 Global Hawk Blk 10	RQ-4 Global Hawk Blk 20+	MQ-9 Reaper
Wing Span:	49 ft	116 ft	131 ft	64 ft
Length:	26 ft	44 ft	48 ft	36 ft
Height:	7 ft	14 ft	15 ft	-
Max T/O Wt:	2,500 lbs	26,750 lbs	32,250 lbs	10,000 lbs
Payload Wt:	450 lbs	2,000 lbs	3,000 lbs	3,000 lbs
Hard points:	2	-	-	6
Cruise/Dash:	80/120 KIAS	340 KIAS	310 KIAS	240 KIAS
Altitude:	25K ft	60K ft	60K ft	50K ft
Range:	120 NM LOS	~10K NM	~10K NM	120 NM LOS
	400-600 NM BLOS	-	-	400-600 NM BLOS
Duration:	18-24 hrs	28+ hrs	28+ hrs	16-24 hrs
Sensors:	EO/IR/SAR	EO/IR/SAR	EO/IR +/SAR+/MP-RTIP/SIGINT	EO/IR/SAR
Weapons:	2 x AGM-114	-	-	AGM-114/GBU 12/38
Other:	Laser Designator	-	-	Laser Designator
	IR Illuminator	-	-	IR Illuminator
Defensive Sys:	None	None	None	None

UAV CONOPs


Satellite Downlinks
Intel Processing, Analysis and Dissemination (Distributed Ground Station)
Predator/Reaper Ground Control Station
Launch and Recovery Element (For Take Off and Landing)
Launch and Recovery Element (For Take Off and Landing)
Global Hawk Mission Control Element
User with ROVER

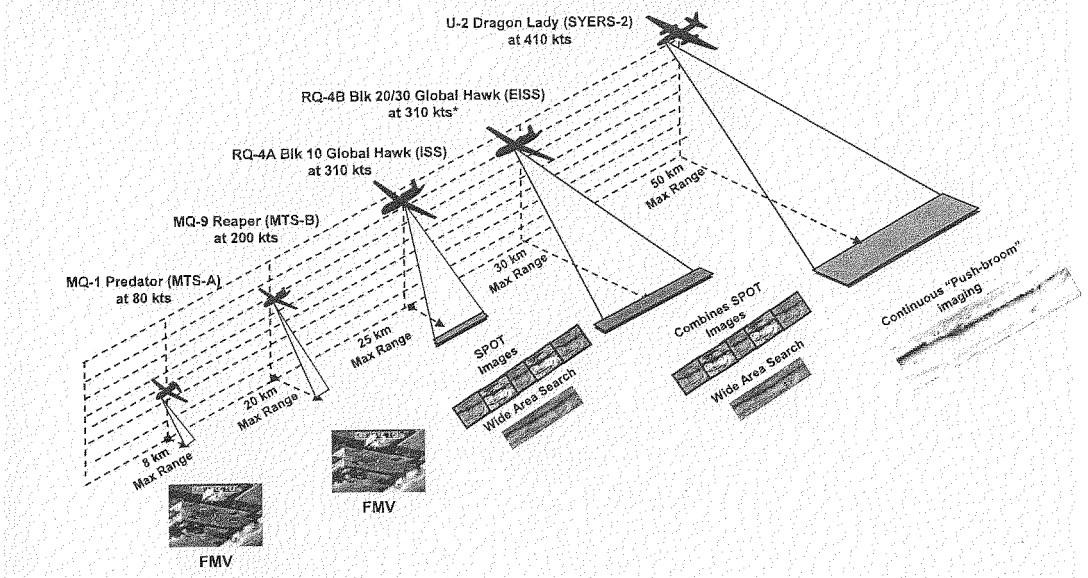
UNCLASSIFIED

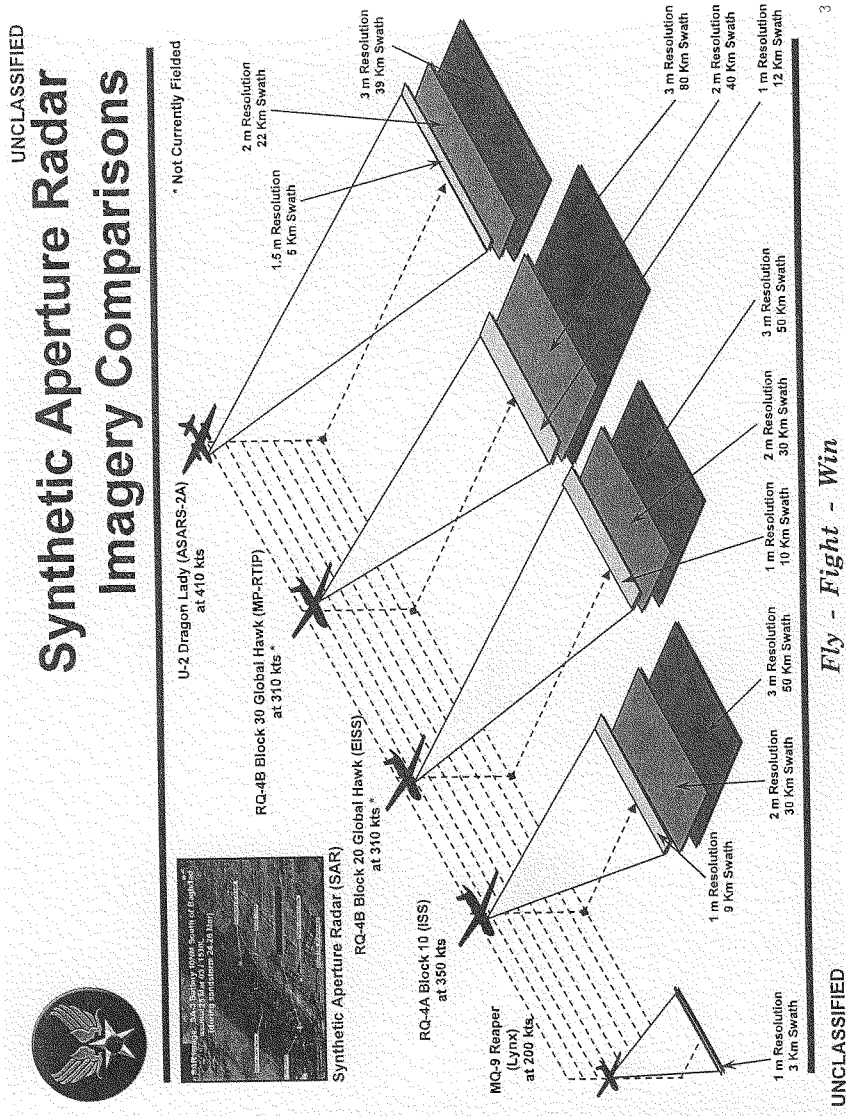
Predator / Reaper / Global Hawk / U-2
Electro Optical Comparisons



* Not Currently Fielded

Predator / Reaper / Global Hawk / U-2 Infrared Comparisons





General MOSELEY. I believe, if we're not careful, we are headed for a crisis, in acquisition, in deliveries and procurement, in command-and-control, the ability to field the system to support all requirements. We spend most of our day looking to support joint requirements for the joint warfighting commanders, but also our Army, Marine, and Navy brothers and sisters. We have 12 squadrons of these, and we're trying to flesh out more. I believe there is a cleaner, quicker, more effective and efficient path to being able to do this, and that's exactly what we've proposed.

This is not a land-grab. General Schoomaker and I are the dearest of friends but I believe there is a better way to field these systems faster and streamline the command-and-control that exists, and be able to fight this long war on terrorism, and anything else ahead of us, better. So, if you would allow me, I'd like to put that in the record.

Senator INHOFE. That would be fine.

Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Let me first say to the incredible Americans that were introduced at the beginning of this hearing, I'm in awe of who you are and what you do. Congratulations to you and your families. Congratulations to the Air Force for producing these kind of fine heroes in our systems.

I have about an hour's worth of questions on acquisition, but I'm going to try to limit it to 6 minutes. Have both of you read the Government Accountability Office (GAO) report that was issued last week on defense acquisitions concerning airlift and tanker programs?

Secretary WYNNE. No, ma'am, I have not read it in the detail that you expected.

Senator MCCASKILL. That's probably a huge part of my concern. This report is incredibly important as we try to do what you're trying to accomplish, and that is using commercial technology to update old aircraft. If you read this report in detail, you have to really slow down. For example, the Mobility Capability Study (MCS) is clearly flawed, and it's the study on which you base your number one funding priority, which is the KC–X tanker. What this shows, if you look at the four major airlift programs is that none of them are on time, none of them are on budget. For example, the C–130 Avionics Modernization Program (AMP) that you have talked about in fiscal year 2008 is up $700 million, and the number of units that we can acquire has gone from 434 to 268. The development cost change since the beginning of this program is up 128 percent. The problems are pretty clear. How much money will it take to put commercial technology into a military system? Do we have a stable design before we get to the system demonstration stage? Most importantly, failure to show that it will work before we begin production investment.

I guess my question to you, Mr. Secretary, is, who is accountable for moving forward on these incredible investments of billions of dollars without having this basic information at the critical junctures?

Secretary WYNNE. Many of the programs that you have talked about were actually started some time back. But I will tell you that myself, the service acquisition officer, the operation requirements people that lay in the requirements behave in a manner laid out in the DOD Directive 5000 to try to make sure that we do this correctly. We use the requirements that we get out of the requirements generation to lay in the key performance parameters (KPPs). Many times, our friends and associates in the GAO don't agree

with our assessment, but we feel like we are making the best judgments we can along the way.

Senator MCCASKILL. I have to tell you, it seems to me, if the best judgments were being made, we wouldn't consistently, in every single instance, have major, major cost shift, major reductions in units purchased, and delay. You're looking at a year and a half to 2 years delay before we can actually even utilize this technology that we are investing billions of dollars of taxpayer money in. I get the stresses that you're facing. What I don't get is a continuation of acquisition mistakes that don't appear to be taken seriously.

Secretary WYNNE. Ma'am, we take every acquisition governance issue very, very seriously, and we have established a transparency with Congress, and, frankly, with the GAO where we're reaching out to the GAO to make sure that we're certain, for example, on the combat search-and-rescue helicopter, of what we should be out to resolicit from our vendors. So we take it very seriously and we are working it very hard. But the citations that you cite are real, and we are working with the GAO on each of those instances to demonstrate to them that we think we're on a little bit better path than they have asserted.

Senator MCCASKILL. Have you circled back to look at the MCS and look at that study and the conclusions that you've drawn from that, and taken into account the flaws that I think are very ably pointed out by this GAO report?

Secretary WYNNE. The MCS study is actually performed by the Office of Secretary of Defense (OSD). We have participated in it. We have had one every year for the last 15 years. We know, for example, that this one does not take into account the increase in ground forces that we see. We also know that it might not take into account the full requirement that the Army has when they move out on the Future Combat System. So, we have our concerns. However, I will tell you that the analysts who performed that model have claimed that they have asked folks about it and basically have told the Air Force that we should not submit even the two additional C–17s, because the MCS has been satisfied.

Senator MCCASKILL. I would like to see a requirement that, when one of these reports comes out, that it be consumed immediately by a number of different people within the military, because you all have been on the high-risk list for longer than anyone else, and as we face budget constraints all of us want you to have what you need to do the incredible work you do, but it's awfully hard to ignore the detailed analysis that's factually based that is represented in some of these reports without shaking your head and wondering who is held accountable, who, within the military, steps up and says, "We made a mistake, and this is costing too much because we made a mistake. We're not getting what we thought we were going to get." Because if somebody doesn't take responsibility, I don't know how we're ever going to get it changed.

Secretary WYNNE. We have, in fact, canceled some programs that have approached us when they have ballooned out of sight. The ones we cannot cancel are the ones that are actually satisfying a true operational need. I will tell you that it is a partnership between industry, the requirements people—namely, the user—and the funding agency. For example, in the area of the F–22, when

that was reduced from a rate of 28 to 20 per year, we were actually asked to go get a multiyear contract to try to offset that. Frankly, that's very difficult. In the JSF, which we are forecasting to be a really good performing program, right now we're questioning what requirements we should put on that program. If we do it the way Senator Lieberman or even the way some of our fellows in OSD that are—wanted to suppress the number, even the GAO says, "Let's not do it at the rate that they originally forecast"—if we do that, the price of that program will increase.

Senator MCCASKILL. I would really appreciate, after you have a chance to read this study, since you haven't had the chance to do it yet, if you would respond to my office or to the committee with what your answers would be to the very important points that are made in regard to the airlift and tanker acquisition program.

[The information referred to follows:]

The study you refer to is Government Accountability Office (GAO) report GAO–07–566T, "Issues Concerning Airlift and Tanker Programs," published on 7 Mar 07. GAO submitted the report as testimony to the 7 Mar 07 House Air and Land Forces Subcommittee hearing on "Air Force and Army airlift and aerial refueling fixed-wing aircraft programs." Responses to the report's findings on KC–X, C–130 AMP, C–130J, and C–5 AMP/RERP programs follow.

C–130J:

The C–130J experienced some difficulties during the initial fielding in 1999. However, these issues have been aggressively worked and resolved by the Air Force and the contractor. The C–130J is now a vital member of the intra-theater fleet. To date, the C–130J has been deployed in support of Operation Iraqi Freedom and has completed over 5,500 sorties (over 11,000 flight hours) since 2004, with a mission capable rate of 85 percent.

The GAO report refers to three deficiencies that result in the aircraft being rated as partially mission capable: inability to meet airdrop operations requirements, ineffectiveness in non-permissive threat environments, and maintainability issues. As stated in the report, "program officials plan to address the deficiencies as part of a C–130J modernization effort."

First, the aircraft is capable of performing all airdrop and airland operations except Instrument Meteorological Conditions (IMC) Formation Airdrop. Although a limitation is placed on C–130J formation IMC airdrops, no tasking for the C–130 has required this capability since the global war on terrorism began. The C–130J is cleared for and has accomplished formation airdrops in Visual Meteorological Conditions (VMC). The Air Force plans to address the IMC Station-Keeping Equipment (SKE) limitations when Block 6.0 is released in spring 2008.

Second, with respect to the "operation in a non-permissive threat environment" limitation, the C–130E/H/J is not designed to operate in high threat environments and avoids operations at altitudes within the range of hostile surface-to-air missiles. Therefore, the limitations cited by DOT&E do not impact the ability of the C–130J to conduct its mission. Air Force Operational Test and Evaluation Command (AFOTEC) completed C–130J Phase 2 operational testing in December 2005 and concluded in their final report dated 28 Apr 06 that the C–130J was effective in a low- to medium-threat environment, and stated the C–130J is effective for single-ship all-weather airdrop and visual formation airdrop capabilities which meet the warfighter's approved requirements.

Third, the "maintainability issues" resulted from a high false alarm rate with the C–130J Built in Test (BIT) experienced by AFOTEC during OT&E. Even with this shortfall, AFOTEC determined that the C–130J was suitable for both airland and airdrop, with the aircraft's operational reliability exceeding capability requirements. During OT&E, the C 130J mission capable rate was 96 percent. The Air Force plans to address these shortfalls as part of the ongoing C–130J Block upgrade program.

C–130 AMP:

C–130 AMP currently has two modified aircraft in flight test with 38 test flights totaling 103 flight hours accomplished with no critical deficiencies noted. C–130 AMP recently declared a critical Nunn-McCurdy breach and is undergoing an Office of the Secretary of Defense (OSD) certification process in which the requirements,

unit costs, and management processes are being revalidated. The Air Force is cooperating fully with OSD to restructure the program.

C–5 AMP and C–5 RERP:

The C–5 AMP program is currently in production and continues to progress. Twenty-four C–5 aircraft have been AMP-modified and the program successfully reached Initial Operational Capability (IOC) on 1 Feb 07. AMP-modified C–5s have flown more than 7,300 hours transporting more than 7,000 passengers and 15,000 short tons worldwide. The Air Force is correcting some AMP software deficiencies through a Block Cycle Change process, with the first to be installed on C–5 aircraft next year. As stated in the GAO report, C–5 RERP is facing cost growth challenges due to engines, pylons, and touch labor. A detailed Air Force cost estimating effort is underway to determine the extent of the cost growth and to develop a service cost position.

KC–X:

The 7 Mar 07 GAO report you mention (GAO–07–566T) cites information from the final copy of a different KC–X GAO report (GAO–07–367R) issued on 6 Mar 07. DOD provided comments on the draft copy of GAO–07–367R, but has not yet responded to the new information included in the final drafts of both GAO–07–367R and GAO 07 566T. DOD is currently coordinating a response to the information included in both final reports, and we can respond to your question after DOD completes its response.

Secretary WYNNE. Thank you.

Senator MCCASKILL. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Dole.

Senator DOLE. General Moseley, in a recent newspaper article, you were quoted as saying the following, ''In working the budget problem, I believe I'm seeing challenges that lead us to the notion that maybe it's time to have this discussion about a higher percentage of GDP. It's going to be very, very hard to get where we're going, as defined in the Pentagon's strategic plans, and to do this business on a global scale, with the resources that we have.''

Now, given that statement, would you share with the committee your professional views on what you believe the budgetary requirements of the Air Force will be over the next several years and beyond, given our role in the world and the demands that are placed on the Air Force? Would you further describe for the committee the strategic implications for the Air Force and for the United States if, indeed, those adequate resources are not forthcoming on a sustained basis?

General MOSELEY. Senator, thank you.

Ma'am, I do believe it's perhaps time to have a discussion about percent of GDP for DOD outlays. As the Secretary has said, and I've said, for this budget, we've spent 2.2 million man-hours developing this POM, which became our piece of the President's budget. We've given up 40,000 people, which really touches about 57,000, when you add in the full-time equivalents, which is approaching the size of the French Air Force. We've given that up to self-finance and to be able to meet our procurement accounts and our priorities and stay within our fiscal guidance.

Ma'am, we've run some of the numbers as it looks out over the Future Years Defense Program (FYDP) to be able to deal with fuel cost that is an unknown, inflation rates, exchange rates, and to be able to look at economic order quantities of deliveries of the procurement priorities. It looks like, on an average, it's about $20 billion more a year just for the Air Force. To be able to meet our glob-

al requirements and our global challenges in a very uncertain world out there takes you to the tanker, takes you to strategic airlift, takes you to the new bomber, and for sure takes you to the air dominance capabilities in the fifth-generation set of systems of the F–22 and the F–35. So, ma'am, I believe it is time to look at that, and I believe, if we're not careful, we're going to continue to squeeze the budget with some of the other costs that are rising on our human capital. Our people are so precious, but they are costing more and more and more a year, which then squeezes the investment account. As we try to hold our quality of life and our infrastructure constant on our bases, and we try to hold our operation and maintenance accounts, our flying hours, and our depots constant, there's no other place to go but the investment account. That's been our challenge for the last few years.

Senator DOLE. Let me ask you, and Secretary Wynne, also, given these shortfalls, should we now be giving serious consideration to the 4 percent rule that will allocate no less than 4 percent of the GDP to the annual defense budget?

General MOSELEY. Ma'am, I believe 4 percent would be a good starting point. I'm a little outside of my lane, but, since you asked me, I believe less than 4 percent is still going to continue to crunch the budgets while we're fighting a global war, while we're taking care of our land component, while we're looking to grow the Chief of Naval Operations' Navy back to a strategic setting, and while we attempt to modernize and make this Air Force what this country demands of it. So, I believe 4 percent is a good starting point.

Senator DOLE. Secretary Wynne?

Secretary WYNNE. I'm pleased to see you enter the argument. I'm sure that the President, the Office of Management and Budget, as well as the Secretary of Defense, have this same argument amongst themselves. We spent 2.2 million hours trying to figure out how to balance this budget within ourselves. We're the only Service that balanced its budget. So, I think the argument is valid. I would say it should be resolved above my pay grade.

Senator DOLE. Secretary Wynne, let me ask you, how much has the aerospace industry consolidated, in terms of the number of prime aerospace contractors, over the past 15 years? Are you concerned that the aerospace industrial base has contracted too far? Are you seeing signs that portions of the second- and third-tier vendor base are thinning beyond what you would consider to be prudent?

Secretary WYNNE. I would tell you that they have consolidated dramatically. Starting in the early 1990s, they were the product of the peace dividend. I personally managed part of an operation in San Diego that had, at its peak, 35,000 employees. It went to 200. So, I would say that that alone tells you that some places, geographically, paid a peace dividend well above others.

The consolidation, as you pointed out, is not really there at the first tier, although, as Senator McCaskill pointed out, in the tanker world, we only had two, which I would call, free-world competitors, one in France and one in the United States. The third maker of tankers is the Russians. We did not invite them to participate in the competition. I would tell you also that many foreign nations,

India, for example, does invite all of them to participate, so they get the benefit of worldwide competition.

It is our fourth tier, the forging-makers, who make landing gear forgings, that have an extraordinarily long lead on their products, that cause us, for example, to reach 2 years in advance to try to get into line on forgings for landing gears for our fighter aircraft and our bombers. It's these precision manufacturers that I am concerned about, because I think we're down to just one, or one and a half, and we do not have the money to restart the line. Our fear is, when the C–17 line goes cold, we won't have the money to restart that line. So, I'd love for somebody—and I don't know who—to have them available, but I can't expect it. It's one of the reasons we have to look hard at making sure we get full lifespan out of the C–5, because if we have to restart a strategic lifter in the 2025 timeframe, I'd love to have more than one supplier available. I don't think I will.

Senator DOLE. Thank you, Mr. Chairman. My time has expired.

Chairman LEVIN. Thank you, Senator Dole.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

Let me start with you, if I can, General. We have Little Rock Air Force Base in Arkansas, and they do C–130s. I was there just last month, and they came through base realignment and closure and all, fine. The C–130 has really developed into the workhorse of the global war on terror, with this lift capability. But the Little Rock Air Force Base also has a challenge, and that is, its runway needs to be resurfaced. I don't know if you knew that. They're working on a plan, apparently, with their higher-ups, whoever that is. I'd like to bring that to your attention for you to know about and maybe help me work with everybody to try to get them that new surface they need. Were you aware that they had that problem?

General MOSELEY. No, sir.

Senator PRYOR. I think it's, in some ways, just kind of a typical maintenance problem, but, given the role the C–130 is playing now, and the role Little Rock Air Force Base plays in that, I just wanted to bring it to your attention.

Speaking of the C–130s, they have a lot of wear and tear on them right now. They're being deployed left and right in Afghanistan and Iraq. The E models are old, and some of them are not able to fly. Do we have enough J models coming on line?

General MOSELEY. Sir, I'll say no. Then let me tell you another vignette about the E models. Our special operations birds, which are E-model derivatives, that we have in theater right now, we operate them after we have the center-wing boxes fixed on them. The outer wings are still not right. So, after every 90 hours, we have to take the two outboard engines out of the airplane, take the skins off the outer wings, and conduct an inspection that takes 36 hours per airplane. We have to do this every 90 hours, whether it's in theater or in Little Rock or whether it's at Yokota or Ramstein. So, sir, this is beginning to be a very troublesome safety challenge, as well as an operational challenge, to have to break an airplane down every 90 hours in combat to inspect the outer wing boxes.

Senator PRYOR. I believe Secretary Wynne, a few moments ago, said that we're at a minimum sustaining rate on a lot of our programs. Is that also true for the C–130?

General MOSELEY. Sir, it is. We have about to be completed an analysis of alternatives from Air Combat Command, Air Mobility Command, and Air Force Special Ops Command on looking at a follow-on to the tanker and a follow-on to the MC–130. I've not seen the results of that yet, but I suspect it'll take us to something that looks like a modernized C–130.

Senator PRYOR. Do you know when the results of that will be made public?

General MOSELEY. Sir, I don't.

Senator PRYOR. Okay. Well, I'd love for you to share that with me when you get it in.

General MOSELEY. Yes, sir.

[The information referred to follows:]

Analysis of Alternatives (AoA)

Special Operations Forces Tanker Annex (SOF-T)

Final Report

Proposed By:

Mr. John Townsend, GS-13, DAF

Approved:

Billy W. Montgomery, Colonel, USAF

Director, Plans, Programs,
Requirements and Assessments
HQ Air Force Special Operations Command

October 13, 2006

EXECUTIVE SUMMARY

In June 2006, Headquarters (HQ) Air Force Special Operations Command (AFSOC) directed a Special Operations Analysis of Alternatives (AoA), called the SOF Tanker (SOF-T) Recapitalization AoA, for analyzing potential courses of action for recapitalizing the MC-130 fleet. An AoA Study Team was formed and developed the SOF-T Study Plan. The plan was coordinated with the Office of Aerospace Studies (OAS) and approved by AFSOC.

The SOF tanker primarily conducts refueling and infiltration/exfiltration (infil/exfil) missions. While there are four (4) different Mission Design Series (MDS) aircraft (i.e., MC-130E, MC-130H, MC-130P and MC-130W), to focus available resources, the analysis concentrated on the cost analysis to recapitalize only the MC-130E Combat Talon and MC-130P Combat Shadow aircraft. At United States Special Operations Command (USSOCOM) direction, this recapitalization effort is limited to 37 aircraft.

The need for additional SOF refueling/infil-exfil platforms has been documented in Operations ENDURING FREEDOM (OEF)/IRAQI FREEDOM (OIF) Lessons Learned, and in the USSOCOM Over-arching Air Study currently being written by the Institute for Defense Analyses (IDA). There has also been guidance in the Joint Planning Guidance (JPG) and Quadrennial Defense Review (QDR) to increase capacity in this mission area.

In general, the current SOF tanker capability is plagued by four (4) significant problems that negatively impact the SOF Critical Capabilities introduced in paragraph 1.3 of this report:

1. Maintainability – since July 2002 there has been a fifteen percent (15%) reduction in mission capable rate caused by severe fatigue and corrosion problems. The cost per flying hour continues to increase, along with the maintenance man hours per flying hour.
2. Capacity – insufficient to support the Strategic Planning Guidance (SPG) at a moderate level of operational risk. This risk is characterized in the AoA. AFSOC operates several different mission design series fleets and all are low density/high demand (LD/HD) assets. SOF refueling and lift requirements continue to grow with increases to U.S. Army and AFSOC forces and the addition of U.S Marine Corps (USMC) forces to USSOCOM.
3. Airworthiness – 35+ year old aircraft operating at the far margins of their original design envelope are leading to severe fatigue issues. The structural issues are imposing increasing inspection schedules and operational weight restrictions, and decreasing safety margins.
4. Modernization and operational capability – modernization efforts address aging parts or vanishing vendors, but not advances in threat technologies and adversary tactics. In some cases, aging aircraft defensive systems are unnecessarily heavy

or maintenance intensive and exceed the self-defense requirements for the most probable emerging threats.

The initial assessment of the SOF tanker derived capabilities, existing severe mission gaps, long-term threat assessments, and projected SOF budgets indicate a materiel solution is needed. The solution must maintain a focus on the anticipated operational environment in the context of accomplishing the primary SOF mission functions. These include refueling SOF aircraft, infil/exfil, tactical resupply, psychological operations and supporting nation building.

Acquisition Issue

The major acquisition issue associated with the SOF-T program is the user requirement to achieve an Initial Operational Capability (IOC) in 2012. For this program IOC is defined as delivery of: training systems, logistics, and four aircraft operationally configured to conduct the SOF-T mission. Other facets pertaining to acquisition, such as mission need, scenario, and environment are discussed in Section 2 of this report.

Range of Alternatives

The AoA Study Team investigated a selected range of alternatives for their ability to meet the needed SOF mission capabilities at the needed IOC date. The team also used existing requirements documents, lessons learned reports, and Combat Rescue AoA 3 (HC-130 RECAP AoA) as the beginning point for evaluating the alternatives and identifying mission deficiencies.

Alternative 1 - Baseline: Current MC-130E/P fleet plus planned Special Operations Forces Avionics Modernization Program (SOF-AMP).

Alternative 2 - MC-130P AMP + Service Life Extension Program (SLEP) + Capability Upgrades + 14 Aircraft: Current MC-130P fleet with AMP plus SLEP, correct shortfalls towards accomplishing the Special Operations mission and acquisition of 14 additional aircraft. The AoA accomplished Force Structure Analysis (FSA) to determine if any additional aircraft would be necessary, but will not provide for fleet growth in Alternative 2.

Alternative 3 - Modified Small Transport Aircraft. Procure small transport aircraft and modify for SOF tanker missions.

Alternative 4 - Modified Medium Transport Aircraft. Procure medium transport aircraft and modify for SOF tanker missions.

Alternative 5 - New Concept Development. Develop concept specifically to meet SOF-T requirements.

Further information on these alternatives can be found in Section 3 of this report.

Non-viable Alternatives

The SOF-T AoA Study leveraged the HC-130 RECAP AoA results to narrow the scope of the study to three alternatives and evaluated them across the full range of military operations. In this and the HC-130 RECAP AoA, Alternatives 3 and 5 were found to be non-viable. Alternative 3 was not viable as it could not physically meet the key

requirement to aerial refuel two receivers simultaneously, and Alternative 5 was also not considered due to schedule constraints.

Effectiveness Summary

The Operational Effectiveness Assessment (OEA) was based on the SOF-T Mission Tasks (MTs): execute refueling and provide mobility. The Measures of Effectiveness (MOEs) used included the sub-tasks and capabilities required to accomplish these tasks. In turn, the Measures of Performance (MOPs) for these MOEs were derived from critical capabilities identified in the Initial Capabilities Document (ICD) listed in the References (Appendix E). MOEs are discussed in detail in Section 4 of this report.

Each alternative was evaluated against these MOEs/MOPs using a process that included gathering information from using working groups, industry, and government sources to evaluate this information. The working groups were comprised of Subject Matter Experts (SMEs) from the operations, acquisition, logistics, and Research & Development (R&D) communities. The results of these activities are summarized in the effectiveness results of Table ES-1. This table lists the MOEs down the left side and the three viable alternatives, the two MTs and the tier priority across the top. A tier priority, with "1" as the highest priority, was favored over a strict numerical weighting scheme because many of the MOEs were critical to both MTs. The colors are used to improve visualization, the scale is shown below the table. Alternative 1 is the baseline and is included for comparison purposes. With six MOEs scoring red and none scoring green it is clearly non-viable. Alternative 2 aircraft required modification to existing planes to more ably perform the mission. These modifications included upgrades in capabilities, such that their effectiveness improved significantly over the baseline. Only two MOEs scored red, and two MOEs scored green for this alternative. One of the MOEs scoring red is in Tier 2 while the other is in Tier 3. Both of the MOEs scoring green are in Tier 2. Thus Alternative 2 can be considered acceptable with medium risk. Alternative 4, a new modified medium transport, provides acceptable effectiveness (no red MOE scores) at low risk.

Table ES-1: Effectiveness Results Summary

Measures of Merit	ALT 1	ALT 2	ALT 4	MT 1 Provide Refueling	MT 2 Provide Mobility	Tier Priority
1 Provide Fuel In-flight and on Ground (Key)	1.9	3.0	3.0	X		1
2 Mission Range/Speed with Payload	2.5	3.0	4.0	X	X	2
3 Airfield Operations	2.2	3.4	3.4	X	X	2
4 Avoid/Disengage/Withstand Threat Environment	2.6	3.3	2.9	X	X	2
5 Precisely Deliver Personnel/ Equipment and Rapid Reconfigure	2.4	2.8	3.7		X	2
6 Sustain Operations with Minimal Support	1.0	1.0	4.0	X	X	2
7 Receive/Transmit Critical Situation Awareness Info	2.6	3.0	3.0	X	X	3

8 Deployment Range	3.0	3.0	3.0		X	3
9 Operate Across Range of Military Operations/Environments	3.0	3.0	3.0	X	X	3
10 C2 & ISR Command Reach and Coverage	3.0	3.0	3.0	X	X	3
11 Provide Medical Treatment/Care	3.0	2.5	3.5		X	3

Blue	Green	Yellow	Red
4.1 - 5.0	3.1 - 4.0	2.1 - 3.0	1.0 - 2.0

The effectiveness analysis also addressed force sizing and force structure. As mentioned earlier USSOCOM direction was to limit the recapitalization to 37 aircraft. No force structure analysis was required for this case; Table ES-2 shows the 37 aircraft force structure. However, the Study Team guidance included addressing the case of how many aircraft are required to provide a medium level of risk for accomplishing the mission. For this case several analysis methods were used since each of the available methods had limitations. As an example of the findings, the ratio method, which uses an historical ratio of receivers to tankers, concluded that a total of 78 MC-130's are required in FY2012, and 88 are required by FY2017 (when the Air Force receives the 50th CV-22). These numbers are substantially above the existing fleet size. With the recapitalization fleet set to 37, these force structure analysis results had no impact on the AoA other than to indicate that significant additional aircraft may be required to mitigate LD/HD. Effectiveness results, including force structure, are discussed further in Section 5. Full details are provided in Appendix A and the classified Annex A.

Table ES-2: SOF Tanker Force Structure for 37 Aircraft

LOCATIONS	Primary Aircraft Inventory	Back-Up Aircraft Inventory
Hurlburt	**16**	**2**
Cannon	**12**	**2**
Kirtland-school	**5**	**0**
Total	**33**	**4**

Cost Analysis Summary

A life-cycle cost estimate (LCCE) was developed for the baseline alternative and each viable alternative (Alternatives 2 and 4). Costs for each alternative are divided into the LCC categories of R&D, Investment, Operations & Support (O&S) and Disposal. The life cycle time period used was 30 years, FY07-FY36. Total cost is presented in then-year dollars in millions (TY$M) and base-year FY2007 dollars. The estimates were done using Department of Defense (DoD) cost community accepted processes, methods and techniques. The most appropriate methodologies were used, given the available data and definitions of efforts. A capabilities equipment list was developed which provided a requirements baseline to estimate. All estimates are based on recapitalization of 37 aircraft and thus do not include any additional aircraft identified in the force structure analysis.

Table ES-3 shows the LCCEs (Base-Year Fiscal Year 2007 Dollars in Millions (BY07$M)) for each alternative estimated. Alternative 1 – Baseline is maintaining status quo with the current fleet. Alternatives 2 and 4 LCCEs are relatively close. Cost analysis results are discussed further in Section 6, with additional detail and full documentation of the LCCEs in Appendix B.

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Table ES-3: Summary of LCCEs for the Alternatives

	Alt 1	Alt 2	Alt 4
Research & Development	1,337	1,088	804
Investment	901	3,124	5,165
Operation & Support	6,495	7,725	7,378
Disposal	5	5	9
TOTAL LCC (BY07$M)	8,738	11,942	13,356
Quantity of Aircraft	37	37	37

Cost vs. Effectiveness Summary

Alternative 1 – Baseline, maintaining the status quo with the current fleet clearly represents the lowest cost option, but does not completely address the maintainability, capacity or operational capability gaps identified earlier. Alternative 2 – bringing 37 aircraft to a common standard, providing a SLEP and selected capability enhancements fails to fully resolve the capacity and operational capability gaps. The recommended option of a new modified medium tanker (alternative 4) provided the greatest opportunity of addressing the current shortfalls at a relatively modest 12% cost increase over alternative 2. Further details are provided in Section 7 of the report.

Conclusion

Recapitalization of the current SOF-T fleet with a new modified medium transport aircraft would close many of the capability gaps that exist with the current system while significantly lowering the O&S cost over the same time frame. The additional operational benefits of a homogenous fleet (going to one MDS versus two) would garner further savings across DoD in the areas of training, sustainment, and logistics parts management. Training, sustainment, and logistics parts management will all benefit from a common platform for the low-speed refueling fleet. These synergistic effects when combined with the ability to close some of the fleet's existing capability gaps justify the higher LCC of a new transport modernization option.

Senator PRYOR. That also brings us to the question of the joint cargo aircraft, which I understand is a smaller aircraft, probably two engines and all that. But where are we on that? Where are we on the joint cargo aircraft?

General MOSELEY. Sir, we have a joint program office which is an Army-led office, and they are looking at that. We have a memorandum with them, on looking at building a smaller cargo aircraft of some form. We are working our way through that. The Army has not got to a place where they're close to source selection, that I know of. We are also finishing a much more detailed requirements document on the Air Force side. Senator, this is important to us, not only for our Air National Guard and our Reserve squadrons, and some Active and Air Force Special Operations squadrons, but also in the international market. I've sent a letter—if you would allow me to put it in the record—to global air chiefs, that asks them to partner with us on the requirements for a joint cargo aircraft, so we understand emerging countries' capabilities for this sort of thing. I've also recently sent a letter to the Governors, and

the territorial Governors, asking them to tell me what they think their State missions are for the joint cargo aircraft. So, sir, we're vested in this, because I believe it's a good idea, and I believe it's the right thing to do. We just don't have the programmatic detail yet, nor are we close to source selection.

Senator PRYOR. Mr. Chairman, I would like for that letter to be made part of the record.

Chairman LEVIN. It will be made part of the record.

[The information referred to follows:]

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE UNDER SECRETARY

OCT 0 5 2006

SAF/IA
1080 Air Force Pentagon
Washington, DC 20330-1080

General Stéphane Abrial
Chef d'État-Major de l'Armée de l'Air
26, Boulevard Victor
00460 Armées
France

Dear General Abrial,

The US Air Force is committed to working with our international partners in achieving mutually beneficial capabilities, while strengthening our air force-to-air force relationships.

The US currently is developing a Light Cargo Aircraft program to complement our heavier lift capabilities. It is clear to us that many other nations have similar needs and we see this as an extraordinary opportunity to build a program that will further develop our air force-to-air force relationship, while building capabilities and capacities in a synergistic way.

In that spirit, I ask that you define your light cargo lift requirements, such as precision air drop, night vision capabilities, special ops, aero medical requirements etc., and that you consider the benefits in efficiencies and life cycle costs in joining us in a multi-national light cargo aircraft program. We anticipate convening a conference of all interested air forces in the November timeframe to discuss this further.

This program presents yet another opportunity to further our valued relationship. My point of contact for this issue is Col Karl Johnson (703) 588-8850, email: karl.johnson@pentagon.af.mil. Please respond to him, or directly to me, by 1 Nov 06 if you are interested in or would like additional information regarding this cooperative effort.

Very respectfully,

BRUCE S. LEMKIN
Deputy Under Secretary of the Air Force
International Affairs

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE UNDER SECRETARY

OCT 27 2006

SAF/IA
1080 Air Force Pentagon
Washington, DC 20330-1080

General Stéphane Abrial
Chef d'État-Major de l'Armée de l'Air
26, Boulevard Victor
00460 Armées
France

Dear General Abrial,

Recently, I sent you a letter of invitation to participate in a Joint Cargo Aircraft (JCA) International Conference to explore opportunities for a partnership in the near future. The date is set and the conference is scheduled for Nov 28, 2006, in Arlington, Virginia, United States of America.

This first JCA International Conference will be conducted as a working group, and I encourage representatives in the rank of colonel or lieutenant colonel to participate. The tentative conference agenda will include: (1) JCA program overview; (2) discussion of USAF requirements process; (3) discussion of proposed partnership arrangement; (4) international inputs into JCA requirements and capabilities; and (5) roadmap leading to a potential international JCA partnership.

After the JCA International Conference in Nov 06, interested countries will be invited to sign a letter of intent to participate in developing an international JCA partnership. I anticipate a follow on JCA International Conference during the spring of 2007 after US Government source selection of the baseline Joint Cargo Aircraft is completed. This second conference will provide an overview of the selected aircraft, details on USAF additions to the baseline aircraft requirements, and in-depth consultations with participants on creation of a JCA international partnership.

An International JCA partnership will provide our Air Forces with an exciting new airlift capability, and it is my sincere desire that you will be able to participate with us in this great effort. My point of contact for the conference is Col Karl Johnson (703) 588-8850, email: karl.johnson@pentagon.af.mil. Please contact me directly or have your designated representative contact Col Johnson by Nov 10, 2006 if you are interested in or would like additional information regarding this cooperative effort.

Very respectfully,

BRUCE S. LEMKIN
Deputy Under Secretary of the Air Force
International Affairs

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, DC

MAR 16 2007

Headquarters, USAF/CC
1670 Air Force Pentagon
Washington, DC 20330-1670

The Honorable Bob Riley
Governor of Alabama
State Capitol
600 Dexter Ave.
Montgomery, AL 36130-2751

Dear Governor Riley

I'm writing to you personally to open an additional line of communication between us, to invite dialogue with you regarding your state's emerging Air National Guard requirements, and to clarify some of my priorities and initiatives that directly affect you and your state. The United States Air Force is a seamless Total Force – with Air National Guard, Air Force Reserve and Active components – whose amazing strength is its decades-long history of integration, interdependence and high standards of operational expertise. The Air Force remains committed to ensuring all its components are equipped to the same level and maintain the highest training standards.

That approach has been historically successful and is a model for the other Services to follow. It's been one of the keys to our accomplishments over the past sixteen years of combat. During that time – since Operation DESERT STORM began in January of 1991 – your Total Air Force has been in continual combat, operating in both Iraqi Northern and Southern No Fly Zones, over Bosnia, Kosovo, and Somalia, and now over Afghanistan, Iraq and the Horn of Africa, all while defending the Continental United States. These sixteen years of combat have proven the superb quality of our Total Force personnel. But the years of extended deployments and combat have been costly in lives, treasure, and wear and tear on our aging equipment. In fact, the aircraft that make up our Total Force inventory are the oldest in the Air Force's history. Some aircraft are approaching 48 years of service, and the entire, aging inventory is becoming increasingly fragile in its operational reliability. To address this national challenge, I have made completely modernizing and recapitalizing the Total Force a top priority since becoming the Air Force's 18th Chief of Staff in September 2005.

I have committed my tenure to making the Total Force even more capable of coping with the warfighting, disaster relief and homeland security challenges of the 21st Century. We're now in the last of four phases of the most encompassing transformation of Total Force partnering opportunities in the history of the Department of Defense, a change geared toward fielding true, Total Force air, space and cyberspace capabilities across the entire range of operations. We plan to field up to twelve Total Force squadrons of unmanned aerial vehicles (UAVs) in California, Nevada, Arizona, New Mexico, Texas, North Dakota, and New York. We have already begun partnering Air National Guard, Air Force Reserve and Active Airmen to man new F-22A Raptor units in Virginia and Alaska, and plan to follow suit in New Mexico and Hawaii. I've also looked to leverage the outstanding initiatives of the Vermont ANG in the "City Basing" initiative at Burlington and the South Carolina ANG's "reverse associate" work at McEntire, which are paying great dividends.

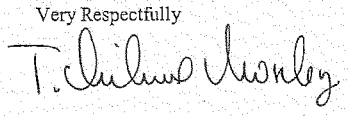
I'm pleased with the opportunity to capitalize on the experience and maturity of the Missouri ANG through creative partnering with the 509th Bomb Wing at Whiteman AFB and their B-2 bomber mission. And I'm proud to announce creation of an additional association between a new ANG security forces squadron (SFS) and an existing active duty SFS at Minot AFB, North Dakota – an association that over the next two years will help relieve one of our most stressed career fields. Finally, as we work the next set of Total Force beddowns of our new jet aerial tanker (KC-X), new Combat Search and Rescue helicopter (CSAR-X), new stealth fighter (F-35A/Joint Strike Fighter), and the Joint Cargo Aircraft (JCA), as well as the continued beddown options for C-17 and C-130J airlifters, there is an ever wider set of opportunities that will evolve over the coming years.

To ensure I fully understand the emerging global, national, and *state* requirements, I ask for your personal engagement and direct feedback. Among the first matters I'll ask you about is the JCA. As you know, over the next few months, the Department of Defense will make an important decision regarding procurement of the JCA, an intra-theater airlift aircraft that will be a key new element of our nation's mobility system. In fielding this new capability, I see a symbiotic relationship between the JCA and our Total Force that is significant to all of us.

The need for the JCA became obvious in the aftermath of the 2005 Hurricane Katrina relief efforts along the ravaged Gulf Coast. We needed an aircraft that could fly multiple times a day and move a small amount of cargo over short distances, while operating from unimproved runways, or, following Katrina, runways partially damaged by water and debris from the storm. From my time as Commander of the Central Command Air Forces during Operations ENDURING FREEDOM and IRAQI FREEDOM, I'm convinced an aircraft like the JCA could be used in Afghanistan and Iraq, as well as part of the broader Global War on Terror. The *right* JCA will both meet your requirements and fill a vital new capability within the Total Air Force's airlift core competency. To help ensure that happens, I would appreciate your comments on a periodic basis and I will provide you feedback as we proceed. I'm convinced that buying a *single platform* like the JCA is the best way to provide our nation's leaders and combatant commanders the wherewithal to accomplish intra-theater airlift and disaster relief missions while remaining good stewards of our taxpayers' money.

I trust we share a common vision of preserving the Air National Guard's militia heritage while improving its capabilities and continuing to leverage the benefits of the Total Force. I look forward to communicating with you and working with you on this and other issues. Our responsibilities are many and our resources are limited. Clear and open communications are critical to success. My pledge to you remains: your Total Air Force – Air National Guard, Active Duty and Air Force Reserve – is available anytime, anywhere our citizens are in need.

Very Respectfully



T. MICHAEL MOSELEY
General, USAF
Chief of Staff

cc:
Deputy Secretary of Defense
Chairman of the Joint Chiefs of Staff
Vice Chairman of the Joint Chiefs of Staff
Chief of Staff of the Army
ALMAJCOM/CC

General MOSELEY. Yes, sir.

Senator PRYOR. So, tell me the general timeframe. What's your goal to try to get this done and when would you like these to come into the fleet?

General MOSELEY. Sir, I believe we, with the Army, will be looking at source selection sometime in the May or June timeframe. From there, it will depend on which airplane is selected and what we have to do to the airplane to make it mission-capable for our

Guard, Reserve, Active, Special Operations, et cetera. So, sir, I think we'll know more about that in the May or June timeframe.

Senator PRYOR. Okay.

Also, let me ask, in Iraq specifically, there have been a number of press reports about shoulder-fired missiles going after our helicopters. Are you seeing that same trend with the cargo aircraft and with other aircraft in Iraq?

General MOSELEY. Sir, we've been shot at with the cargo-carrying airplanes since the very beginning, because you have to eventually get off the ground and come back to the ground, and it's not lost on people that the airfield is where you do that. So, there are lots of people that wait around an airfield to fire at the C–130s, the C–5s, and the C–17s, which, of course, we've had them hit.

We don't have the same challenge that the Army has with its helicopters at low altitude in a variety of other routes. We can stay out of most of that, which is an inherent benefit of fixed-wing aircraft, that you can get out of a lot of that stuff, other than landing and taking off.

Senator PRYOR. Okay. I want to ask, if I can, about the Iraqi air force. I know that in today's world, when you look at what's going on, say, for example, within Iraq, you're looking at close air support. One of your primary missions there is to try to have that close air support. How is the Iraqi air force doing? What are we doing to give them the capability to someday turn that role over to them?

General MOSELEY. Sir, there are two parts to that. The first thing we've done is to provide them three C–130s. Their air force, right now, consists of some small aircraft that they fly around, and three C–130s that they operate. We trained them at Little Rock. Those were our crews that still fly with them. So, we're partnered with them.

The second part of your question is, we have an effort ongoing with Central Command now to interface with both the Afghans and the Iraqis to look at the next set of decisions that they make on equipage, on training, and on what types of aircraft they'd be looking at, whether they're fixed wing or rotary wing. Sir, that is just beginning to play out.

Senator PRYOR. Is it your impression that the Iraqis have the personnel to do that?

General MOSELEY. Sir, I don't know yet. From my dialogue with them, there is a desire to do that. I don't know that there is a capacity to do that yet. So, sir, there is more to follow on that as we have a team of about 600 airmen that are involved in this with Afghanistan and Iraq right now, doing exactly what you're asking.

Senator PRYOR. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Pryor.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Secretary Wynne, General Moseley, thank you for your great service to our country. I especially appreciate the service of the airmen that you introduced today, and everything that they are doing to keep our country safe. We are deeply appreciative of their commitment, their dedication, their skill, and I want to do everything we can do to continue to support them.

Secretary Wynne, I have a question regarding the B–52 synthetic fuels testing. My understanding is, that testing is complete. Can you comment on the results of the testing and the future Air Force plans for synthetic fuel?

Secretary WYNNE. Sir, we were very pleased with the outcome of the B–52 test at Minot Air Force Base. We went up there to cold-soak it to make sure that it would, in fact, start under cold conditions. All of the indications are that it performed well. We are now undergoing a 90- to 120-day teardown of the engine to try to prove or disprove the supposition that running this cleaner-burning fuel also helps in the maintenance of the engine, to try to discern whether there is a life-cycle benefit, recognizing that we may be faced with paying a premium for the fuel itself.

We have also laid in plans to qualify other operating aircraft, and we hope to have the totality of the Air Force fleet available for synthetic fuel, partnered with JP–8 jet fuel, by about 2010.

If we can do this, then we will form a small marketplace, because we want to be a buyer, not a supplier, in this marketplace. We had a great energy forum. We had a lot of people show up. Some great Americans came. Recognizing full well that what the Air Force is trying to spark is to change the environment in which we operate, politically. It may not change our national interest, but it certainly will change our temperament towards it.

Senator THUNE. Are you adequately funded to continue the synthetic fuel certification program?

Secretary WYNNE. Sir, I think it's on our UPL. We are, right now, essentially patchworking fiscal year 2007, and it would be my intention to continue doing that through 2008, but I have not truly identified the money. I would tell you that there are some that really believe that, as an Air Force, we would have first-priority call over the civilians if it was truly a need for our Air Force to secure fuel. I just don't think I ever want to be put in that position. I actually want to be the source of technology, so that my other airline colleagues can look elsewhere, and maybe not get us into that hedge. It's one of those hedge bets that I think somebody in government has to make, even though we hope it never comes true.

Senator THUNE. I appreciate very much the leadership role that you've taken in that regard. I think that this is critically important not only to our energy security needs that we have as a Nation, but I also believe it becomes a national security issue, and I think that the efforts that you're making to move into this whole area of synthetic fuels is critically important to our future.

General Moseley, Congress has added funds to put an advanced targeting pod on the B–1 aircraft. How is the development and fielding progressing?

General MOSELEY. Sir, that is working out very nicely. It's the same pod that we use on the F–15Es and the F–16s. There are a couple of versions of that. We've looked at putting them on the B–52s, and we've used them on the B–52. The B–1 is the remaining aircraft system. Sir, you know better than anyone, because they live in your State, 24 hours a day, 7 days a week, we have a B–1 over Afghanistan with weapons bays full of ordnance. It's a great airplane to do that. The thing that will make it even better is that pod, so we can be able to see things from the flight deck

of that bomber, like we can see from fighters and from UAVs. So, sir, that's progressing, and we appreciate the committee's help in doing that. That's a big deal for us.

Senator THUNE. I have a follow-up question to the line of questioning that was asked earlier regarding the C–5/C–17 discussion. General, could you clarify your strategic airlift requirements, and how you would propose to meet those requirements, if authorized to retire C–5As?

General MOSELEY. Sir, what we don't know yet is what the growth of the Army and the Marines is going to do to the overall strategic airlift requirement. We do know that the MCS that was conducted did not take into account the growth of the Army and the Marine Corps. So, there is a piece of this that is an unknown right now that we're working with the joint staff and OSD.

I don't believe the numbers of strategic airlifters will go down. In fact, I believe we're probably at the minimum level now, with about 300. My desire would be to take out the worst actors of the C–5 fleet, which is about 25 or 30 airplanes, I'm told by Air Mobility Command, and be able, then, to look at retiring them, which will provide us some revenue and some offset to be able to continue the mods on the C–5 fleet, as well as perhaps look at additional C–17s.

But, sir, as far as specific numbers, I don't have those for you, because we've not gone back. We've not had someone tell us what the results of that growth is for MCS.

Secretary WYNNE. I can tell you, sir, that the—right now, some worry about the entirety of the C–5 fleet. There are two things we should know about this. First is that we want to line up, worst to best, and we think there are between 20, 25, and 30 bad actors that we would like to retire. We do not have bus-fulls of pilots awaiting the retirement language, that would fly out to any base and begin to remove. What we would do is begin to really structure a plan, in conjunction with the base commander and the wing commanders, on, what we can do to backfill to make that mission whole and what we can do to make sure that the airmen that are there are fully satisfied and enticed to stay with our Air Force?

Senator THUNE. I thank you, again, for your service, and thank you for your responses.

Thank you, Mr. Chairman. My time is up.

Chairman LEVIN. Thank you, Senator Thune.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Gentlemen, welcome, as always, and thanks for the great job you do for our country in making us the world's greatest military power. Your leadership is critical at this point in the history of our country. Thanks for bringing these great men and women with you. They really are the face of the United States Air Force, and we appreciate the great job they do, day in and day out. Once again, I'm not biased or prejudiced at all, but knowing that Moody Air Force Base is the best fighter base in the Air Force, Sergeant Marfell, thank you for being here, thanks for the great job you do. We're particularly proud of you, back home.

Gentlemen, over the past several months there has been considerable discussion relative to the C–17 and C–5 situation. I think

both of you would agree that this is not an either/or situation. These two weapons systems complement each other, and there's a need that both systems work in coordination with each other to get the best for the money that we invest. But I have a couple of questions to ask you about the C–5 and C–17.

First of all, how are the C–5Ms, that have received both AMP and reliability enhancement and re-engining program (RERP) modification, performing? If the Air Force were to cancel that C–5A RERP, when would that particular cancellation yield savings to the Air Force?

Secretary WYNNE. First of all, I think we're still taking data on the C–5Ms. The As have just been, I think, modified, and are going through the test programs right now. We intend to complete that action. So, we will have that. But, right now, all indications are that they're performing pretty well. I would tell you that the refit line always does outperform our expectations when it comes due.

I would also tell you that where it stands now is that there are increasing cost pressures that are causing that, if they're going to live within their budgetary constraints, to stretch out a little bit. We will be later in the flow.

This gets to the second part of your question, which is, what would happen if we were to, in fact, move to, cancel the re-engining which I'm not sure we're there yet. I think we are all for re-engining most of the Bs, and a good part of the As, to get there. It would be somewhere in the 2014 to 2016 timeframe, where you would get the bulk of the savings.

I think the immediate savings would literally come from not maintaining the aircraft that we would retire over the next 2 or 3 years. So, there would be some modest amount of immediate savings, there would be some compounding by not completing the program, in the same way that some would say that there are savings from the C–17 program if you don't produce them. That's true, in that fiscal year, if you don't spend any money on C–17, you could say you saved the money. I don't know whether that savings is prudent, strategically, or whether the C–17/C–5 re-engining program might yet produce those economics that we expect. But that's where I am on it. We're really balanced on delicate tenterhooks. As you say, we would rather not see these as either/or. They provide us a very complementary strategic lift, and, by the way, as someone else pointed out, no one else in the world is providing this strategic lift.

Senator CHAMBLISS. Anything to add, General Moseley?

General MOSELEY. Sir, I would just reiterate that from the baseline, this time last year, when we had this discussion, now we have the potential of a bigger Army and a bigger Marine Corps, which then does change the baseline of calculations on strategic airlift. I don't see the number going below 300. I see the number going higher. We need reliable airplanes, which is why the AMPs, and perhaps the RERP, make even more sense now, as long as we can continue to fund it.

Sir, I applaud your notion that this is not either/or, this is a complementary set of operational imperatives for us, to be able to lift in a strategic setting on these global ranges.

Senator CHAMBLISS. Are the low C–5A reliability rates a factor of the aircraft or are there other factors there, such as lack of supplies and spare parts, from a support standpoint? Any comment on that issue?

General MOSELEY. Senator, I would say it's a combination of being an old airplane and where the airplane is based. Our Guard and Reserve squadrons have the best maintenance of anyone in the world, but they work one shift. So, you have a reasonably old airplane that is prone to break, and if you work it one shift, then you'll have the in-commission rates that are inherently lower. You can address that by continuing to spend money on the airplane, increasing their manpower at those units, or asking them to work two shifts. There are any number of ways to address that. But I think there are a variety of factors for why you end up with low in-commission rates.

Senator CHAMBLISS. Moving to the F–22. Last year, we granted you the authority to enter into a multiyear contract for 60 F–22s, contingent upon some additional study being performed that outlines how much money is going to be saved in that contract. You requested this authority and I'm pleased that Congress granted it. Can you comment as to where we are now, relative to that study? Are we on target to enter into that multiyear later on this year?

Secretary WYNNE. Sir, thank you, and thank you to the committee for allowing us to pursue that multiyear. I think this is the only way we could bridge over and fund reliably this wonderful fifth-generation fighter that is going to be the backbone of our air superiority for years and decades to come.

I will tell you, we are on track. I trade, every day, my pearl-handled whip for my silver-handled whip. But, frankly, the federally-funded research and development centers are cooperating and responsive. The contractors have been responsive and cooperating, and very diligent. Sir, they are, so far, reporting to me that we will be successful in our quest to document, to this committee and to Congress, that we, in fact, will achieve greater than the forecasted savings, but, at a minimum, the forecasted savings that we've asked for.

I congratulate them in advance, but I hold them to their schedule. We should be able to award that contract this year.

Senator CHAMBLISS. I've talked to both of you in private conversations about the utilization of this aircraft now. I know we have a wing that has gone to Japan and is going to be in the rotation in theater here, hopefully sometime soon. This aircraft seems to be performing beautifully.

General MOSELEY. Senator, its performance is outstanding. This is the second overseas deployment we've had of the airplane. First was to Alaska for Northern Edge, where we were able to participate in a joint exercise with our Navy brothers and sisters. The airplane performed magnificently, with the attendant kill ratios that you would expect from a fifth-generation airplane, versus the others.

It's deployed now in Okinawa. We have 12 airplanes there out of the Langley Wing, out of the 1st Wing. It's doing exactly what we're asking it to do, in a sense of dissuasion and deterrence, and being forward and performing. Sir, we will look at the options down

the road, in some other places, if it's required. Then we'll certainly address that. The airplane's performing magnificently.

Senator CHAMBLISS. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Let's try a 4-minute second round.

In testimony to the House Armed Services Committee on February 28, both of you explained that in order to protect Air Force modernization accounts and procurement of new aircraft, the Air Force was increasing the risk in its readiness accounts. The Air Force's fiscal year 2008 budget request includes funds for 1.5 million flying hours to keep our pilots trained and ready, but this is a 10 percent reduction in flying hours, compared to that which is funded for fiscal year 2007.

Secretary Wynne, you pointed out that, in addition to assuming the authority to retire older aircraft, the Air Force is reducing personnel, and is challenging the flying hour program to try to find efficiencies, such as increased use of flight simulators, in achieving this same level of quality with fewer resources. At the same hearing, General Moseley, you expressed your lack of comfort with the reduction, and that you're already contemplating ways to migrate funds back into the flying hour program. This reduction is evidently driven by the budget, rather than by any rigorous analysis of strategic or operational requirements or risk.

General, starting with you, what are the strategic, operational, and safety risks associated with this 10 percent reduction in flying hours?

General MOSELEY. Sir, it's always a concern for an aviator to reduce flying hours, because there are just things that you can't do in a simulator that you have to do while you're airborne. The 7.5-percent or so reduction is at the low end of the risk scale. When you get from 7.5 to 10 percent, though, now I'm beginning to feel a bit uncomfortable. I have asked the staff to look at ways for the Guard, Reserve, and Active Forces to be able to go mitigate the return to those flying hours. Sir, this is directly relative to the utilization rates of our airplanes. One of the challenges we have is that some of the aircraft are so old that it's hard to generate the utilization rates per airframe, per squadron, per month to be able to meet those increases in flying hours. So, I'm working on the maintenance and parts pieces of this, as well as on the flying-hour piece of this, to see if there's not some way we can get that back.

I'm okay with simulators, to a certain extent, but a simulator is not airborne. There are certain things you have to do in an airplane. You can do procedural things or part-task trainers in a simulator, and some of the modern simulators are magnificent for what they do—but you are still not airborne. To deliver ordnance, to fire a gun, to drop a bomb, to provide instrument approaches into bad weather, you have to be airborne to do that.

I'm sounding like a fighter pilot answering your question, but I am a fighter pilot answering your question, and I am a service chief that worries about my pilots and my crews.

Chairman LEVIN. Does the reduction apply to all systems throughout the Air Force, or is the reduction targeted to certain aircraft or a certain training or operational community?

General MOSELEY. Sir, it's across the Air Force, but some of our systems are more impacted than others, because, for instance, in the big airplanes, you can get airborne and do a variety of things on a mission that is 12 hours long. When I was up at Minot Air Force Base last week, they were preparing to launch a 12-hour mission, and you can get a lot of things done on a mission that long. On the small-airplane side, you can get fewer things done in an hour or an hour and a half. So, it varies by mission system.

Chairman LEVIN. When we look at your list of 25 prioritized and 80 additional unfunded requirements, flying hours is not included.

General MOSELEY. Sir, that is because I think inside our system I can move and reprogram some of that money around to address that. I did not want to exacerbate our overall top line, because we did spend over 2 million man-hours attempting to balance that budget. If I can do that internal to my major commands, I'm much better off than having to go outside our system to make that happen. I'd rather give it a shot, myself.

Chairman LEVIN. All right. You've also, I see, requested only 74 percent of your projected depot maintenance requirements for repair and modification of the current systems. The Air Force's unfunded requirements list includes over $500 million for depot maintenance at priority number five. An additional half-billion dollars would allow the Air Force to meet 86 percent of its requirement. I'm just wondering, General, what are the risks involved with only meeting 74 percent of the Air Force's depot-level maintenance requirements on aircraft?

General MOSELEY. Sir, that's another great question where you get a service chief becoming slightly uncomfortable, when you reduce the ability for the depots to do their job. I would offer that our three depots right now are operating at about 93 percent capacity on one shift. So, the efficiencies in the depots are unbelievable. These people can do almost anything, in Utah, in Georgia, and in Oklahoma. So, taking slight risk in that is like the flying-hour program; we're forced to do this, because, to meet our physical guidance, we've had to make some hard decisions. On the flying-hours side, I'm sensitive to that, because that's people in flying machines that are airborne. On the depot side, I'm sensitive to that, because that's long-term sustainment.

Chairman LEVIN. Senator Clinton.

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

Secretary Wynne, General Moseley, thank you both for your service. I appreciate greatly that you each have visited Air Force installations in New York. I want to thank General Moseley for honoring my invitation to join me at the Niagara Falls Air Reserve Station last year. Secretary Wynne, thank you for accepting my suggestion that you visit the Air Force Research Laboratory in Rome. They do, obviously, in my opinion, remarkable work in support of our men and women in uniform.

I have several questions about different items in the Air Force's budget request for fiscal year 2008. I have a series of questions about the combat search and rescue aircraft (CSAR–X) helicopters.

The GAO recently ruled in favor of a bid protest regarding the Air Force's new the CSAR–X. I'm concerned about some of the public statements that the Air Force made in the aftermath of that de-

cision. I recently wrote a letter to you expressing my concerns. Mr. Chairman, I request that my recent letter to Secretary Wynne be made part of the record.

Chairman LEVIN. It will be made part of the record.

[The information referred to follows:]

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United States Senate

WASHINGTON, DC 20510-3204

February 28, 2007

The Honorable Michael W. Wynne
Secretary
United States Air Force
1670 Air Force Pentagon
Washington, D.C. 20330

Dear Mr. Secretary:

In light of the recent decision by the Government Accountability Office (GAO) to uphold the protest of the Air Force's November 9, 2006, CSAR-X contract award, I write to ask the Air Force to take a thorough approach in the re-bid and evaluation of new CSAR-X proposals. As a member of the Senate Armed Services Committee, I fully understand the urgency in replacing the aging HH-60G fleet, but we also need to ensure that we field an aircraft that has the right size and capabilities to effectively perform the CSAR mission. Therefore, I am very concerned by recent news articles which quote the Air Force as stating it can comply with the intent of the GAO recommendations more "narrowly." It is important that the GAO decision is followed and that the bidding is reopened.

I urge the Air Force to develop a set of requirements that truly reflect the rescue crew's needs in a combat search and rescue aircraft and the requisite capabilities for this type of mission. I also request that the Air Force conduct an evaluation that ensures important factors are evaluated in the decision such as how well a proposed solution operates in environments where our service personnel are most likely to need rescue support. I support the CSAR-X program, and believe that a thorough re-bid is essential to ensuring that the right helicopter is selected for the Air Force and our men and women in uniform.

Thank you for your consideration. I look forward to reviewing the Air Force's re-bid and re-evaluation plans for the CSAR-X program. Please let me know if I can be of assistance in supporting the CSAR-X program.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

Senator CLINTON. In late February, Mr. Secretary, you testified to the House Armed Services Committee that it was your view that the GAO decision should be interpreted narrowly. Both Reuters and Dow Jones reported that, after your appearance before the committee, you stated that the Air Force prefers to stay with what we got and get this product going as soon as possible. Could you please explain those statements for us?

Secretary WYNNE. Yes, ma'am. As usual, they tend to leave off the last part of your quotation, but I would say I always try to add that I would like to stay with the current system, but I have to sat-

isfy the GAO and I have to satisfy the other competitors to make sure that they believe we have done this in a transparent and open method. We are actually partnering, as best we can, with the GAO and have asked them to reconsider, to make sure that we have a better read on all of the protested items, not just for Lockheed, but also for Sikorsky, so that, when we do resolicit—and we have an intention to resolicit—it will be against the findings that the GAO has alerted us to. Ma'am, I am agnostic as to which helicopter ultimately comes out, but, frankly, I would like to support the procurement system that we have; and so, therefore, would like to get on with providing this equipment.

Senator CLINTON. I really appreciate that very much, Mr. Secretary. There are a number of specific issues with respect to the GAO decision recommending that revised proposals should be solicited. I appreciate your commitment to resolicitation. I think it's important, given the GAO faulting the process followed by the prior source-selection team. I'd like to ask, do you plan to put new personnel in place to ensure the perception, as well as the reality, of transparency and fairness in the reevaluation process?

General MOSELEY. Ma'am, what I intend to do is be very clear with the vendors as to what we have miscommunicated with them before. I intend to have that process be open to them so they can see how it affected the evaluation. I intend to debrief them on it. I do not see that we were unfair. I do believe there were some mistakes made, and we will provide additional oversight for that.

Senator CLINTON. Another matter of concern to me with respect to this solicitation was Secretary Ken Krieg's recent statement, again, reported in the media, that schedule was the most important selection criterion. That does not appear to be consistent with the request for proposals (RFP) that says schedule is the fifth of sixth priorities. The reason I'm asking these questions is because obviously the combat search-and-rescue capacity of the Air Force is critical for our men and women in uniform, and, General Moseley, I am not aware of any military in the world that uses the CH–47 for dedicated CSAR. Are you?

General MOSELEY. Ma'am, first, thanks for recognizing that CSAR is a core competency. We do that not just for ourselves; it's a solemn relationship between a guy that flies and the PJ that comes to pick him up. But we do this for the joint team, too, whether it's Navy, Marine, or Army. We have to be able to go fairly deep at range and pick people up. Remember, when we send people to do this, somebody shot somebody down, so it's a hostile place before you show up, and they're normally still milling around back there. So, to get the PJ there to pick the person up is a core competency for us.

Ma'am, I'm not aware that anyone uses the CH–47 in a combat rescue role, but I would also tell you that my Army brothers and my special operations brothers use that airframe in some very difficult places. Today, they're flying those airplanes into some bad places in Afghanistan and Iraq. It is not CSAR, but it is a hostile place that they operate those airplanes.

Senator CLINTON. I appreciate that, General, because I share your strong commitment to make sure we get this right. I'm just wondering, General, whether the Air Force completed an analysis

of alternatives for the CSAR-X program. Were any heavy-lift helicopters, such as the H–53 or the H–47, considered viable alternatives for the CSAR mission? If not, could you explain why not?

General MOSELEY. Ma'am, an analysis of alternatives was conducted out of the Joint Requirements Oversight Council (JROC), and it was forwarded through the joint system. We asked for medium-lift helicopters as a nomenclature, but, as the request for information (RFI) went out, we got no reply back from anyone with any big helicopters. When the RFP went out, though, the CH–47 was competed, and it met the timelines. So, what you're asking is an interesting twist of the process. JROC conducted an analysis of alternatives, there was an RFI and then an RFP, and all along the way I would tell you that the process worked. The contractor just submitted the airplane that met those requirements in the RFP.

Senator CLINTON. General, I understand very well how important this is to all of us, but I believe that certain KPPs related to the terminal area were not listed as special-interested items by the source-selection team, and I think that it might be appropriate at least to reconsider whether that would be something to include, going forward.

General MOSELEY. Ma'am, can I, one more time, thank you for the recognition that this is a big deal for us. That's why the two of us have made this the number-two procurement priority for the Air Force. This is a big deal for the joint team, it's a big deal for everything that we do, and it's a moral and ethical imperative that we pick our people up.

Senator CLINTON. Obviously we want to get it right, and I'm worried about the weight and the maneuverability and some of the issues that have now been pushed into the public arena, because we do have to get it right.

Mr. Chairman, I have several other questions, which I would ask unanimous consent to submit to the record for response by our witnesses.

Chairman LEVIN. Thank you, they will be made part of the record for answers by our witnesses.

Senator CLINTON. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much, Senator Clinton.

Senator Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Welcome, and good morning. We have visited personally about many programs like military space and the Joint Surveillance and Target Attack Radar System (J–STARS) program. I hope we were going in the right direction when you canceled the E–10, and used the E–8 on the J–STARS program. I would like for you to comment on the capabilities that would have been sacrificed by canceling the E–10.

But, Mr. Chairman, with your indulgence, I must bring up a personal snafu that I would like for you all to get into and see if you can unravel.

Secretary Wynne, you and I are Brevard County boys and understand the great working relationship that the Cape Canaveral Air Force Station has had with Port Canaveral. Indeed, not only are joint uses made of this commercial port, there is the Naval Ordnance Test Unit that is there, where the Trident submarines come

in and then go out into the Eastern Test Range to test. There's also a substantial Coast Guard presence in the port and so forth. There's a portion that is owned by the Air Force that is underutilized and has been in discussion and negotiations for some time between Port Canaveral, the entity, and the Air Force, on acquiring it either by lease or purchase. There is some bureaucratic red-tape snafu that has gotten in the way. I wish you all would get to the bottom of it so I don't have to add something to the defense authorization bill in law that would direct that it be done. This is an administrative thing, and it ought to be handled.

The port had one appraisal, the Air Force had a double appraisal. On top of that, the Air Force said, "Oh, by the way, you come back and build us a new facility and you pay for all of that," and the Air Force said, "That's it," a Mrs. Katherine Halverson, the Director of the Air Force Real Property Agency.

The port needs to expand so that it can expand its commercial activity, but it also needs to expand so that it can accommodate the Coast Guard. Everybody agrees this is underutilized Air Force property that abuts right up there to the port. If there's a legitimate question on the value of the land, then normal practice is, if you have two appraisals that are as divergent as one being double the other, you usually go to a third party for an appraisal. But the Air Force says, "That's it." I shouldn't have to bring this up to you, but I have to.

Secretary WYNNE. I appreciate your doing it, sir.

Senator BILL NELSON. If you all can solve this administratively, it'll save me a lot of effort, because we have to solve it and it's been such a great working relationship with the Cape Canaveral Air Force Station which wants to solve this. When it got into the problem is when it went up to the Washington level.

Now, General, let's go back to the E–8 and the E–10. Are we sacrificing anything?

General MOSELEY. Sir, the Multi-Platform Radar Technology Insertion Program radar that is the genesis of the E–10 is still alive and we have asked for money in the UPL to be able to continue with that radar.

There are opportunities to put that radar and a smaller antenna on the J–STARS and we're evaluating that, also. The E–10 itself, with a bigger antenna and a completely different airplane, as we looked at the fiscal year 2008 budget, and as we looked at the fiscal guidance that we had, there's not enough money to do this. The ability to see low-observable, low-altitude activities today and in the future is certainly a desired option for an air-component commander in theater. So, the notion is to keep the radar technology alive with the people that do this, and perhaps to put it on the J–STARS, until we get through with the KC–X opportunity and see which airframe we get and see what opportunities we have down the road to look at a follow-on to Airborne Warning and Control System, J–STARS, and the Rivet Joint, sir, I think we'll be okay. That's why we have—I think it's $408 million in the UPL, to continue that effort.

Senator BILL NELSON. I want to continue the conversation with you in another setting, because there are other programs that

would supplement this, and I just want to make sure that we're doing the right thing.

General MOSELEY. Senator, remember also that a version of the MP–RTIP radar is also going on the Global Hawk. So, on our long-dwell unmanned systems we will also have a version of this. So, there are several parts and pieces of this radar picture that are critical for us.

Senator BILL NELSON. I want to continue that conversation.

Would you say, for the record, whatever you can say, given the fact that the Chinese have now successfully launched an ASAT, of which I have my own little program of trying to point out—and we will be holding hearings on what this has done with all of the space debris there. There are thousands and thousands and thousands of pieces that are not only threatening assets of the United States, but space assets of every spacefaring nation in the world. But, aside from that issue, the fact is that they now have the capability of knocking down, and that weather satellite of theirs that they knocked out was at about 500 kilometers high.

Secretary WYNNE. Senator, they actually shocked me, but did not surprise me. But, you're right, the debris field, I think, is even causing the International Space Station to consider a movement to try to avoid this debris, and you know a lot of nations are partnered on that. So, they availed themselves of a threat that I'm not even sure that their people fully advised them of. What shocked me was the cavalier nature of the burst, which could have been done even differently than it was, but it was a clear in-your-face demonstration that, ''We are here. You'd better pay attention to us. We are expanding our navy, we are expanding our air force, and here we are. We can now take out your low-flying satellites.'' I'll let General Moseley speak to that import.

General MOSELEY. Senator, the concern now is that, for all to now see, space is not a sanctuary. It is not an opportunity to place an imaging system in orbit to have a free ride. Now that another nation is able to attrit and literally kinetically kill the satellites, it creates a whole set of challenges and second- and third-order questions.

Sir, there's any number of ways that the Air Force is addressing this. One is to continue to focus on our space situation awareness so we know what's out there. We have a variety of ways to categorize and archive objects in orbit, from reasonably small to big. Of course, the debris field makes it a little bit more tricky to be able to categorize all of the parts and pieces of a debris field that big.

Sir, the next thing you know very well that we do is attempt to harden our systems against attacks. We attempt to, in many ways, figure out how to shield them and be able to protect them from a variety of techniques, both kinetic and nonkinetic, to negate our capability of either weather navigation, early warning, or communications.

So, beyond space situation awareness and defending the asset, I believe, is another set of policy discussions and another set of questions about what you want your Air Force to do next. We are not at that point yet, because we've not had guidance or a policy dis-

cussion that takes us beyond space situation awareness and defending the system.

Senator BILL NELSON. Even something that we take for granted now, Mr. Chairman, in our everyday personal lives—GPS—is now threatened, not only from a military standpoint, but from a personal, private-sector standpoint. I will have a hearing on this in the Commerce Committee. I have been absolutely dumbfounded by the deafening silence of anybody criticizing the Chinese as a result of this ASAT test, which, as General Moseley just said, does not only pose a military security threat to us, but poses, because of the debris field, a threat to everybody's satellite that's up there, whether it's military or commercial or weather or whatever it is.

General MOSELEY. Senator, you could teach this course, but in October 1957 Sputnik was put in orbit. That fundamentally changed the notion of the relationship between air and space and the ability to put orbital systems up. This country then began to do some very energized things that ended up with a lunar landing. Now we have someone that can attrit systems in orbit at those altitudes and this is a different ball game. This is not a sanctuary anymore. So, we've had these discussions, and we would welcome that dialogue, as to what you want us to do next.

Chairman LEVIN. Thank you, Senator Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

I'm going to now call on Senator Warner. I will ask him to close.

Again, our thanks to our witnesses and to our special guests.

Senator Warner.

General MOSELEY. Thanks, Mr. Chairman.

Senator WARNER [presiding]. Thank you, Mr. Chairman.

Mr. Chairman, I'd like to follow on the line of questioning from our distinguished colleague from Florida, who, fortunately, brings firsthand experience regarding space to this committee. His customary humility prohibits him from dwelling on his experience, but we all well know it's very dedicated, and not just because of the interests of Florida, it's his personal interest in space.

But I would want to follow on and bring to your attention that the 2006 National Defense Authorization Act required the DOD to assess whether the Department is allocating sufficient resources to the space control mission. While the report is classified, it can be said that the Department understands that there are areas where additional effort is needed. You've already give us pretty much your opinion of the Chinese ASAT test, but do you believe the DOD is devoting sufficient resources toward countering such threats?

Secretary WYNNE. Sir, at present, we are dedicating what I think are sufficient resources to develop technologies to counter this. We think that we have the right kind of programs, and we just have put into space some additional programs to provide some defensive capability to these satellites. What we don't do, and what we could do, but we know that it would probably break the bank a little bit, is to try to harden all of the satellites so that they are, in fact, impervious to ground-based intercepts or ground-based lasing. We see this as an encroaching requirement and we don't know how to do it inexpensively. So, that's the area where I would say if we had another dollar, we would probably put it into that aspect.

We are, right now, though, trying to figure out how to do sufficient work to make sure that we have a protective device in front of our satellites, and that's about where we are.

General MOSELEY. Senator, you know very well the space fence that's down at Dahlgren. That is one of the capabilities where we've continued to partner with the Navy, on how we categorize and archive objects out there. The first part of this equation is space situation awareness, to know what's out there and then be able to see the effect. The next step is defensive counterspace, which is where we are now. Senator, there's always something better you can do, and there's always a different technology. That's the challenge of staying ahead. Like Sputnik, now that space is not a sanctuary, this is getting to be serious business in orbit.

Senator WARNER. Let's get back to the debris issue and how, as the Senator from Florida pointed out, it affects so many nations. Here we have the superpower, the United States and the emerging ambitions of China to be a superpower. Perhaps it's time for an international consortium to sit down and examine this issue and, frankly, determine that it's in the interests of many, many nations, largely for peaceful efforts, that we have space operable in such a way that satellites can survive. Many nations cannot afford a fully hardened system to go up there. That adds weight, that adds thrust problems on launch.

General MOSELEY. Sir, to include that the security of the downlinks and uplinks, which are the other part of the system, are very hard to defend unless you focus on that.

Senator WARNER. Anyway, somebody ought to look at who should try and come up with the formalized idea of calling for an international consortium to address this issue. I wonder if you might take it upon yourselves, at your convenience, to get back to me on that issue. I'd be quite interested in following that up.

[The information referred to follows:]

International consortia already exist to address the issue of voluntary space debris mitigation:

- The 2006 "National Space Policy," states "[t]he United States shall take a leadership role in international fora to encourage foreign nations and international organizations to adopt policies and practices aimed at debris minimization and shall cooperate in the exchange of information on debris research and the identification of improved debris mitigation practices."
- The United States actively participates in the U.N. Committee on the Peaceful Uses of Outer Space (UNCOPUOS) Science and Technology Subcommittee (STSC), which formed a Working Group on Space Debris to address the growing problem of manmade debris and to outline debris mitigation steps that spacefaring nations can take.
    - On 21 Feb 07, the Working Group (including the Chinese delegation) adopted a set of international voluntary "Space Debris Mitigation Guidelines", under which member states and international organizations will voluntarily take measures to ensure, to the greatest extent feasible, space debris mitigation practices and procedures are enacted and followed.
    - The Mitigation Guidelines will now be forwarded to the UNCOPUOS for approval in June 2007 and perhaps to a Special Resolution of the U.N. General Assembly to endorse the Guidelines this fall. The STSC agreed to include space debris as an item on next year's agenda to focus on national reporting of debris issues with an emphasis on implementation of mitigation practices.
- The United States also actively participates in the International Agency Space Debris Coordination Committee (IADC), a working group of technical experts from 11 international space agencies. The 11 space agencies are from

China, France, Germany, India, Italy, Japan, Russia, the United Kingdom, the Ukraine, the United States, and the European Space Agency. The primary purpose of the IADC is to exchange information on space debris research activities between member space agencies, to facilitate opportunities for cooperation in space debris research, to review the progress of ongoing cooperative activities, and to identify debris mitigation options.

• Finally, our National Space Policy states that the United States believes space should be freely available to all nations for peaceful use and that current treaties and agreements are sufficient. Further, the United States ''will oppose the development of new legal regimes or other restrictions that seek to prohibit or limit U.S. access to or use of space.'' For these reasons, the United States encourages adoption of the voluntary Space Debris Mitigation Guidelines developed by the UNCOPUOS.

Senator WARNER. Just one concluding question here then votes are going to require me to suspend.

Now, Mr. Secretary, I don't know of anyone better qualified to have assumed the position as a Secretary of a military Service than you as it regards acquisition. You've devoted so much of your career to acquisition not only in the Department, but before you came to the Department. Do you think you're hitting the right balance to provide a workforce that can continue to demonstrate the transparency and confidence that Congress will require, and the taxpayer deserves?

Secretary WYNNE. Yes, sir, I do. I think that it's not that we have not stressed to them that we want them to take on, effectively, more responsibility; in other words, I think acquisition should return to blue so that we have more of our own internal expertise, and don't rely so much on contract support. That's one of the things that we're doing. We are dedicating some training to that. We have also reassessed the manpower reductions, if you will, and had our new systems acquisition executive go through a relook to make sure that we are well-balanced in that area. We are dedicating some terrific resources in—as far as knowledgeable individuals to it. So, I am watching it carefully. It is an area, much like the flying program, where I have concerns, and we're addressing them.

Senator WARNER. I thank you very much. That's reassuring, because, I tell you, if I look back over a fairly long career here in the United States Senate, I will never forget the stories about the cost of a hammer and the cost of a commode and all of those things that really were devastating to good procurement records for the DOD. Simple things like that get the attention of the public.

Secretary WYNNE. Right.

Senator WARNER. I think that I can also say, having had the privilege of being here for a number of years, the two of you provide a great team for leadership. You exemplify what a secretary and a chief of staff should do as working partners, yet there has to always be a little element of competition between the two of you.

So, I wish you well, and I think this has been a very, very fine hearing, for those who followed it.

Again, we commend our honored guests here today, knowing that there are literally tens of thousands behind you that recognize that, while you've been selected to represent all of them, you did it in a way that reflects honor and credit on all your other brethren, wherever they are in the world, not dressed in pristine outfits,

as you are this morning, but working, sweating in dungarees, and taking on the risks associated with our deployed forces overseas.

Thank you very much.

Secretary WYNNE. Thank you, Senator.

General MOSELEY. Thank you, Senator.

Senator WARNER. The committee is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JACK REED

AIR FORCE SCIENCE AND TECHNOLOGY FUNDING

1. Senator REED. Secretary Wynne, the Air Force's fiscal year 2008 science and technology (S&T) budget request has been reduced by nearly $200 million from the 2007 request and nearly $650 million from the 2007 appropriated levels. Some of the reason for this reduction was the transfer of classified programs out of the S&T budget. Why were these classified programs put in the S&T budget originally?

Secretary WYNNE. Funding for the special programs line was originally put into the Air Force S&T program to cover classified S&T efforts. In conjunction with the fiscal year 2008 President's budget request, efforts were reprioritized and special programs funding was transferred out of the S&T program.

2. Senator REED. Secretary Wynne, did the classified programs artificially inflate the size of the Air Force S&T investment budget?

Secretary WYNNE. This Special Programs line funding was put into the Air Force S&T program to support valid classified S&T efforts. I don't know that this should be categorized as 'artificial'.

3. Senator REED. Secretary Wynne, what areas of S&T investment would benefit from additional resources should more become available?

Secretary WYNNE. If additional resources should become available, there are many areas within the Air Force S&T program in which this funding could be wisely invested. The Air Force Unfunded Priorities List for Fiscal Year 2008 includes S&T efforts totaling $32 million in support of critical capability areas, such as Force Application and Protection, Create and Sustain the Force, Surveillance and Reconnaissance, Net Centric Enterprise, et cetera. A breakout of specific efforts is included in the attached spreadsheet.

AF S&T
FY08 PB SECAF UPL

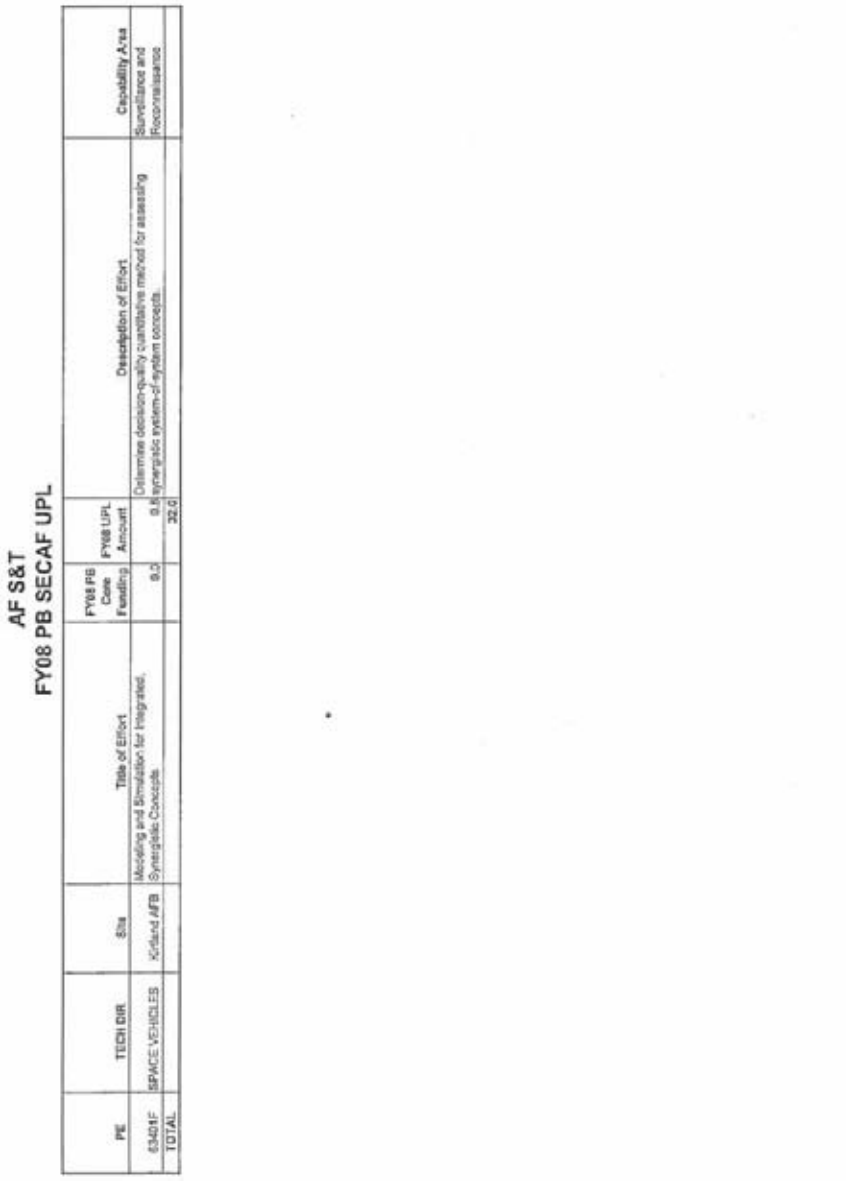
PE	TECH DIR	Site	Title of Effort	FY08 PB Core Funding	FY08 UPL Amount	Description of Effort	Capability Area
61102F	BASIC RESEARCH	AFOSR	Robust Decision Making	2.5	4.5	Human decision making pervades AF operations at all levels; however, current decision theory is inadequate for today's fast-paced, information-overload world. Additional basic research is required to discover new scientific knowledge to optimize decision making under conditions of uncertainty and information overload in battlefield and to counter situations involving terrorists, for an example.	Force Application and Protection
62102F	MATERIALS AND MANUFACTURING	Wright	Hypersonic Materials	0.5	0.5	Develop advanced materials for scramjet and combined cycle engine technologies for on-demand access-to-space and hypersonic strike/recce vehicles. Candidate technologies include variable geometry inlet and nozzle for turbine and scramjet flowpaths.	Force Projection
62102F	MATERIALS AND MANUFACTURING	Wright	Integrated Vehicle Health Monitoring	1.2	0.8	Develop and demonstrate a system level approach to prognostics and embedded sensors to monitor the health management of materials in various vehicle systems and subsystems. Critical subsystem monitoring will be used to focus vehicle inspection needs toward known material degradation areas (as opposed to vehicle wide inspection) necessary to characterize the degree of incipient damage.	Create and Sustain the Force
62202F	HUMAN EFFECTIVENESS	Mesa	Assessment and Classification of Cognitive Decrements Associated with High Workload and Extended Work Periods in an Unmanned Combat Air Vehicle Setting	0.0	1.2	Long shifts and limited breaks are the norm for pilots of remotely-piloted vehicles, yet the ability of the pilots to maintain performance over extended periods has not been assessed. In addition, no tools exist for making quantitative predictions about what performance decrements may result from such duty schedules and requirements. This effort will conduct empirical investigations, controlling for factors like time-on-task and workload, and will develop cognitive models to represent the impact of extended time-on-task on cognitive performance, which can be used to make predictions about human performance.	Create and Sustain the Force
62203F	PROPULSION	Wright	Integrated Thermal Management and Power and System Technologies for Tactical Air Platforms	24.3	5.4	Develop and integrate advanced aircraft power and system thermal management technologies for tactical air platforms. Objective is to maximize thermal energy utilization and satisfy thermal/power requirements, while minimizing penalties to the vehicle.	Force Projection
62204F	SENSORS	Wright	Laser Radar (LADAR) Development and Demonstration	0.0	1.0	Develop lab technical capabilities in promising LADAR technologies to include 3-D LADAR, Synthetic Aperture LADAR (SAL), and Vibrometry.	Surveillance and Reconnaissance
62204F	SENSORS	Wright	Secure, Multi-Modal Collaboration (SMMC) for Sensor Technology Research	0.0	1.0	Develop the technologies and protocols necessary to allow a network of sensors to work in secure/trusted collaboration in hostile operating environments.	Provide Net Centric Enterprise

AF S&T
FY08 PB SECAF UPL

PE	TECH DIR	Site	Title of Effort	FY08 PB Core Funding	FY08 UPL Amount	Description of Effort	Capability Area
62601F	SPACE VEHICLES	Kirtland AFB	Radiation Belt Remediation	0.0	0.5	Explore utility of using ground- and air-based assets for radiation belt remediation and evaluate using existing military hardware (VLF assets) to empty radiation belts produced by high altitude nuclear detonation (HAND).	Protection
62601F	SPACE VEHICLES	Kirtland AFB	Plasma on Demand for DCS	0.0	0.5	Demonstrate controlled increases in ionospheric density for applications in defensive counterspace (DCS). Provide technical basis for DCS use of space plasmas, including anti-satellite defense.	Protection
62602F	MUNITIONS	Eglin AFB	Outdoor LADAR Test Range Preparations	0.0	0.6	Complete preparation of outdoor LADAR test range including necessary safety equipment and force protection.	Force Application
62702F	INFORMATION	Rome	Cyber Persistance and Intel Reporting	0.6	1.0	Develop capability to operate within an adversary's computer systems without the adversary knowing anything out of the ordinary is happening and pursue capability to provide the warfighter the ability to exfiltrate any and all types of information stored on the adversary's computer system to include plans, asset availability, target lists, vulnerabilities, mapping information, etc. A covert method of retrieving this data is also a key component of this development.	Provide Net Centric Enterprise
62702F	INFORMATION	Rome	MASINT Warfighter Tools	0.0	1.0	Develop tools that allow Measurement and Signature Intelligence (MASINT) analysts to task and monitor collection, conduct target research, create products, correlate and analyze data, and disseminate reports using a single user interface. These tools will allow the integration of data from various sensors and the visual display of critical MASINT information for the warfighter as they are introduced into the Distributed Common Ground System (DCGS).	Command and Control
62702F	INFORMATION	Rome	Predictive Network Planning/Management for Airborne Ad Hoc Networks	0.0	0.6	Develop the system concept and algorithms for improving the routing performance of mobile ad hoc networks through use of predictive techniques for highly dynamic Airborne Networks. The key focus area will be the assessment of how a predictive planning and management system should support and interact with the Airborne Network adaptive routing protocols.	Provide Net Centric Enterprise
62890F	DIRECTED ENERGY	Kirtland AFB	Joint High-Power Solid State Laser (JHPSSL)	0.0	2.0	The JHPSSL system is a high interest effort to develop a high-power electric laser with applications useful to all of DOD.	Force Application and Protection

AF S&T
FY08 PB SECAF UPL

PE	TECH DIR	Site	Title of Effort	FY08 PB Core Funding	FY08 UPL Amount	Description of Effort	Capability Area
63112F	MATERIALS AND MANUFACTURING	Wright	Sensor Protection	16.5	2.4	Conduct system level demonstrations of hardening technologies for LITENING Targeting Pod/Sniper systems. This demonstration is a key deliverable for the Sensor Hardening for Tactical Systems Advanced Technology Demonstration (ATD). Also, develop agile filter and limiter technologies to prevent jamming and damage to Night Vision Goggles (NVGs) and integration of these technologies into NVGs in support of both a Night Agile Laser Eye Protection (NALEP) ATD and an Agile Day Critical Experiment. Will result in validation of technologies to prevent jamming and damage to system level performance.	Force Application
63203F	SENSORS	Wright	Sensor-Aided Vigilance for Defense and Triage from Airborne Sensors	6.8	1.0	Develop sensor and data processing/management technologies to include: persistent staring reconnaissance, surveillance, and target acquisition; tagging/tracking/targeting of insurgent or terrorist individuals in complex urban environments; reverse tracking; signature exploitation; precision registration; and geo-location.	Surveillance and Reconnaissance
63211F	AIR VEHICLES	Wright	Sense and Avoid Development and Demonstration	0.0	4.5	Accelerate development of technologies that will provide Unmanned Air Vehicles (UAV) with safe and reliable operations in military and civilian airspace, by enabling those UAVs to detect other aircraft and maneuver to avoid them as a human pilot would.	Force Application
63231F	HUMAN EFFECTIVENESS	Brooks AFB	Collateral Effects Decision Support for High Energy Lasers	0.9	0.4	Will provide for modeling, simulation, and analysis of reflection hazards and predictive collateral hazards associated with using high energy lasers as tactical weapons. Effort supports Airborne Tactical Laser development and flight testing.	Force Application and Protection
63270F	SENSORS	Wright	"Super" Anechoic Chamber Design Study	0.0	0.4	Develop anechoic chamber for developing and testing phased-array antennas. The chamber will be capable of simulating independent simultaneous targets to assess correlated, multi-platform electronic warfare techniques (both offensive and defensive threat engagement) currently in development.	Protection
63401F	SPACE VEHICLES	Kirtland AFB	TacSat-2 Operations Support	0.0	0.7	Support operationally responsive space objectives with TacSat-2 spacecraft capabilities. Demonstrate in-theater tasking and downlink in simulated theater environment. Demonstrate TacSat imagery and signals intelligence capabilities.	Force Application and Protection
63401F	SPACE VEHICLES	Kirtland AFB	Miniature Radio Frequency (RF) Transmitter/ Signal Processor	0.0	0.5	Develop an ultra small RF transmitter and the associated electronics for small satellite space applications.	Protection
63401F	ACE VEHICLES	Kirtland AFB	Active Defense	0.0	0.5	Explore options to defend the local space around AF high value assets and continue development of several concepts for this as a joint program with the Directed Energy Technology Directorate.	Pr[illegible]



AF S&T
FY08 PB SECAF UPL

PE	TECH DIR	Site	Title of Effort	FY08 PB Core Funding	FY08 UPL Amount	Description of Effort	Capability Area
63401F	SPACE VEHICLES	Kirtland AFB	Modeling and Simulation for Integrated, Synergistic Concepts	0.0	32.0	Determine decision-quality cumulative metrics for assessing synergistic system-of-system concepts.	Surveillance and Reconnaissance
TOTAL					32.0		

MANUFACTURING READINESS LEVELS

4. Senator REED. Secretary Wynne, how is the Air Force making use of manufacturing readiness levels to speed the transition of new technologies to the warfighter and reduce life cycle costs for deployed systems?

Secretary WYNNE. Implementation of Manufacturing Readiness Levels (MRLs) is a major step in Air Force efforts to strengthen its acquisition process and could lead to accelerated technology transition and reduced life cycle costs by providing risk assessments in terms of manufacturing similar to those provided by Technology Readi-

ness Level assessments. The Air Force is currently incorporating MRLs into all of its Advanced Technology Demonstration (ATD) efforts, while also piloting application to Acquisition Category (ACAT) level programs. Conducting a Manufacturing Readiness Assessment (MRA) on key technologies for each ATD is a key component to MRL implementation. The MRA determines the initial MRL, a final desired MRL within a given timeframe, and major manufacturing risks associated with achieving the final target MRL. This process produces a Manufacturing Maturity Plan, which enables a program to achieve its final target MRL. The incorporation of MRLs into ATDs is forcing the producibility of the technology to be considered in parallel with technology development. Although in the early stages for these ATD programs, transition and affordability improvements have already been identified for systems using turbine engines, solar cells, and tactical sensors. While not fully implemented yet, the MRL methodology is being practiced in ACAT programs and recently yielded technology transition and production process benefits for the F–22A and Advanced Medium Range Air-to-Air Missile programs. To date three major themes have evolved from programs that have conducted MRAs and implemented this MRL methodology-technology transition is being accelerated, innovative manufacturing technologies are being established, and technology transition risk is being reduced.

AIR FORCE SEISMIC RESEARCH PROGRAM

5. Senator REED. Secretary Wynne, the Air Force Research Laboratory (AFRL) conducts seismic research to support Air Force Technical Applications Center's (AFTAC) seismic monitoring mission. This nuclear test treaty monitoring mission was assigned to the Air Force 60 years ago by President Eisenhower. As such, it is a national mission. Does AFRL have sufficient funding to support all of the good proposals that it receives each year in response to its seismic research program solicitation? If not, what is the dollar level of the shortfall each year?

Secretary WYNNE. No, AFRL does not have sufficient funding to support all highly rated proposals. The current funding level for the research program is at about $4.5 million per year. The annual shortfall is about $21.5 million.

6. Senator REED. Secretary Wynne, what is the projected impact of not funding these proposals on AFTAC's current and future operational capability?

Secretary WYNNE. [Deleted.]

7. Senator REED. Secretary Wynne, what other Department of Defense (DOD) seismic research efforts directly support AFTAC's assigned missions?

Secretary WYNNE. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

AIRCRAFT RETIREMENT AND RECAPITALIZATION

8. Senator AKAKA. Secretary Wynne and General Moseley, in your posture statement, you discuss the need to recapitalize and revitalize the aging Air Force fleet. I understand that the average age of the Air Force's current aircraft inventory is 24 years and that this represents a significant increase over the Vietnam era when the average age was 9 years. I also understand that 14 percent of Air Force planes are not mission ready or have mission limiting restrictions. Why is it that some of your aircraft have mission limiting restrictions or are unable to fly? Is the Air Force aircraft maintenance budget underfunded or is there some other cause?

Secretary WYNNE and General MOSELEY. Senator, as you have pointed out, our aircraft inventory is on average 24 years old. It is true that as of 31 December 2006, 14 percent of our inventory was grounded or mission-limited flight restricted. The primary reason for these groundings and restrictions is related to structural issues due to age and usage, not maintenance. Most of the grounded aircraft are the C–130Es and KC–135Es that we have discussed during this hearing. But to reiterate, they both have structural issues that have surfaced as a result of extreme age and high use. Many of the grounded C–130E and KC–135E aircraft are beyond economical repair. Additionally, most of the F–15A–E aircraft inventory is under peacetime mission-limiting flight restrictions due to vertical stabilizer structural issues. A depot level repair program is ongoing and will be complete on the F–15 fleet by 2009. In a nutshell, the structural problems we have are a result of old, tired aircraft. To address these issues, we are putting large amounts of funding toward service life extension programs and the like; however, some aircraft are so old that we believe those resources are better spent toward much needed recapitalization.

9. Senator AKAKA. Secretary Wynne and General Moseley, your posture statement states that "Although recent congressional support for planned legacy aircraft retirements has aided our divestment strategy, unnecessary restrictions draw critical resources away from our aircraft modernization programs and degrade our efforts to recapitalize our aircraft inventory." Can you elaborate on what these "unnecessary restrictions" are and how they are inhibiting your recapitalization efforts?

Secretary WYNNE and General MOSELEY. Additional relief from legislative restrictions would allow for flexibility and increased options for fleet management. For example, if we were able to retire the older C–5s, we could recapitalize the airlift capability with C–17 platforms off a production line that is still hot. If we wait we may not have that option without spending a lot more in procurement later. Restrictions translate to costs to modernize, operate, and support aircraft with funds that would otherwise be spent on newer platforms that would be relevant and sustainable for a longer period of time.

10. Senator AKAKA. Secretary Wynne and General Moseley, if funded at the requested funding levels, how long will it take to completely replace our older planes?

Secretary WYNNE and General MOSELEY. Under the fiscally constrained current program, it will take almost 50 years to completely replace our older planes, and for some major weapon systems, it is longer. Our 50 year recapitalization rate is like planning to use P–51s in Vietnam or F–86s in Iraq.

The Planning Force establishes a glide path to building a fully modernized 86 Combat Wing equivalent force as directed in the 2006 Quadrennial Defense Review (QDR). The Air Force requires an average $20 billion more per year to recapitalize and meet joint capability and capacity goals in the future. The plan is to recapitalize most of the fleet by 2030.

11. Senator AKAKA. Secretary Wynne and General Moseley, what will the average age of the aircraft inventory be after your recapitalization efforts are complete?

Secretary WYNNE and General MOSELEY. The United States Air Force has an aging fleet of aircraft that continues to get older, but won't last forever. The average age in 1973 was ~8 years, today it is near 24 years. Even if we divest and fund everything planned in the Future Years Defense Plan (FYDP), average age still climbs to ~26 years by fiscal year 2013. The National Strategy provides guidance on shaping the force, but there are also manufacturing and resource limitations. In order to fully recapitalize the Air Force by 2030, and build a modern and ready 86 Combat Wing equivalent Air Force as directed by the 2006 QDR, the Air Force will require additional resources to aggressively recapitalize while sustaining readiness and meeting the needs of the warfighter.

VALIDITY OF THE QUADRENNIAL DEFENSE REVIEW

12. Senator AKAKA. General Moseley, the 2005 QDR appears to have already been somewhat overtaken by events. Specifically, 1 year later, DOD is proposing to increase the size of the Active-Duty Army, the Army National Guard, and the Marine Corps over the levels recommended in the QDR. To your knowledge, has the National Military Strategy (NMS) been changed since the QDR was submitted?

General MOSELEY. Senator Akaka, the 2004 NMS has not changed since the 2006 QDR was released. The NMS provides a description of the Armed Forces' plan to achieve military objectives in the near-term. Those objectives: to protect the United States; prevent conflict and surprise attack; and prevail against adversaries, have not changed.

13. Senator AKAKA. General Moseley, do you believe the QDR threat environment assumptions and mandated force structure goals for the Air Force are still appropriate?

General MOSELEY. The Air Force continues to support the goals and objectives laid down by both the NMS and the QDR. In turn, the Air Force's force structure—both present and future force, continues to support the United States and its allies against all threats, particularly those dictated in the QDR. While the Air Force's force structure may be adjusted to increases/decreases to air and space programs, none of the goals have changed. These goals remain appropriate given the demands of the war and other identified future military threats.

NONTRADITIONAL ROLES

14. Senator AKAKA. General Moseley, the Air Force posture statement describes the need for the Air Force to adapt to nontraditional roles, such as convoy escort, infrastructure protection, provincial reconstruction, and host nation election support. Are these nontraditional roles factored into your new end strength numbers?

General MOSELEY. We did not specifically budget for end strength to perform nontraditional roles, such as convoy escort, infrastructure protection, provincial reconstruction, and host nation election support where those represent missions normally performed by other Services. We will continue to perform these roles as requested as much as we can accommodate out of current end strength that was budgeted to perform Air Force missions.

15. Senator AKAKA. General Moseley, as the conflicts in Iraq and Afghanistan continue, are you expecting the level of effort for these nontraditional activities to remain constant or do you expect them to increase?

General MOSELEY. Presently we are experiencing an increase in the level of effort required for nontraditional activities as a result of the additional combat support and combat service support required to enable the plus-up of combat forces called for by the President. To support this plus-up, roughly 93 percent of the enabler support our airmen provide is within our core competency. Aside from that resulting from the Presidential plus-up, we are seeing an increase in the nontraditional piece our airmen contribute due in large part to the vast amount of military, reconstruction, and civil transition training. Training teams involve skill sets where no service is the single preferred provider. In the near future we expect the number of training teams to increase and therefore we expect to see more of these requirements come our way.

16. Senator AKAKA. General Moseley, what are the drivers that cause the Air Force to be tasked with these nontraditional assignments? Is it because the Army or Marine Corps have insufficient troop levels and the Air Force and Navy are being used to make up the difference?

General MOSELEY. I cannot speak to any of the other Services' end strength levels. The fact is the Air Force is tasked to provide support to the combatant commander (COCOM). U.S. Central Command (CENTCOM) and the Joint Staff have deemed these requirements as joint and therefore the Air Force fills them accordingly. As these requirements go up, so does the Air Force's contribution.

17. Senator AKAKA. General Moseley, how would you rate the morale of our airmen, and has performing these nontraditional tasks had any effect on morale?

General MOSELEY. While the level of morale for any unit is dependent on the specific mission and the quality of the leadership, overall morale for airmen performing nontraditional in-lieu-of tasks is very high—they are extremely proud to serve the Nation. Leadership in these in-lieu-of deployments is pivotal and our senior airmen leaders in these settings do a great job keeping the group focused on the mission, taking pride in the adaptability they're building by performing these nontraditional missions, and leveraging the core skills they bring to the fight. Morale directly correlates to the amount and quality of Air Force interest these airmen get: it's important for them to know the Army values what they're doing, but it's critical to know that the Air Force values them, values their service, and hasn't just put them "out there" to serve on the end of a thread, and we reinforce this in leadership visits and media stories of their service.

Finally, the way we as an Air Force value and employ these airmen when they return will be a long-term barometer that is important to the morale of subsequent groups of in-lieu-of airmen. We appreciate their service and leverage their experience by feeding it as appropriate back into the pre-deployment and other training. We have consistently received feedback from Army commanders that the airmen who work for them are outstanding. This is a direct reflection of the professionalism and morale of these airmen: they do good work, they know it's important and they excel because it's an Air Force core value to be excellent in all we do.

We have outstanding airmen who are dedicated to executing their assigned mission, adapting and overcoming as necessary, and placing their lives on the line every day. Without question, they are doing the Air Force proud!

READINESS

18. Senator AKAKA. General Moseley, it is my understanding that the Air Force's readiness level has decreased 17 percent since 2001. What are the causes of this readiness decrease, and how does this budget address the problem?

General MOSELEY. The Air Force has been at war for 16+ consecutive years. In fact, we are currently flying at the same level as we did 13 years ago, but with fewer aircraft, higher personnel tempo, and older equipment. While readiness levels are stable and manageable in most communities, continued tempo of operations (OPTEMPO) and aging equipment are causing degradation in the readiness of several stressed low density/high demand (LD/HD) communities including Special Operations Forces; Combat Search and Rescue (CSAR); Intelligence, Surveillance, and Reconnaissance (ISR); and Command and Control Assets. Personnel and training issues in certain communities resulting from exceeding the Air Force's Air Expeditionary Force (AEF) construct also contribute to the overall readiness decline.

The Air Force's fiscal year 2008 budget prioritizes winning the global war on terror, caring for our airmen and families, and recapitalizing and modernizing our air, space, and cyberspace systems. This budget attempts to maintain a combat capable and ready force while modernizing for future challenges.

19. Senator AKAKA. General Moseley, how long will it take to bring the Air Force readiness level back up to its pre-2001 level?

General MOSELEY. It could take several years to return to pre-2001 readiness levels. The Air Force has been at war for 16+ consecutive years and we've been transforming and making strategic trades for years. We continue to execute plans to become more efficient and effective while simultaneously preparing for the long-term. Despite our best efforts, readiness, recapitalization, and modernization continue to decline. This downward trend is only slowed due to our dedicated manpower and adaptable capabilities. Current funding levels slow this decreasing readiness trend but will not reverse it.

20. Senator AKAKA. General Moseley, it is clear that the Army and the Marine Corps are either overextended, or are being stretched pretty thin by the conflicts in Afghanistan and Iraq. Given the decrease in readiness of the Air Force over the last 5 years, are we overextending the Air Force as well?

General MOSELEY. With the exception of LD/HD career fields and assets, the Air Force maintains sufficient residual capability to support ongoing Operation Enduring Freedom/Operation Iraqi Freedom combat operations and act as the Nation's strategic Reserve. The Air Force's AEF construct is working as designed by reducing the possibility of overextending our forces. Despite several career fields surging (Security Forces, Civil Engineering, Transportation, Communications, Intelligence, Explosive Ordinance Disposal, some medical specialties, C–130s, and tankers), the AEF construct enables the Air Force to meet nearly all COCOM requirements. The AEF continues to fill its primary purpose of identifying which unit, and which personnel, are next to deploy while allowing Air Force leadership to see what forces are available to respond to the next contingency. AEF is flexible and will adapt to the changing environment and emerging needs. AEF allows the Air Force to continue to meet COCOM requirements.

21. Senator AKAKA. General Moseley, how prepared is the Air Force to deal with any additional emerging threats?

General MOSELEY. The Air Force continues to possess sufficient capability to provide required capabilities for the current conflict and deal with emerging threats. Investments in modernization and recapitalization will increase Air Force capabilities to support the global war on terror as well as any Major Combat Operations against expanding and changing threats. The Air Force has a critical requirement to recapitalize its combat air forces. The Air Force is flying the oldest fleet in its history and the vast majority will complete its service life within 15 years.

22. Senator AKAKA. General Moseley, given the significant investment by other powers, such as China, in their military, is it your opinion that this budget is sufficient for our Air Force to maintain its superiority in the long-term? Please address whether we are investing sufficient resources into future generation aircraft and technology research and development (R&D).

General MOSELEY. We are not investing sufficient resources into future generation aircraft and technology R&D. The global war on terror's duration and OPTEMPO has accelerated consumption of service life for numerous platforms. We must invest in current and future capabilities that guarantee entry against the anti-access capa-

bility of emerging threats—next generation fighters provide that capability. We must recapitalize at a faster rate to ensure U.S. advantage over any future adversary. To build a fully recapitalized, modern, and ready force as directed by the 2006 QDR, the Air Force will need additional resources.

RISK

23. Senator AKAKA. Secretary Wynne, in your posture statement, you say that "The FYDP involves taking acceptable risk in lower priority areas in order to meet future readiness, capability, force structure, and national security requirements." Will you please elaborate on where in the budget request you are assuming risk, why this level of risk is acceptable, and what are the consequences of being wrong?

Secretary WYNNE. The Air Force has carefully balanced our readiness requirements with our recapitalization and modernization efforts to support the warfighter. However, higher aircraft and equipment utilization rates, loss of buying power, and aging aircraft have increased our risk both to our ability to "fight tonight" and to prepare for tomorrow's war.

- Air Force continues to operate above the steady state level of two AEFs. Persistent surge operations drive increased resourcing and readiness issues.
- Higher operating costs from utilities, fuel, aircraft ownership, and manpower costs (retirement, DHP) impact our ability to recapitalize our Air Force to meet emerging threats from advanced technologies and air defenses that threaten U.S. dominance and place ground forces at risk.
- Average Air Force aircraft age is 24 years which drives higher operations and support, investment, and manpower costs and negatively impacts aircraft availability. Retiring the oldest, least capable aircraft allows the Air Force to realize savings that can be used to buy new aircraft or selectively modify some aircraft in the existing fleet.

The Air Force will continue to assess potential impact to affected programs, force structure, and capabilities.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

AIR FORCE TEST ASSETS

24. Senator BILL NELSON. Secretary Wynne and General Moseley, what is the status of the planned reorganization of Air Force test assets that was initiated by Program Budget Decision (PBD) 720?

Secretary WYNNE and General MOSELEY. Funding was realigned during the development of the fiscal year 2008 President's budget to preclude closing or realigning those facilities. The Air Force faces a challenging fiscal environment and has little choice but to consider serious options to gain efficiencies. We continue to study the Air Force Test and Evaluation infrastructure. We look forward to working closely with Congress to ensure we have the resources such that the Air Force can preserve the necessary capability for our Nation in order to win the current conflict and to be prepared to win the next war.

25. Senator BILL NELSON. Secretary Wynne and General Moseley, what is the status of the development and delivery of the reports required by the congressional authorization and appropriations conference reports regarding these proposed actions?

Secretary WYNNE and General MOSELEY. The Air Force is currently conducting a cost-benefit analysis as required by the Defense Appropriations Act for Fiscal Year 2007. This report is scheduled to be delivered to Congress no later than 30 April 2007. The results of this study will provide input for further analysis in the joint study required by the National Defense Authorization Act (NDAA) for Fiscal Year 2007.

26. Senator BILL NELSON. Secretary Wynne and General Moseley, have actions been taken that presume the execution of any activities contemplated through the implementation of PBD 720?

Secretary WYNNE and General MOSELEY. The Air Force has undertaken no action to close, realign, or transfer any test and evaluation activities contemplated in the fiscal year 2008 Air Force Materiel Command test and evaluation proposal.

27. Senator BILL NELSON. Secretary Wynne and General Moseley, what is the Air Force budget request for test and evaluation activities in fiscal year 2008 and how

does this compare to the fiscal year 2007 and fiscal year 2006 requested and appropriated levels?

Secretary WYNNE and General MOSELEY. The fiscal year 2008 budget request for direct funding of Air Force Materiel Command Test and Evaluation infrastructure is $929.6 million. The fiscal year 2007 request was $919.4 million and appropriated was $930.3 million. The fiscal year 2006 request was $867.3 million and appropriated was $881.8 million.

QUESTIONS SUBMITTED BY SENATOR E. BENJAMIN NELSON

TOTAL FORCE INTEGRATION INITIATIVES

28. Senator BEN NELSON. General Moseley, in your posture statement you state that "a distinguishing hallmark of the Air Force is the ease with which airmen from Active-Duty, Air National Guard, and Air Force Reserve work together at home and abroad." You also note that 136 total force integration initiatives have been identified and funding has been secured for 98. That leaves 38 initiatives unfunded, 2 of which happen to be proposed for Offutt Air Force Base (AFB), NE. What is your plan to resource those total force integration initiatives you do not fund in your fiscal year 2008 budget request?

General MOSELEY. Most of the 38 initiatives, including the 2 Nebraska initiatives you mention, are currently at the "investigate" stage of the process. The Air Force is working closely with the Air Force Reserve and the National Guard Bureau to resolve issues regarding TFI timelines, funding, manpower, potential locations for emerging missions, and new organizational constructs. The Air Force will pursue funding in the fiscal year 2010 Program Objective Memorandum (POM) for these initiatives if the decision is made, after further analysis, to proceed.

WC–135 MODERNIZATION

29. Senator BEN NELSON. General Moseley, I noted two of your stated priorities for the Air Force are "fighting and winning the global war on terror," and "recapitalizing and modernizing aging aircraft." I was pleased to see that you have requested funding to modernize two WC–135 Constant Phoenix aircraft in your fiscal year 2008 global war on terror budget request. The WC–135 has been instrumental in monitoring the nuclear activities of our potential adversaries around the world. If you get the $143.8 million you have requested for WC–135 modernization, will that extend the life of the aircraft to something comparable to the KC–135R tanker?

General MOSELEY. The $143.8 million estimate is based on $118.8 million for re-engining and $25 million to upgrade the cockpit avionics. The re-engining figure was based on procuring and installing two engine kits for the WC–135 aircraft in conjunction with several foreign military sales (FMS) re-engining initiatives. The FMS initiatives were later cancelled making re-tooling and re-opening the engine production line at the Boeing Wichita facility, for only two WC–135 aircraft, cost prohibitive. The WC–135 re-engining initiative should be withdrawn from the Air Force fiscal year 2008 global war on terror request portfolio.

However, the $25 million needed to upgrade the cockpit avionics of the two WC–135 aircraft is still needed. It will enable the two aircraft to meet worldwide navigation and communications requirements—Communication Navigation Surveillance/Air Traffic Management (CNS/ATM).

Specific to life extension: The Air Force will not need $118.8 million to obtain the same life expectancy of the KC–135 fleet. The current cost of re-engining (without concurrent FMS cases) will be cost prohibitive, so the $118.8 million should no longer be considered. There are plenty of spare TF–33 engines available to support the WC–135 aircraft until 2040. All the Air Force needs to do is upgrade the cockpit avionics to meet the CNS/ATM requirements for $25 million.

E–4

30. Senator BEN NELSON. General Moseley, the 2006 QDR proposed to retire the four E–4B National Airborne Operations Center aircraft assigned to Offutt AFB. I have been told that this decision has since been reversed and your posture statement does not show any E–4 aircraft being retired through 2013. Does your fiscal year 2008 budget request restore full-funding to the E–4 program?

General MOSELEY. Sir, the fiscal year 2008 budget restores the funding necessary to operate a three aircraft E–4B fleet through the FYDP and beyond. The fiscal year 2008 budget also includes funding for the minimum number of modifications (mostly

crypto updates) necessary to keep the three aircraft E–4B fleet mission capable through the FYDP and beyond. The fourth E–4B will be retired as soon as practical. The Air Force with DOD is conducting an Analysis of Alternatives in fiscal year 2008 to replace the E–4B.

QUESTIONS SUBMITTED BY SENATOR EVAN BAYH

GLOBAL HAWK SHORTAGE

31. Senator BAYH. Secretary Wynne and General Moseley, what is the shortage of available Predators, Global Hawks and orbits to stated DOD requirements in the field, including for U.S. forces in Iraq; Afghanistan; Colombia; and East, South, and Southeast Asia?

Secretary WYNNE and General MOSELEY. The Joint Requirements Oversight Council (JROC) endorsed the U.S. Special Operations Command and U.S. CENTCOM global war on terror demand for increased unmanned aircraft systems (UAS) orbits (JROCM 283–05).

At the same time, the JROC also validated the Air Force's planning and programming efforts to build 21 MQ–1 orbits to meet the increased global war on terror Predator demand. The Air Force programmed additional funds for MQ–1 Predator procurement and sustainment in fiscal years 2007–2011 to meet the increased combatant command demand. The Predator system architecture and concept of operations (CONOPs) is designed with the flexibility to support any COCOM regardless of geographic area.

The RQ–4 Global Hawk is fielding aircraft as soon as they complete testing; the first two production models, Block 10, are supporting CENTCOM now. The establishment of forward operating locations in U.S. Pacific Command and European Command in fiscal year 2009 will add to the Air Force's ability to conduct worldwide operations. The program is the key element to the transition of high-altitude ISR from the U–2 to the Global Hawk and will be accomplished without diminishing required capability.

32. Senator BAYH. Secretary Wynne and General Moseley, what is the timeline for fully closing this shortage?

Secretary WYNNE and General MOSELEY. The Predator will achieve its fielded requirement by fiscal year 2010 and the Global Hawk by fiscal year 2016.

33. Senator BAYH. Secretary Wynne and General Moseley, has DOD requested all necessary funds to keep Predator, Global Hawk, and associated orbit production lines running at maximum capacity until the shortage is fully closed? If not, why not?

Secretary WYNNE and General MOSELEY. Yes, with the fiscal year 2007 global war on terror Supplemental Appropriation, the fiscal year 2008 President's budget request, and the Predator funding included on our fiscal year 2008 Unfunded Priority List (UPL), we have requested all the funds necessary to keep Predator production lines running at maximum capacity until the shortage, as it is presently defined, is fully met. The requirement for Predator combat air patrols (CAP)—previously called orbits—continues to expand, and we will undoubtedly have to continue at maximum capacity longer than we had previously projected.

The Global Hawk program is currently funded for maximum production capacity allowable under the June 2006 Nunn-McCurdy certification.

34. Senator BAYH. Secretary Wynne and General Moseley, what steps do you recommend to close this gap?

Secretary WYNNE and General MOSELEY. We are currently delivering Predator aircraft and ground control stations faster than we can train the crews to operate them. We are taking steps to expand our training capacity by starting a training unit with the California Air National Guard. We also need to re-examine the usage rate of our existing crews and weigh the increased stress on the crew force against the urgency of providing additional CAPs to support our troops in combat.

35. Senator BAYH. Secretary Wynne and General Moseley, does having a sole source producer delay meeting Predator production and procurement timelines? If so, how can we best open up the competition?

Secretary WYNNE and General MOSELEY. Thus far, having a single source for Predator production has not delayed delivery of combat capability. As stated previously, the current delay is in training flight crewmembers.

Previous attempts to broaden the industrial base for this class of unmanned aerial vehicle (UAV) have not been successful—no other offerors came forward. The Air Force has just released another request for information to stimulate additional vendors.

36. Senator BAYH. Secretary Wynne and General Moseley, would you please provide the 5-year Predator, Global Hawk, and orbit requirement?

Secretary WYNNE and General MOSELEY. The MQ–1 Predator program will attain its goal of 21 CAPs for COCOM support by fiscal year 2010; continued procurement throughout the rest of the FYDP will provide attrition reserve and training systems.

The RQ–4 Global Hawk is building to its requirement of six Multi-Intelligence (multi-INT) CAPs. Within this FYDP, all aircraft will have been procured. By fiscal year 2013, the Air Force will have fielded four multi-INT CAPs and two IMINT-only CAPs.

37. Senator BAYH. Secretary Wynne and General Moseley, do you foresee both armed and ISR, long-endurance UAVs being a long-term and growing requirement for the United States Armed Forces?

Secretary WYNNE and General MOSELEY. As you well know, UAVs of all types are providing invaluable, timely information in support of the Joint Force Commander's priorities. They provide superb persistent support to the warfighter, whether that support is a lethal strike in support of troops, long-term eyes on a target of interest, or situational awareness on what's over the next hill. For these reasons, and all of the other missions fulfilled by UAVs, it is clear that demand for them will only increase over the coming years. Allow me to also say that it is because of this ever-increasing demand and our need for joint interdependence—our asymmetric combat edge that I am seeking to be Executive Agent (EA) for all medium- and high-altitude UAVs. The intent of the Air Force UAV EA proposal is to increase jointness, acquisition efficiency, and warfighting effectiveness in the DOD medium- and high-altitude UAV enterprise. We would deeply appreciate your support of the Air Force's request to be EA.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

LAB PERSONNEL ISSUES

38. Senator CLINTON. Secretary Wynne and General Moseley, AFRL performs some of the most cutting edge research in the world and contributes directly and strongly to the global war on terrorism. There is concern that the Air Force is not doing enough to ensure that the laboratories have adequate facilities or are sufficiently empowered to attract and retain the highest quality technical workforce possible. Congress has authorized a successful laboratory personnel demonstration program that has been effective in addressing some of these issues. AFRL is exempted from inclusion into the National Security Personnel System (NSPS) until the Secretary of Defense has determined that NSPS provides more personnel flexibilities than the AFRL Laboratory Personnel Demonstration System authorities. Is the Air Force supportive of the AFRL's continued use and expansion of the authorities of the Laboratory Personnel Demonstration System?

Secretary WYNNE and General MOSELEY. The Air Force supports the DOD's goal of one personnel system for its civilian workforce—the NSPS. We also recognize the success the AFRL has enjoyed in shaping its Scientist and Engineer (S&E) workforce through the flexibilities afforded by the Laboratory Personnel Demonstration System, commonly referred to as Lab Demo, and will support AFRL's efforts while the current exemption remains in effect.

39. Senator CLINTON. Secretary Wynne and General Moseley, has the Air Force surveyed Air Force laboratory directors to determine if they feel that the Laboratory Personnel Demonstration System better supports the performance of their missions than the proposed NSPS system?

Secretary WYNNE and General MOSELEY. The Air Force has not formally surveyed the individual AFRL Technology Directorate Directors regarding personnel demonstration efforts; however, given the success that AFRL has enjoyed in shaping its S&E workforce through the flexibilities afforded by the Laboratory Personnel Demonstration System (i.e., Lab Demo), it is expected that most would be highly supportive of Lab Demo. However, only the S&Es at AFRL are covered by Lab Demo, leaving administrative and other support personnel under the current General Schedule (GS)/Wage Grade (WG) personnel systems. AFRL would prefer having the

opportunity to move these non-Lab Demo employees into NSPS in the near-term since this system is better than the current GS/WG systems.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

40. Senator CLINTON. Secretary Wynne and General Moseley, what role does the Air Force Small Business Innovation Research (SBIR) program play in developing new technologies that are supporting Air Force missions?

Secretary WYNNE and General MOSELEY. The SBIR program funds early-stage R&D at small technology companies and plays an important role in supporting Air Force missions by stimulating technological innovation and increasing private sector commercialization of Air Force R&D efforts. For a relatively small amount of funding—up to $100,000 in Phase I and up to $750,000 in Phase II with companies obtaining private sector and/or non-SBIR government funding for Phase III—small companies are provided an opportunity to test the scientific, technical, and commercial merit/feasibility of a particular concept in response to SBIR solicitations in topic areas of key interest to the Air Force. The fundamental function of SBIR is to seed new and innovative firms in the industrial base to meet our current and future supply needs by funding exploration and development of new and cost-saving technologies relevant to the warfighter. For example, through Air Force SBIR and follow-on Manufacturing Technology program efforts to enhance the durability and service life of jet engines, LSP Technologies, Inc., developed a laser shock peening process that significantly improves the high-cycle fatigue properties of blades and greatly increases resistance to blade failure caused by foreign object debris. This technology has already resulted in the avoidance of tens of millions of dollars of fan blade replacement costs, significantly reduced secondary damage engine repair costs, and avoided cost from airfoil failures, with the potential for up to $1 billion of savings across the Air Force fleet going forward.

41. Senator CLINTON. Secretary Wynne and General Moseley, how is the Air Force ensuring that the best and most innovative small businesses in the country are assisting to address our national security challenges?

Secretary WYNNE and General MOSELEY. The Air Force has embraced the flexibility provided by the Commercialization Pilot Program (CPP) authorized in the NDAA for Fiscal Year 2006 as a key means to ensuring the most innovative small businesses are tapped to assist in addressing critical national security challenges. The Air Force has implemented CPP by placing "transition agents" in each Product Center plus the F–22 and Joint Strike Fighter (JSF) Program Offices to enhance synergy among the Product Centers, the AFRLs, and small businesses. CPP promises to be a powerful tool for our technologists and acquisition officials to seed and leverage the best innovative solutions to produce technologies for the warfighter and enhance the vitality of the defense industrial base by funding these smaller entrepreneurial firms.

AIR FORCE COMMAND, CONTROL, AND COMMUNICATIONS RESEARCH

42. Senator CLINTON. Secretary Wynne and General Moseley, the Air Force's fiscal year 2008 budget request reduces funding for S&T programs in command, control, and communications capabilities, many of which are managed by AFRL in Rome, NY. Given the importance of these types of technologies to Air Force missions, to increasing our network-centric operations capabilities, and to protecting our vital military cyber-infrastructure, what was the reason for the decrease in investment in this area?

Secretary WYNNE and General MOSELEY. The Air Force recognizes the importance of information technology and the valuable contributions of the AFRL at Rome, NY—especially with the stand-up of the new Cyberspace Command. While near-term reductions were necessary to meet higher priority warfighter needs, S&T investment in command, control, and communications across the FYDP increased by over $20 million in the fiscal year 2008 President's budget request and will continue to have great interest as Cyberspace Command's needs in network-centric warfare mature.

43. Senator CLINTON. Secretary Wynne and General Moseley, what risks are we taking by reducing Air Force investment in this area?

Secretary WYNNE and General MOSELEY. We have taken great measures to ensure reductions in this area were taken either in low risk areas or in areas that were acceptable to the warfighter. The elimination of funding for two research institutes

created by the Information Directorate (the Information Assurance Institute and the Intelligent Information Systems Institute) means that 36 faculty and 18 graduate students must compete elsewhere for research grants. The risk associated with the reduction from 4 to 3 ATDs, and from 11 to 9 Critical Experiments planned for the year, as well as scaled back participation in both Joint-Service and Air Force exercises in 2008 was deemed acceptable by the warfighter.

C–5A REFURBISHMENT AND C–17S

44. Senator CLINTON. Secretary Wynne and General Moseley, the Air Force's strategic airlift capability depends, to some extent, upon what the Air Force plans to do to its C–5 fleet. The Air Force seems to face several challenges in addressing the modernization of its C–5 fleet and in particular, the C–5A. A recent study, referred to on the Air Mobility Command's (AMC) official Web site, shows that 80 percent of the C–5 airframes' service-life remains, and that the AMC has begun an aggressive program to modernize the C–5. This is to be conducted in two parts. First, the C–5 Avionics Modernization Program (AMP) which would include upgrading its avionics to comply with the Global Air Traffic Management requirements, improving navigation and safety equipment, and installing a new autopilot system. The second part would re-engine the aircraft under the Reliability Enhancement and Re-Engining (RERP) program which would include new engines, pylons, and auxiliary power units, as well as upgrades to the aircraft's skin, frame, landing gear, and pressurization systems. The website does not, however, specify which model C–5s will undergo this modernization. In this regard, what is the Air Force's vision for the future of the C–5A fleet?

Secretary WYNNE and General MOSELEY. The program of record is to fully modernize (AMP and RERP) all 111 C–5s in the inventory to comply with the 2005 Mobility Capabilities Study (MCS), as informed by the 2006 QDR, to meet current and projected strategic airlift needs. However, C–5 modernization, specifically RERP, is facing increasing cost pressures, bringing into question the cost effectiveness of the program for a fleet of 111 aircraft. Additionally, the C–5A fleet is showing some significant structural issues (metal corrosion and stress cracking) adding to the investment required to maintain the viability of this fleet. The average age of the current Air Force fleet is 24 years with the C–5A fleet being over 35 years old on average. The Air Force must consider all these factors for managing our intertheater airlift fleet. The Air Force is currently refining the intertheater force mix studies with regards to C–5 modernization, C–5A retirement, and further C–17 procurement.

45. Senator CLINTON. Secretary Wynne and General Moseley, how can AMC support its long-term strategic airlift needs, particularly for the transportation of outsized cargo, if the C–5As are not modernized?

Secretary WYNNE and General MOSELEY. The Air Force is committed to maintaining a strategic airlift fleet capable of meeting the Nation's needs. AMC identified seven critical, time-sensitive items or National Security Sensitive items that are only airlifted via the C–5. All options are being studied to determine the most effective fleet mix of strategic airlifters to meet passenger, bulk, over-size, and out-size cargo. Current options being considered include retiring a portion of the C–5A fleet and recapitalizing with C–17s. The Air Force plans to fully modernize the right number of C–5 aircraft to ensure meeting the Nation's needs.

46. Senator CLINTON. Secretary Wynne and General Moseley, what will happen to units currently flying the C–5A if they are not modernized under the AMP and RERP programs?

Secretary WYNNE and General MOSELEY. Under options being studied by the Air Force, units currently flying C–5A aircraft would retain a strategic airlift mission. There are no plans to close existing units or stand up new units at this time.

NEW YORK AIR NATIONAL GUARD 106TH RESCUE WING

47. Senator CLINTON. Secretary Wynne and General Moseley, New York is proud to have the Air National Guard's 106th Rescue Wing whose Para-Rescuemen (PJs) have deployed on multiple occasions in support of combat operations to both Afghanistan and Iraq since September 11, 2001. This is in addition to the search and rescue work they perform at home during peacetime. Additionally, Cable News Network recently aired a special on PJs stationed at the 106th Rescue Wing, West Hampton Beach, NY, and highlighted their intense training and the dangerous mission profile they support.

The depleted Air National Guard military construction (MILCON) budget cannot afford to fund the construction of the facility or repair the housing, storage, and training facilities that the 106th PJ unit currently operates from. How can we let such a high value unit, whose value and service to country are without question, continue to operate in buildings which don't meet the Air Force's own requirements for PJ facilities?

Secretary WYNNE and General MOSELEY. The 106th Rescue Wing is essential to the Air National Guard's future mission capability, as well as to the citizens of West Hampton Beach and the Northeast, who depend upon their capabilities in peacetime. However, in an era of fiscal constraints, there was not sufficient funding available to support the first phase of the PJ facility replacement in the President's budget in fiscal year 2008.

48. Senator CLINTON. Secretary Wynne and General Moseley, with the 106th preparing to return to Iraq this fall, what are the Air Force's plans to provide funding to begin Phase I?

Secretary WYNNE and General MOSELEY. The project is currently shown on the Air National Guard MILCON FYDP in fiscal year 2013 at $8.4 million.

49. Senator CLINTON. Secretary Wynne and General Moseley, will the Department take appropriate action to budget for the second phase of this project in fiscal year 2009?

Secretary WYNNE and General MOSELEY. The $15.4 million project (Phase 1 and 2) will be considered with all other high-priority requirements in the Air Force's fiscal year 2009 budget deliberations. If sufficient funding can be made available, we are hopeful the project will be included with the President's budget submittal for fiscal year 2009.

THE NORTHEAST DEFENSE SECTOR FACILITY

50. Senator CLINTON. Secretary Wynne and General Moseley, the Northeast Defense Sector (NEADS) facility in Rome, NY, will be assuming responsibility to monitor all air traffic in the eastern sector of the United States and provide Air Combat Command (ACC) with threat warning of any hostile aircraft. The NEADS headquarters facility was phased with funding provided in fiscal year 2006 for Phase I. While Phase II was authorized in the NDAA for Fiscal Year 2007, the project was not executed since the Guard's MILCON budget was not sizeable enough to enable it to be in the President's budget request, necessitating that it be added by Congress. Indeed, the 2007 Continuing Resolution in essence struck congressional construction adds for fiscal year 2007, which means the project remains unfunded.

Given the criticality of the NEADS mission and the need to complete this facility so that all the NEADS personnel can be housed in a centralized facility to ensure maximum command, control, and communication among its personnel in this time-sensitive mission, what steps is the Air Force taking to address the NEADS Phase II project, and systemically, the need to mitigate this Guard MILCON shortfall?

Secretary WYNNE and General MOSELEY. The NEADS unit is essential to the Air National Guard's future mission capability, as well as to the citizens of the Northeast. Congress added MILCON funding for Phase I of the NEADS program in fiscal year 2006. As part of the fiscal year 2007 budget process, Congress authorized, but did not appropriate, $6.6 million for NEADS Phase II. If Congress can provide an appropriation for this previously-authorized project, it will be executed as soon as possible. Should the second phase not be appropriated, the project will be considered with all other high-priority requirements in the Air Force's fiscal year 2009 budget deliberations, and if sufficient funding can be made available, the project may be included with the President's budget submittal for fiscal year 2009.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

GOVERNMENT ACCOUNTABILITY OFFICE REPORTS

51. Senator MCCASKILL. Secretary Wynne, when a Government Accountability Office (GAO) report concerning the Air Force is released, who within the Air Force is responsible for reading and evaluating the report?

Secretary WYNNE. My Financial Policy and Compliance Office, Financial Operations, Financial Management, and Comptroller, receive GAO reports that address the Air Force, read and assign reports to the appropriate Air Force Office of Primary Responsibility (OPR). The Air Force OPR reads, evaluates, prepares, and submits

comments to the responsible DOD office. The responsible DOD office prepares and submits the Department's position and comments to the GAO. Our Air Force Instruction 65–401, relations with the GAO, implements the DOD audit policy and procedures. The GAO issues all reports to the GAO Liaison Office, Inspector General, DOD. The GAO Liaison Office releases all reports to the appropriate DOD office and the military Services, including the Air Force.

52. Senator MCCASKILL. Secretary Wynne, what do you think is the quality and caliber of GAO reports relating to the Air Force?

Secretary WYNNE. The GAO reports are usually of high quality and another effective management tool.

53. Senator MCCASKILL. Secretary Wynne, what are your specific concerns with GAO reports relating to the Air Force and what would you like to see done differently with the reports and investigations?

Secretary WYNNE. We have always and will continue to support the GAO projects within the Air Force. We have a great working relationship with the GAO.

54. Senator MCCASKILL. Secretary Wynne, does the Air Force formally respond to GAO reports that contain unfavorable findings? If so, how is this done?

Secretary WYNNE. The Air Force responds to all GAO reports through the responsible DOD office.

55. Senator MCCASKILL. Secretary Wynne, how has the Air Force responded to GAO's findings associated with the C–130 AMP, C–130J, C–5 AMP, and C–5 RERP programs covered in the testimony of William Solis and Michael Sullivan (captured in GAO–07–566T)? This testimony captures findings from previous GAO reports and I would like to know precisely how the Air Force has addressed and/or rebutted the findings that concern each of these programs.

Secretary WYNNE. The referenced GAO product is a testimony (GAO–07–566T) and the GAO Liaison Office normally issues testimonies as information and not for comments. Upon receipt, we distribute testimonies to our responsible office. For the GAO subject testimony, we provided our comments to the appropriate DOD office for the two GAO reports addressed in this testimony. The Department's comments usually reflect our concerns or rebuttals of the GAO findings.

HEAVY AIRLIFT

56. Senator MCCASKILL. Secretary Wynne, you have indicated that based on known, communicated airlift requirements, you do not believe that the Air Force should purchase additional C–17 aircraft. Can you please clarify what the precise known, communicated requirements are that have led you to this conclusion?

Secretary WYNNE. The 2006 QDR, as informed by the MCS, identified the number of organic and commercial strategic airlift assets needed to support the NMS. The study concluded that the capabilities provided by 180 C–17s and 112 modernized and reliability improved C–5s support the strategy with acceptable risk. The current program of record includes the 10 additional C–17s from the fiscal year 2006 Defense Appropriations Act Conference Report which will bring our strategic airlift fleet to 301 (190 C–17s and 111 fully modernized C–5s). This programmed fleet, when fully mobilized and augmented by the Civil Reserve Airlift Fleet, provides sufficient airlift capacity to support U.S. strategic and operational objectives during large-scale deployments, while concurrently supporting other high priority operations and sustainment of forward deployed forces.

We fully recognize that circumstances have developed beyond the scenarios studied in the MCS which must be addressed. The Office of the Secretary of Defense (OSD) is currently planning a follow-on mobility study to address these changes and the Air Force will be an active participant. Additionally, AMC, through the United States Transportation Command (TRANSCOM), is currently engaged with the joint community to help define the scope of the planned Army/Marine Corps end strength increase and its impacts on air mobility.

Neither the most recent MCS published in 2005 nor the follow-on excursions in MCS–06 included the force structure increases. OSD and the Joint Staff anticipate the next MCS round to begin in the Spring of 2008. This study should fully incorporate and examine the changes to Service force structure and concepts of operation, as well as impacts on mobility (air, land, sea, and prepositioning).

57. Senator MCCASKILL. Secretary Wynne, in your understanding, who is responsible for communicating and determining airlift requirements?

Secretary WYNNE. The determination of airlift requirements is a joint collaborative effort led by AMC. AMC works with U.S. TRANSCOM and other combatant commands to identify gaps and shortfalls in the Air Force's ability to meet warfighter needs. These gaps and shortfalls are determined using a capabilities-based approach that assesses both current and future operational needs against overarching strategic guidance (National Defense Strategy, QFR, Strategic Planning Guidance, et cetera). The requirements are born "joint" from the results of the capabilities-based planning and analyses phases of the requirements development process.

Once the airlift requirements have been determined they are communicated across the Air Force and joint communities to ensure redundancy is eliminated and the proposed requirements will fulfill the needs, or mitigate the majority of operational risk associated with the identified capability gaps and shortfalls. Inputs from across the Air Force and Joint communities are addressed and incorporated, as appropriate, prior to the final Air Force validation step, conducted by a formal Air Force requirements council. Once the Air Force has validated the airlift requirements, they are forwarded to the JROC via the established Joint Capabilities Development and Integration System review process. Once the airlift requirements are formally approved by the JROC, they are provided to the acquisition community to support the appropriate development and procurement strategy.

58. Senator MCCASKILL. Secretary Wynne, what specific role does the Air Force have in identifying requirements and then determining required airlift assets?

Secretary WYNNE. The Air Force capability development process is closely linked and complies with the joint overarching process known as the Joint Capabilities Integration and Development System (JCIDS). The Air Force participates in this process utilizing inputs from industry and other government organizations by conducting the necessary analyses that address capability gaps and shortfalls substantiated by the end-user combatant commands. Upon completion of the capabilities-based analysis, the results are validated and the sponsoring major command is assigned the task of developing the appropriate JCIDS requirements document. Each JCIDS document is formally reviewed and validated by an Air Force requirements council before the document is forwarded to the appropriate Service or joint approving authority, depending upon the scope and level of joint interest established for the program by the Joint Staff gatekeeper. Air Mobility Command, in coordination with TRANSCOM, utilizes critical analyses and results of directed studies to determine numbers of assets associated with airlift requirements. These operational capabilities and their analytically based numbers (proper fleet size and fleet mix) are documented within the Air Force JCIDS products.

59. Senator MCCASKILL. Secretary Wynne, has the Air Force studied the cost of shutting down the C–17 line and then having to restart the line if a need for additional C–17s arises? What is the total cost?

Secretary WYNNE. Boeing completed a study in October 2006 that addressed two possible shutdown options. The first option was a "complete shutdown," in which all tooling, test equipment, and data needed to sustain the weapon system would be retained with disposition of all other production equipment and facilities. Boeing estimates the shutdown cost to be $1.03 billion. The government is working on an estimate and expects the number to be lower. This estimate includes saving select tooling for future Air Force Air Logistics Center use. The second option studied was a "warm shutdown," where all production equipment and facilities would be "mothballed" with the assumption that production would restart within a 2-year period. Boeing priced this option at $918 million. This estimate did not include the costs associated with completely shutting down the production line or any cost to restart production. The Air Force would have to fund additional costs associated with completing a shutdown after the mothball period.

The cost of restarting C–17 production after a period of shutdown is dependent on a variety of factors. A production break will result in loss of learning (production expertise decreases) and loss of the supplier base, causing longer production times and higher overall aircraft production cost.

60. Senator MCCASKILL. Secretary Wynne, do you believe that the Army and Marine Corps have sufficiently identified the airlift requirements that will be associated with a total increase in end strength of 92,000 personnel? If so, what have they identified? If not, what have you done to request that they identify the increased

requirement since you will need to budget for increased assets, if they are deemed necessary?

Secretary WYNNE. Army and Marine Corps (AMC), through TRANSCOM, is currently engaged with the joint community to help define the scope of the planned Army/Marine Corps end strength increase and its impacts on air mobility. Quantifiable insights in response to this question are anticipated in the early June 2007 timeframe.

Neither the most recent Mobility Capability Study (MCS) published in 2005 nor the follow-on excursions in MCS–06 included the force structure in question. The OSD and the Joint Staff anticipate the next MCS round to begin in the spring of 2008. This study should fully incorporate and examine the changes to Service force structure and impacts on mobility (air, land, sea, and prepositioning).

FUTURE COMBAT SYSTEMS AIRLIFT REQUIREMENT

61. Senator MCCASKILL. Secretary Wynne, General Schoomaker recently indicated to me that he believes program managers in the Army's Future Combat Systems (FCS) program have clearly communicated potential airlift requirements associated with FCS fielding, and particularly that they have communicated requirements for the C–17. Do you feel the Army has sufficiently communicated airlift requirements for FCS fielding?

Secretary WYNNE. On 13 May 2003, airlift requirements for the Army's FCS were established in the JROC approved Operational Requirements Document (ORD). The ORD contains a key performance parameter (KPP) requirement for air transportability.

As development of the FCS continues to evolve, the transportability KPP is being revised and aircraft specific constructs will continue their development. The Transportability Certification Working Group (Air Force, Army, TRANSCOM, and contractors) continually meets in order to define emerging requirements, including C–17 transportability, as the FCS specifications become more clearly defined.

62. Senator MCCASKILL. Secretary Wynne, what exactly has the Air Force received from the Army concerning FCS airlift requirements?

Secretary WYNNE. Airlift requirements for the Army's FCS were established in the ORD which was approved by the JROC of 13 May 2003. The ORD contains the following KPP requirement for transportability, which includes air transportability: The FCS Family of Systems must be transportable worldwide by air, sea, highway, and rail modes to support intertheater strategic deployment and intratheater operational maneuver.

As development of the FCS continues to evolve, the transportability KPP is being revised and aircraft-specific constructs will continue their development. The Transportability Certification Working Group (Air Force, Army, TRANSCOM, and contractors) continually meets in order to define emerging requirements as the FCS specifications become more clearly defined. Additionally, the FCS CONOPs is still evolving and as the FCS family of systems matures, transportability concepts of operations will develop and more clearly define transportation requirements.

MOBILITY CAPABILITY STUDY

63. Senator MCCASKILL. Secretary Wynne, many have attacked the adequacy of the MCS. While I know that this is a study undertaken under the auspices of the OSD, what have you communicated to OSD about updating the study?

Secretary WYNNE. Senator, the MCS recognized that further work remains to be done as the DOD moves forward in refining mobility requirements and making decisions for recapitalizing the Department's mobility assets. The Deputy Secretary of Defense said as much in his December 19, 2005, cover memo accompanying publication of the MCS that further work has taken shape in a group of substudies that has come to be known, collectively, as MCS–06. Each of these substudies has included or includes appropriate representation from the Air Force staff. My representatives to these MCS–06 studies—and to any full-scale update to the MCS that may be proposed—will ensure that our concerns about the changing strategic environment are being considered.

64. Senator MCCASKILL. Secretary Wynne, do you feel comfortable with the MCS and relying upon it to make program decisions such as shutting down the C–17 line?

Secretary WYNNE. The 2005 MCS, as informed by the 2006 QDR, determined that a fleet of 292 strategic airlift aircraft meets the lower bound with acceptable risk. Since the completion of this study, the C–17 programmed fleet has increased from 180 aircraft to 190 and we have lost one C–5. The resulting 301 strategic airlift aircraft, when fully mobilized and augmented by the Civil Reserve Airlift Fleet, provides sufficient airlift capacity to support U.S. strategic and operational objectives during large-scale deployments, while concurrently supporting other high priority operations and sustainment of forward deployed forces.

We fully recognize that circumstances have developed beyond the scenarios studied in the MCS which must be addressed. The OSD is currently planning a follow-on mobility study to address these changes and the Air Force will be an active participant. This study is scheduled to begin in spring 2008. Additionally, AMC, through the TRANSCOM, is currently engaged with the joint community to help define the scope of the planned Army/Marine Corps end strength increase and its impacts on air mobility. However, the decision needs to be made now as to whether or not to close the C–17 production line. Under current MCS requirements, ~300 strategic airlifters is sufficient. Therefore, with current congressional restrictions against retiring C–5 aircraft, the Air Force will maintain the fiscal year 2008 PB program of record.

65. Senator MCCASKILL. Secretary Wynne, using the current MCS as a baseline, if Congress gives you authority to retire some C–5s, how quickly would you seek to retire aircraft and how soon would you seek to place additional purchase orders for C–17 aircraft to replace C–5s?

Secretary WYNNE. The Air Force is currently exploring all options to effectively manage the strategic airlift fleet. If granted the ability to manage the Air Force fleet without congressional restriction, the Air Force will take all factors into account in order to maintain capability for the Nation while exercising fiscal responsibility. Studies at AMC and the Air Staff are ongoing to ensure current and future airlift requirements are met. There is no firm plan, today, to retire a certain number of aircraft on a given timeline.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

B–52 FORCE STRUCTURE

66. Senator MCCAIN. Secretary Wynne and General Moseley, the Air Force has been struggling for several years on how best to provide a way forward on airborne electronic attack and stand-off jamming capabilities. Among the many options under consideration is the venerable B–52 platform performing a key, enabling role. The President's fiscal year 2008 budget request funds 56 total aircraft inventory (TAI) with 32 combat coded B–52s. The John Warner NDAA for Fiscal Year 2007 requires 44 combat coded B–52s and prohibits retiring more than 18. Given the importance of B–52s in the current bomber force structure, and potential for an increased role in airborne electronic attack, why should Congress consider retiring any more B–52s than currently allowed?

Secretary WYNNE and General MOSELEY. Many challenges face the DOD and managing an aging bomber fleet while simultaneously navigating transformation to face emerging threats are but two. The Department's roadmap for long-range strike reflects a balanced approach focused on transformation and recapitalization while managing operational risk.

Paramount to our Nation's security is the operational need to project combat power over long distances for long durations with adequate payloads. To meet this requirement, the Air Force's three-phase strategy for long-range strike modernizes current bombers, develops a complementary capability fielding in 2018, and continues technology development for a transformational capability in 2035. Integral to the three-phase long-range strike strategy is divestiture of 20 B–52s as reflected in the fiscal year 2008 President's budget which results in an estimated $1.44 billion cost avoidance across the FYDP. The 56 B–52s funded in the program of record are still capable of meeting any single COCOM requirement. In accordance with phase 1 of the three-phase strategy, the fiscal year 2008 President's budget maintains bomber sustainment and modernization investments in excess of $4.1 billion.

The B–52 may play a significant role in advance electronic attack and as such, the force structure contained in fiscal year 2008 program of record is adequate to support that future role. Under the proposed Core Component Jammer (CCJ) program, the B–52 retains its traditional combat capability concurrent with a stand-off jam capability. Air Staff, Major Command (MAJCOM), and independent suffi-

ciency studies/analyses all indicate that CCJ requires 30 aircraft with 24 jammer shipsets, which is well within the requested B–52 force structure in the fiscal year 2008 President's budget.

JOINT STRIKE FIGHTER ALTERNATE ENGINE

67. Senator MCCAIN. Secretary Wynne and General Moseley, Congress acted last year to restore funding for the development of a second engine for the JSF and required several reports on the acquisition strategy for the JSF engine program. The Department has acted contrary to that direction, and has, once again, eliminated funding for a second source before the required reports are evaluated. Can you please describe the Department's rationale for overturning the statutory guidance Congress provided for the JSF engine procurement before the results of the required studies have been completed?

Secretary WYNNE and General MOSELEY. The Department believes it is prudent to await the results of the three congressionally-directed independent studies prior to investing further in a second engine source for the F–35. The three studies were conducted by the GAO, Institute for Defence Analyses, and Cost Analysis Improvement Group to re-examine the procurement and life cycle cost impacts from terminating the alternate engine program. Final reports are still being written and should be finished by June 2007.

68. Senator MCCAIN. Secretary Wynne and General Moseley, does the Air Force support this DOD decision? Why or why not?

Secretary WYNNE and General MOSELEY. The Air Force supports the DOD's decision to cancel F136 development due to acceptable risk and constrained budgets, but sees the potential benefit of a second engine source if funding were available.

STRATEGIC AIRLIFT REQUIREMENTS

69. Senator MCCAIN. Secretary Wynne, the Department's MCS, submitted with the 2007 President's budget request, determined that 292 strategic lift aircraft were necessary to meet our national security requirements. The Air Force proposed to meet this requirement by completing the C–17 program at 180 aircraft and modernizing the operating force of 112 C–5 Galaxys. In the John Warner NDAA for Fiscal Year 2007, Congress, in fact, appropriated an additional 10 C–17s above the Air Force's 2007 request, resulting in a total fleet of 190 C–17s.

The fiscal year 2008 President's budget request provides no funding for additional C–17 aircraft, effectively shutting down production on the program. The budget request does include robust funding for C–5 modernization throughout the FYDP. While this appears to be entirely consistent with the Department's stated airlift requirements, Air Force leadership has been quoted on more than one occasion since this budget was submitted, stating the desire to retire the 60 C–5A model aircraft. To further complicate the matter, the C–5 modernization program is experiencing early cost growth and may be reporting a Nunn-McCurdy breach in the year ahead. What actions are you taking to address the cost growth associated with C–5 modernization in order to keep this critical program on track?

Secretary WYNNE. The C–5 RERP program is experiencing cost growth pressures due to increases in touch labor, engines, and pylon costs. The program office is in daily contact with the contractor to address these program issues and mitigate those cost pressures. A detailed Air Force cost estimating effort is underway to determine the extent of the cost growth and to develop a service cost position. The program of record is to complete AMP and RERP modifications for 111 C–5 aircraft.

70. Senator MCCAIN. Secretary Wynne, early test results indicate that the C–5 modernization program will achieve its targeted reliability improvements, so how do you overturn the longstanding business case that argues to modernize rather than replace the existing C–5A airlift fleet?

Secretary WYNNE. The Air Force remains confident in the technical aspects of C–5 RERP. However, continued cost growth and program delays are bringing into question the cost effectiveness of the program. The cost growth to C–5 RERP combined with the high cost of potential C–17 line shut-down and restart indicate the need to re-evaluate the business case of RERPing C–5 aircraft versus the benefits of procuring additional C–17s.

The Air Force is currently refining the inter-theater force mix studies for C–5 modernization, C–5A retirement, and further C–17 procurement. Additionally, OSD

is currently planning to begin a follow-on mobility study in spring 2008 to address force requirements.

We desire to continue the recapitalization of Air Force aircraft. Hence, we are requesting permission to manage the Air Force fleet in order to be able to make timely decisions about aircraft retirements.

71. Senator MCCAIN. General Moseley, would you please clarify your strategic airlift requirements, and how you would propose to meet these requirements if authorized to retire C–5As and acquire more C–17s?

General MOSELEY. The 2005 MCS calls for a range of 292 to 383 strategic lift assets (combination of C–5s and C–17s). The 2007 NDAA calls for a minimum of 299 tails. Today, we have 190 C–17s and 111 C–5s in the program of record (301 total tails). For every C–5A we might retire, we need to replace at least 1-for-1 with a C–17 to preserve the minimum capacity needed in MCS.

MEDIUM AND HIGH ALTITUDE UNMANNED AERIAL VEHICLES

72. Senator MCCAIN. Secretary Wynne and General Moseley, in a March 5, 2007, memorandum General Moseley spelled out the case for the Air Force to become the EA for all medium- and high-altitude UAVs. General Moseley stated his desire to follow up with a comprehensive plan to optimize the Nation's ISR assets. This committee has long supported jointness over parochial interests when it comes to acquisition of military capabilities, however, programs such as the Joint Air-to-Surface Standoff Missile-Extended Range, Joint Standoff Weapon, and the Joint Common Missile (JCM) give pause. Why does the Air Force think their role as the EA would be more successful than previous joint procurement efforts?

Secretary WYNNE and General MOSELEY. The Air Force has already demonstrated successful acquisition and fielding of UAVs to support warfighters at all combat echelons, particularly with its medium- and high-altitude aircraft, Predator and Global Hawk.

1. From an acquisition and logistics perspective, the Army's Warrior is nearly identical to the Predator; similarly, the Navy's BAMS UAV requirements could be fulfilled by a variant of the Air Force's Global Hawk or Reaper. Unique Service solutions waste valuable resources through duplication of effort; stovepiped collection, processing, and dissemination architectures; unsynchronized command and control; and unnecessary competition for bandwidth and spectrum.

2. The role of the Air Force in conducting warfare from the air, through space, and in cyberspace—as well as the assigned missions of the Air Force—make assignment of EA to the Air Force for medium- and high-altitude UAVs the right decision. Per DOD Directive 5100.1, the Air Force is directed to "organize, train and equip, and provide forces for Close Air Support and tactical air reconnaissance."

   a. The DOD could potentially save nearly $1.7 billion in the current FYDP with an integrated approach to the acquisition of medium- and high-altitude UAVs.

   b. Combining the MQ–1 Predator, MQ–1C Warrior, RQ–4 Global Hawk, Broad Area Maritime Surveillance (BAMS), and MQ–9 Reaper programs could save $619 million (MQ–1C Warrior) and $1102 million (BAMS) through purchase economies of scale, production efficiencies, and integrated priorities.

   c. DOD would not have to pay twice for duplicative cost categories if consolidated contracts are maintained for the MQ–1 Predator and MQ–1C Warrior programs, as well as RQ–4 Global Hawk and BAMS.

3. Air Force has demonstrated its ability to field as much Predator, Global Hawk, and Reaper capability as possible.

   a. The Air Force nearly doubled Predator acquisition by reprogramming $2.3 billion in the fiscal year 2007 budget submission.

   b. Air Force's fiscal year 2008 budget includes nearly $13 billion to buy 241 UAVs—a 265 percent increase in UAVs over the previous baseline to equip 12 Total Force Predator squadrons (battalion equivalents): 12 CAPs by April 2007 and 21 CAPs by 2010.

RECAPITALIZATION OF C–130 E/H

73. Senator MCCAIN. Secretary Wynne, a review recently conducted by the Air Force recommended a number of courses of action to ensure the long-term readiness of the C–130 fleet. What were the underlying assumptions of the review?

Secretary WYNNE. The Air Force Fleet Viability Board analyzed the technical health, aircraft availability, and cost of ownership in the C–130E/H1. The underlying assumptions were:

1. Period of assessment is from fiscal year 2006 to fiscal year 2030.
2. C–130Es and C–130H1s (H1s include three "super Es") were assessed as separate fleets.
3. Fleet size remained constant throughout the assessment period (assumed no attrition or retirements) for all options.
   a. 118 C–130E aircraft (does not include 51 fiscal year 2007 approved for retirement and 1 attrition aircraft).
   b. 47 C–130H1 aircraft.
4. Average flight hours per aircraft per fiscal year (pulled from C–130 flying hour database system) used to project future flight hours.
5. C–130E and C–130H1 will continue on a 69 month (5.75 year) Programmed Depot Maintenance (PDM) cycle.
6. Assume aircraft will undergo PDMs at same source of repair across the assessment period.
7. Ogden-ALC (Hill AFB, UT) will continue to be the only organic source for C–130H1 PDM aircraft.
8. All cost information presented in budget year 2006 dollars.
9. Center-wing box service life is 45,000 Equivalent Baseline Hours (EBH) and outer wing service life is 60,000 (EBH).
10. System Program Manager continues to accept the "serious" risk for rainbow fittings past 24,000 EBH.
11. When CWB repairs are completed in accordance with Time Compliance Technical Order 1908 aircraft operations are unrestricted between 38,000 and 45,000 EBH.

74. Senator MCCAIN. Secretary Wynne, does the C–130J have a center-wing box?

Secretary WYNNE. Yes, the C–130J has a center-wing box structure.

75. Senator MCCAIN. Secretary Wynne, is the center-wing box on the C–130 E/H similar to the center-wing box on the C–130J?

Secretary WYNNE. Yes, it is basically the same center-wing box.

76. Senator MCCAIN. Secretary Wynne, do you think we should replace the center-wing boxes on the C–130 Es and Hs? If not, why not?

Secretary WYNNE. We recommend replacing the center-wing boxes on aircraft that will remain viable in the future. We currently have 170 aircraft in our C–130E fleet with an average age of 43 years. The NDAA for Fiscal Year 2007 language authorized up to 51 E-model retirements this year. The Air Force will continue to manage the C–130E fleet, including recommending the optimum number of aircraft for retirement, in order to maximize combat capability while minimizing excessive maintenance requirements and repair costs. The last E-models are scheduled for retirement in fiscal year 2014.

For the remaining C–130 fleet we plan to replace the center-wing boxes as well as to complete an AMP.

77. Senator MCCAIN. Secretary Wynne, the repairs are requested in the President's budget and the Air Force unfunded priority list. How much is included on the list for repairs?

Secretary WYNNE. For those aircraft that have reached 38,000 EBHs, we inspect and repair the center-wing box as necessary to allow us to continue to fly the aircraft until it is grounded at 45,000 EBH. The cost for these inspections and repairs is between $700,000–$800,000, depending on the extent of repairs and is funded with O&M dollars.

The only viable option for extending service life is the center-wing box replacement. We have a total of $645.3 million in the current FYDP (fiscal year 2008-fiscal year 2013) for center-wing box replacement. There is currently no requirement on the unfunded priority list for C–130 center-wing boxes.

78. Senator MCCAIN. Secretary Wynne, Air Force documents reveal that the center-wing box is the "long pole in the tent" in terms of aging aircraft issues with the C–130. Repair/refurbishment of the center-wing box extends the life of the C–130 by 20 years. Is this correct?

Secretary WYNNE. There is no repair/refurbishment program to extend the life beyond 45,000 EBH. Our current inspection and repair program serves to remove restrictions between 38,000 and 45,000 EBH, when the aircraft "grounds." The replacement resets the service life. When we replace the center-wing boxes and complete the AMP, our projections are that we will gain approximately 25–30 years life extension, depending on the flying profile (how fast the fleet accumulates EBH).

79. Senator MCCAIN. Secretary Wynne, according to Air Force documents, costs for center-wing box repairs of C–130 E/H models could be accomplished for $6–$9 million per aircraft compared as to as much as $100 million for a new C–130J. Other key recapitalization efforts such as AMP and re-engining could be accomplished for $6 million and $2 million respectively. Is this correct? If you challenge these recapitalization costs, please provide certified data.

Secretary WYNNE. C–130E/H center-wing box replacement cost $6–$9 million per aircraft. The acquisition cost for a combat delivery C–130J based on the current C–130J multi-year contract is $75 million. The average procurement unit cost for C–130 AMP is $11.8 million, based on the December 2006 Selected Acquisition Report submitted to Congress in April 2007. The C–130 Fleet Viability Board has estimated the cost to upgrade the C–130E engines to a C–130H configuration at $6 million per aircraft.

80. Senator MCCAIN. Secretary Wynne, has the Air Force decided on a course of action to ensure the long-term readiness of the C–130 fleet?

Secretary WYNNE. Our current plan is to retire aircraft that have passed their useful lives, and recapitalize to replace these aircraft. For the remaining legacy C–130H fleet, our plan is to replace center-wing boxes and complete an AMP. This plan will extend the useful life of our C–130 fleet by 25–30 years which will provide the needed time to develop a replacement for this capability.

UNFUNDED REQUIREMENTS LIST

81. Senator MCCAIN. Secretary Wynne and General Moseley, this year, the Air Force submitted a $16.9 billion unfunded requirements list. This is twice as large as the Army's, six times as large as the Marine Corps', and three times the size of last year's Air Force request. Why do you have such a large unfunded requirements list?

Secretary WYNNE and General MOSELEY. We've been at war for 16 years while transforming into a smaller, leaner, and more capable force. We've had to balance our resources to fight today and be ready for tomorrow's fight. Despite that tenuous balance, the Air Force faces significant challenges in recapitalizing air and space forces, putting our future fighting capabilities at great risk. The crisis in recapitalization must be corrected.

The fiscal year 2008 UPL highlights critical requirements the Air Force could not afford within our current fiscal year 2008 President's budget. The UPL requirements address our top priorities: fighting and winning the global war on terror, developing and caring for airmen and their families, and recapitalizing and modernizing our aging aircraft and spacecraft. This includes key capabilities in: (1) Global Mobility such as additional C–130Js and C–37s and modernization of defensive systems; (2) Global Vigilance where our COCOMs demand more Predator and Intelligence Surveillance and Reconnaissance systems; and (3) Global Power where we need to upgrade aging legacy systems and provide additional targeting pods.

Over the past 2 fiscal years, we have intensified our effort to reset/recapitalize Air Force aircraft and equipment. The fiscal year 2008 UPL is reflective of this effort.

MISSILE DEFENSE

82. Senator MCCAIN. Secretary Wynne and General Moseley, Admiral Fallon, Commander of U.S. CENTCOM, has told this committee that our missile defense capabilities need to pace the threat. Likewise, General Craddock, Commander of U.S. European Command, has told this committee that "rogue states in the Middle East and Southwest Asia possess a current ballistic missile capability that threatens a major portion of Europe." In light of these comments by the COCOMs, do you agree that DOD should accord a priority to the successful testing and fielding of the

current generation of ballistic missile defense capabilities in numbers sufficient to stay ahead of the growing threat?

Secretary WYNNE and General MOSELEY. The COCOMs are in the best position to determine the risks to their commands and are absolutely correct about the urgency of the current ballistic missile threat. Our intelligence estimates indicate an even more challenging threat in the future due to proliferation and advanced technologies.

The Air Force develops much of the intelligence that characterizes the threat and has broad responsibility for air and missile defense. The Air Force and the other military departments support the efforts of the Missile Defense Agency to develop a layered, integrated ballistic missile defense system capable of defending the United States, its deployed forces, and its friends and allies from the weapons delivered via ballistic missiles. We also currently support a Joint Staff-led effort in conjunction with the other Services, combatant commands, and the Missile Defense Agency to assess emerging ballistic defense operational requirements given this growing threat.

There is a continuous effort to balance resources required to develop the capabilities needed to defeat the current threat against those required for future technologies that will put us in a position to make ballistic missiles a lower value option for potential adversaries.

The Air Force is working aggressively to help improve the COCOMs' capabilities to disrupt, deny, and defeat ballistic missiles before they can be launched, and is working to increase passive defense capabilities enabling the continuation of operations should such missiles impact our forward bases.

It is a team effort among the combatant commands, military departments, and Missile Defense Agency to keep pace with emerging and future threats. The combined efforts of the Services and the Missile Defense Agency have struck an appropriate balance between fielding current capabilities and developing ''leap-ahead'' technology to ensure our continued battlefield dominance despite the proliferation of these weapons.

PROMPT GLOBAL STRIKE

83. Senator MCCAIN. Secretary Wynne and General Moseley, the 2001 Nuclear Posture Review (NPR) stated the need to provide the President with a broad array of nuclear and non-nuclear capabilities to bolster deterrence and defense against the new threats we face today. One such recommendation was the development of long-range, conventionally armed strike systems, also known as ''Prompt Global Strike (PGS)'' capabilities. The 2006 QDR reinforced this recommendation. Yet 5 years since the NPR we seem to be without a viable PGS system under development. Will you explain the strategic requirement for PGS capabilities and summarize current plans to acquire such capabilities?

Secretary WYNNE and General MOSELEY. The strategic requirements for PGS stem from the U.S. Strategic Command validated requirement to strike globally, precisely, and rapidly against high-payoff, time-sensitive targets in a single or multi-theater environment even when the United States has no military presence in a region. With our current capability, we can't effectively engage emerging high valued targets without either having forces prepositioned, or executing a nuclear response. This capability gap is documented in the JROC approved PGS Initial Capability Document.

The Air Force is currently working two interrelated initiatives to address this gap:

(1) Air Force Space Command is engaged in a PGS technology demonstration program designed to evolve, mature, and integrate critical PGS technologies that support the Command's vision for fielding a mid-term (fiscal years 2014/2015) Conventional Strike Missile (CSM) capability. As envisioned, CSM will use existing commercial/excess rocket motors to boost a medium-lift-to-drag hypersonic glide vehicle capable of dispensing requalified off-the-shelf munitions at global ranges from the CONUS. Central to this effort is the development and packaging of a suite of mitigating measures associated with CSM that address congressional concerns regarding misinterpretation of intent (e.g., geographically separated basing, on-site inspections, unique trajectories, and non-provocative mission planning).

(2) The PGS Analysis of Alternatives is a joint study led by Air Force Space Command. It is scheduled for completion in March 2008 and examines long-term (fiscal year 2020 and beyond) materiel solutions.

CHINESE ANTI-SATELLITE WEAPONS AND SPACE CONTROL

84. Senator MCCAIN. Secretary Wynne and General Moseley, given the recent successful test by the Chinese government of an anti-satellite weapon, what changes in priorities has the Air Force made in protecting U.S. assets in space?

Secretary WYNNE and General MOSELEY. The Air Force is increasing priority on protection and reconstitution. Protection is accomplished by enhancing Space Situational Awareness (SSA) with improved integration, command and control, and sensors. Integration activities will improve our fusion capabilities and migrate them to the net-centric construct enabling more timely attack detection. New sensors include the Space-Based Surveillance System (SBSS) and Space Fence. The Air Force is also pursuing concepts of limited reconstitution capability with the Operationally Responsive Space (ORS) program. Currently, there are five tactical satellites (TacSats) identified fiscal year 2007–fiscal year 2013 which will fulfill a variety of missions and provide the opportunity for operational experimentation and risk reduction for future Air Force programs.

In addition, the Air Force continues to evaluate necessity and opportunity to accelerate several space control programs on the UPL. Delivery of Self-Awareness Space Situational Awareness (SASSA), SBSS, Rapid Attack Identification, Detection, and Reporting System (RAIDRS), and Space Fence can be accelerated if additional funds are provided.

85. Senator MCCAIN. Secretary Wynne and General Moseley, what space control programs, ongoing or future, hold the best promise for protecting U.S. assets?

Secretary WYNNE and General MOSELEY. There is no single "silver bullet" solution but instead a combination of classified and unclassified systems that together impress upon our potential adversaries the United States' ability to maintain and sustain space superiority from peace through all phases of conflict.

This said, the Air Force continues to pursue programs to address deficiencies in light of current threats. The first step in protecting our space-based assets is improving our SSA capabilities. We are focused on upgrading both our ground-based and on-orbit capabilities to improve detection, tracking, and characterization of objects in low-earth orbit and geosynchronous orbit. The upgrade will also enhance our ability to detect and characterize threats. Modernization programs for detecting, tracking, and characterizing include the SBSS system and Space Fence. Integrated SSA will improve our fusion capabilities and move us toward the net-centric construct, enabling a more timely event detection. RAIDRS are envisioned to provide automated attack detection and characterization against multiple types of threats.

Several space control programs that will assist with these capabilities are on the UPL—SASSA, SBSS, RAIDRS Block 20, and Space Fence—to accelerate delivery of capability if additional funds are provided.

In addition, the Air Force is increasing priority on ORS. In the future, this program may provide limited reconstitution capability for essential military space capabilities.

86. Senator MCCAIN. Secretary Wynne and General Moseley, to what extent are operationally responsive space efforts to contribute to the space control mission?

Secretary WYNNE and General MOSELEY. There are two key areas where the ORS program will potentially contribute to the space control mission area. These are SSA and reconstitution. The Air Force is currently evaluating the ORS program's capability to rapidly field and launch small satellites that could provide SSA of friendly satellites as well as potential threats. In this regard, we have submitted the SASSA, a potential ORS payload, on the UPL for fiscal year 2008. SASSA will demonstrate an integrated suite of sensors that could supply the necessary information to warn of environmental and manmade threats. The other space control related mission area being investigated by the ORS program is the ability to augment and reconstitute our space systems. This capability would increase the robustness of our space architecture in the face of future threats. The Air Force is maturing a satellite reconstitution capability through our TacSat program. Currently, there are five TacSats identified in fiscal year 2007–fiscal year 2013 which will fulfill a variety of missions and provide greater risk reduction to future Air Force programs.

FORCE PROTECTION AND IMPROVISED EXPLOSIVE DEVICES

87. Senator MCCAIN. Secretary Wynne and General Moseley, force protection has been and continues to be a top priority for this committee. Could you please describe the current status of force protection for our Air Force troops in Iraq and Afghanistan?

Secretary WYNNE and General MOSELEY. We have increased our emphasis on combat skills training and added the Basic Combat Convoy Course at Lackland AFB. We're fusing Force Protection Intelligence with aggressive security operations to extend our awareness outside the perimeter to engage threats at the maximum range possible. We plan to add special purpose armored vehicles to increase airmen effectiveness and survivability. Finally, we're also benefiting from the Army's deployment of Counter-Rocket, Artillery, and Mortar systems at key bases such as Balad Air Base (AB).

88. Senator MCCAIN. Secretary Wynne and General Moseley, what technology strategy and level of investment is being proposed in the Air Force budget to support our ability to get on top of and ahead of the improvised explosive device (IED) threat?

Secretary WYNNE and General MOSELEY. In response to April 2006 direction to the Services, the Air Force programmed approximately $9.9 million per year through fiscal year 2013 ($59.443 million total) for procurement and sustainment costs directly associated with Counter-Improvised Explosive Device (C–IED) equipment/systems. This funding is specifically for Specialized Search Dogs (the Air Force is the Department of Defense Executive Agency for Military Working Dogs), Explosive Ordnance Disposal Robots, and Air Force funded requirements for uparmor modification kits for the Service's fleet of High Mobility Multipurpose Wheeled Vehicles (HMMWVs) in the theater of operations.

[In millions of dollars]

Specialized Search Dogs	5.843
Robotics	19.6
Uparmored HUMMWVs	34.0
Total programmed:	59.443

Beyond these initiatives, the Air Force does not have any other dedicated or independent funding lines for C–IED initiatives. However, the Air Force also makes significant contributions to C–IED efforts with a variety of initiatives that are corporately vetted through the Air Force's Rapid Response Process—the most promising of these initiatives are championed by the Service for potential Joint IED Defeat Organization (JIEDDO) funding. To date JIEDDO has funded 14 Air Force initiatives for $87.035 million.

Regarding strategy, the ACC, acting as the Air Force's lead MAJCOM warfighter force provider, recently signed a C–IED Operating Concept to ensure Air Force efforts are synchronized and cohesive in the campaign to overcome the threat and loss of personnel/resources posed by adversary use of IEDs. This operating concept provides a standardized approach with the JIEDDO, U.S. CENTCOM, U.S. Central Command Air Forces (CENTAF), and ACC C–IED efforts by using common constructs and terminologies. The ACC's C–IED Concept directly supports and is congruent with CENTCOM's C–IED Campaign plan through mutual focus on defeating the IED system. To execute this framework, ACC, with assistance from the Army and CENTCOM, recently completed a draft Concept of Employment (CONEMP) that is written from an airman's perspective taking a constrained and unconstrained approach to interdicting the IED system. Following CONEMP execution, ACC will look to identify capability and tactics, techniques, and procedures (TTP) gaps permitting sound analysis/actions for Doctrine, Organization, Training, Materiel, Leadership, Personnel, and Facilities improvements.

In addition to the above, there are a number of technologies within the Air Force S&T program that could be applicable to countering the IED threat; however, S&T efforts are typically non-system specific and support a wide range of potential applications—as such, there is not a dedicated S&T investment line in this area. For example, one of the Air Force S&T Program's focused long-term challenges is to dominate difficult surface target engagement/defeat, which includes technologies that could be used to find, identify, track, and engage IEDs, such as: high power microwave devices to defeat a wide range of IEDs; real-time, 24-hour, wide-area electro-optical and radio frequency sensing and data fusion/analysis; room temperature infrared cameras with increased temperature discrimination; penetrating terahertz imaging devices; adversarial modeling; improved operator interfaces for enhanced UAVs; and a wide range of command, control, communications, computers, ISR technologies including combining pertinent technologies within a net-centric environment that could identify where the IED maker lives.

Beyond S&T, the Air Force continues to improve existing platforms like Compass Call and Predator, which have proven useful in C–IED missions. Compass Call improvements provide a very effective C–IED classified capability, while planned fiscal

year 2008 Predator improvements include integration of an airborne signals intelligence payload and incorporation of real-time targeting processing (Joint Direct Attack Munition-quality coordinate data from video)—both of which will enhance Predator support to C–IED missions. In addition, the Air Force requested global war on terrorism supplemental funding in both fiscal years 2007 and 2008 to field a net-centric beyond line-of-sight (BLOS) secure communications capability across the Joint Surveillance and Target Attack Radar System (J–STARS) fleet to enable full coverage of ground combat operations in Operation Iraqi Freedom (OIF)/Operation Enduring Freedom (OEF). This improvement, combined with a future Network Centric Collaborative Targeting (NCCT) capability, will enable J–STARS to rapidly collaborate with other sensors and intelligence sources to fuse IED events with ground moving target indicator tracks to produce actionable intelligence. CENTCOM has recently identified BLOS secure communications as an Urgent Operational Need and this funding will enable the Air Force to achieve an initial operational capability for J–STARS BLOS communications by March 2008. The Air Force will consider funding for NCCT in its fiscal year 2010 budget request.

AIRMEN ON THE GROUND IN IRAQ/AFGHANISTAN

89. Senator MCCAIN. Secretary Wynne and General Moseley, the Air Force has provided significant "in-lieu-of" forces on the ground to support operations in Iraq. Are you comfortable that they are getting the right equipment to operate in that environment, particularly force protection equipment?

Secretary WYNNE and General MOSELEY. I am very comfortable that our "in-lieu-of" forces on the ground to support operations in Iraq are getting not only the right equipment to operate in that environment, but the best force protection equipment that is available. We are continuously evaluating the enemy's TTP, and as these TTPs change, we review materiel and equipment configuration to see if changes are necessary to keep our airmen safe. Part of our evaluation process is the continuous collection of information from our deployed airmen, feedback from the other Services and COCOMs, and even suppliers to ensure we stay ahead in making appropriate modifications. As an example, more than 40 functional experts from around the Air Force, including deployed commanders, met at Keesler AFB, MI, on March 21–22 to review and address "in-lieu-of" forces equipment requirements. We are also aggressively exploring short-, mid-, and long-term solutions, and where it makes sense, add required equipment for not only "in-lieu-of" forces deployment preparation processes, but for the broader Air Force as well.

90. Senator MCCAIN. Secretary Wynne and General Moseley, are the airmen on the ground in Iraq getting the needed training before deploying?

Secretary WYNNE and General MOSELEY. Every airman that deploys to Iraq gets the best and most up-to-date training available. Each request for forces that the Air Force receives is reviewed by experts in the field and back in the States. These experts determine exactly what training is needed and ensure that our troops receive it prior to deploying. Typically we send our airman to three courses: Combat Skills Training, Combat Readiness Course, and in the future, an Air Force-sponsored Common Battlefield Airman Training. Additionally we send forces to specialized training such as M–17 helicopter training and basic combat convoy course.

91. Senator MCCAIN. Secretary Wynne and General Moseley, has this training changed as a result of lessons learned, and if so, how?

Secretary WYNNE and General MOSELEY. Training is not viewed as being a static commodity. We take lessons learned, both good and bad from the field, and have adjusted our training programs as required. One of the things that we did was build up 2nd Air Force located at Keesler AFB to oversee our training requirements and to better integrate with the Army. 2nd Air Force has also taken the lead in establishing a Training Evaluation Review Board (TERB), which is reviewing our entire combat training spectrum. Finally, the Air Staff is undertaking a comprehensive review of the entire training process to streamline the process and ensure critical training objectives are identified and trained efficiently and effectively.

92. Senator MCCAIN. Secretary Wynne and General Moseley, how has the integration worked with the Army?

Secretary WYNNE and General MOSELEY. Our airmen have been doing a great job integrating with all the Services to fully meet the CENTCOM commander's warfighting requirements. Before deployment our airmen exercise and train with our sister Services and in some cases attend their organic training courses (e.g., air-

men attend Army Combat Skills Training) in order to ensure they possess the proper combat skill sets. One example is airmen supporting Afghanistan Provisional Reconstruction Teams attend extensive training with the Army at Fort Bragg to learn various civil affairs and combat operations skills. Another is Army and Marine Aviators taking part in an Air Force-sponsored urban close air support exercise. Once deployed, our airmen work hand-in-hand with sister Services supporting each warfighting component. Currently 93 percent of airmen deployed to the combat zone under tactical control of one of CENTCOM's warfighting components perform their organic skill sets in large part to relieve the stress on the overall joint force in critical career specialities.

93. Senator MCCAIN. Secretary Wynne and General Moseley, do you see anything that needs to be improved in this process?

Secretary WYNNE and General MOSELEY. Since our challenges are constantly changing so are our processes. Our airmen are constantly finding innovative ways to improve the system to meet future challenges. Recently the TERB has recommended that the Air Force stand up its own Combat Skills Training Course to help relieve the Army throughput bottlenecks.

SPACE ACQUISITION COSTS

94. Senator MCCAIN. Secretary Wynne and General Moseley, the costs of major space acquisitions (including the Transformational Satellite Communications (TSAT) system, Space-Based Infrared System-High, Space Tracking and Surveillance System, Space Radar, and National Polar-Orbiting Operational Environmental Satellite System) are projected to increase significantly over the next several years to levels close to $9 billion per year starting in fiscal year 2009. How does the Air Force plan to fund this increase? Is it making tradeoffs with aircraft programs?

Secretary WYNNE and General MOSELEY. The Air Force evaluates cost versus combat capability across the spectrum of Air Force programs. If a space program delivers the best combat capability for the dollars invested, the Air Force will make tradeoffs among aircraft programs, space programs, and other recapitalization investments. Space programs compete equally with all Air Force acquisition programs. Additionally, the Air Force does not bear sole responsibility for resourcing all the space programs mentioned. The Air Force has an established cost-sharing arrangement with the Department of Commerce for the NPOESS program, and the OSD recently negotiated a cost-sharing arrangement for space radar with the Director of National Intelligence. The Space Tracking and Surveillance System is currently the responsibility of the Missile Defense Agency. For cost-shared programs, the Air Force will negotiate with its partners and will make allocation decisions based on delivery of the most combat capability for the investment.

95. Senator MCCAIN. Secretary Wynne and General Moseley, does the Air Force, or DOD, have a spending limit for space investments?

Secretary WYNNE and General MOSELEY. The Air Force does not have a spending limit for space investments. The Air Force evaluates the cost of space programs against the combat capability delivered by all Air Force programs and within the context of total available Air Force resources. The Air Force makes resource allocation decisions based on maximizing combat capability contributed from each warfighting domain constrained by the ability to purchase those capabilities.

96. Senator MCCAIN. Secretary Wynne and General Moseley, to what extent are DOD and the Air Force able to determine what level of space investment is affordable and prioritize among their space investments?

Secretary WYNNE and General MOSELEY. The Air Force evaluates the investment in space programs in the context of the combat capability delivered by all Air Force weapon systems. Space programs compete with all other programs on an equal basis for resources and priorities. The Air Force makes resource allocation decisions based on maximizing the total combat capability within its existing budget.

SPACE COMMUNICATIONS

97. Senator MCCAIN. Secretary Wynne and General Moseley, the Air Force posture statement lists as one of the top Service priorities the recapitalization of aging spacecraft inventories. The statement highlights the TSAT system as essential to enable the realization of all DOD network-centric operations, such as the Army's FCS and the Navy's Sea Power 21 concept. Given the high priority accorded to space

systems by the Air Force, and the importance of TSAT for future network-centric operations, why did the Air Force reduce planned funding for TSAT in the fiscal year 2008 budget request—thereby delaying the launch of the first satellite by 1 year to 2016?

Secretary WYNNE and General MOSELEY. TSAT fiscal year 2008 funding was reduced to fund competing higher DOD priorities. The 1-year TSAT slip does not impact current operational availability of either protected or wideband satellite communications capabilities, including the strategic networks on Milstar and Advanced Extremely High Frequency (AEHF). Adequate time exists to transition strategic networks onto combined TSAT–AEHF constellation before the projected fiscal year 2018 Milstar end of life.

The Department remains committed to TSAT for critical net-centric capabilities. It is the best way to meet warfighter needs, including the Army's FCS and the Navy's Sea Power 21 concept.

SYNTHETIC FUELS

98. Senator MCCAIN. Secretary Wynne and General Moseley, since last fall, the Air Force has been testing whether Air Force aircraft can fly on liquid fuels made from natural gas or coal. According to the Air Force, barring any unforeseen glitches, the Air Force expects to certify the synthetic fuel for use in B–52 bombers this summer. Given the interest and publicity with which the Air Force has surrounded their synthetic fuels research program, how much funding is in the fiscal year 2008 budget request?

Secretary WYNNE and General MOSELEY. The Air Force has $1 million in its budget request for the certification of the fleet with a 50/50 blend of synthetic fuel and JP–8. The Air Force has requested an additional $30 million in the UPL to complete necessary testing and certification in fiscal year 2008 in order to stay on schedule for fleet certification by fiscal year 2010; and, to be prepared for the acquisition of 50 percent of our CONUS fuel from domestic, alternative fuel sources by fiscal year 2016.

99. Senator MCCAIN. Secretary Wynne and General Moseley, what level of capability does the Air Force's program of record achieve within the FYDP?

Secretary WYNNE and General MOSELEY. Through the FYDP, the Air Force program of record has $31.48 million to test and certify the use of a synthetic fuel blend in the fleet. We estimate that it will require approximately $190 million in total to meet our fiscal year 2010 certification goals and be prepared for the acquisition of 50 percent of our CONUS fuel from domestic, alternative fuel sources by fiscal year 2016.

CONGRESSIONAL ADDS IN AIR FORCE S&T PROGRAMS

100. Senator MCCAIN. Secretary Wynne and General Moseley, defense S&T funding lines are some of the most heavily earmarked accounts in the defense budget. A rough analysis of top line figures shows that components of DOD's basic and applied research funding are approximately 40 percent earmarked. I am interested in receiving more detailed information from the Department and each of the Services about the extent and execution—including the military utility—of earmarks within their fiscal year 2007 appropriations for S&T programs. Would you please provide for the record a break-out of the Air Force fiscal year 2007 S&T funding between requested programs and congressional earmarks? Please include the status of the execution of these earmarks (whether funds are let), the identified performers, and any evaluation you have done—including numerical scoring—of the military utility of these projects.

Secretary WYNNE and General MOSELEY. The attached spreadsheet provides the requested fiscal year 2007 breakout of Air Force S&T funding by requested amount and congressional add or earmark funding to include whether or not this additional funding has already been put on contract and, if so, with whom. Over the past several years, the Air Force S&T program has received a significant increase in annual congressional adds and we work hard to structure 1-year efforts that will yield some measure of military utility. While congressional adds that complement related, funded Air Force S&T efforts would be expected to provide more benefit to the Air Force, we do not formally evaluate these congressional special interest items.

[The spreadsheet referred to follows:]

AF S&T FY07 CONGRESSIONAL MARKS

PE	PE TITLE/CONGRESSIONAL ADD	FY REQUEST	APPN CONF	CHANGE FROM FR	Contract Award	Identified Performers
61102F	DEFENSE RESEARCH SCIENCES	248,215	282,215	33,000	-	-
	Coal-Based Jet Fuel (Note: only for the continuation of efforts between the Energy Institute and the USAF)			3,800	Estimated Apr 07	TBD
	Fully-Integrated Solar-Powered Interior Lighting Technology			6,000	Estimated Apr 07	TBD
	NanoPhotonic Components			5,700	Estimated Apr 07	TBD
	National Aerospace Leadership Initiative (See Note 1)			20,000	Awarded	Connecticut Center for Advanced Technologies
	National Hypersonics Research Center			3,000	Estimated Apr 07	TBD
	New Methods for Designing and Testing Aircraft Coatings			1,800	Estimated Apr 07	TBD
	Smart Surfaces and Interfaces			1,000	Estimated Aug 07	TBD
	Virtual Teleoperations for Unmanned Aerial Vehicles			1,800	Estimated Apr 07	TBD
61103F	UNIVERSITY RESEARCH INITIATIVES	107,671	115,471	7,800	-	-
	High Assurance Software Engineering			1,800	Estimated Apr 07	TBD
	High Temperature Hydrogen Energy Production			1,000	Estimated Aug 07 by Department of Energy	TBD - Funds to be executed by Department of Energy
	Partnership in Innovative Preparation for Educators and Students			1,500	Awarded	University of Colorado at Colorado Springs
	Single Chip Multi-Modal Nanosensors			4,000	Awarded	Carnegie Mellon University
61102F	HIGH ENERGY LASER RESEARCH INITIATIVE	12,402	12,402	0	No Adds	-
NEW	MEDICAL DEVELOPMENT	0	23,900	23,900	-	-
	National Diabetes Model Program			23,000	-	Transferring to Defense Health Program
	Retinal Eye Scan for Pilots			500	-	Transferring to Defense Health Program
	Assessment and Demonstration Center for USAF Surgeon General			1,400	-	Transferring to Defense Health Program
62102F	MATERIALS	111,673	153,673	42,000	-	-
	Accelerated Insertion of Advanced Materials for Materials Substitution and Repair - National Institute of Aviation Research			1,300	Estimated Jun 07	TBD
	Advanced Aerospace Manufacturing Technologies			3,300	Estimated Aug 07	TBD
	Advanced Coatings Technologies for JSF and F-22 Survivability (See Note 2)			2,900	Awarded by Army Research Lab	Kuchera Defense Systems
	Advanced Materials Deposition for Semiconductor Nanostructure			1,000	Estimated Apr 07	TBD
	Advanced Materials Development			1,000	Estimated May 07	TBD
	Air Force Minority Leader Program			5,000	Estimated Jul 07	TBD
	Blast Resistant Panels for Protection to Buildings and Vehicles			2,000	Estimated Jun 07	TBD
	Chrome Free Environmentally Friendly Corrosion Protection for Aircraft			1,000	Estimated May 07	TBD
	Consortium for Nanomaterials for Aerospace Commerce and Technology (CONTACT)			1,400	Estimated Aug 07	TBD
	Domestic High Modulus PAN Carbon Fiber Qualification Initiative			2,000	Estimated Aug 07	TBD
	Domestic Titanium Powder Manufacturing Initiative			1,000	Awarded	Crucible
	Durable Hybrid Coatings for Aircraft Systems			1,300	Estimated Apr 07	TBD
	Electronic Type-Specific Buckytubes			2,000	Estimated Apr 07	TBD
	Enabling Polymeric Materials for Three-Dimensional (3D) Microdevice Construction (See Note 3)			1,000	Estimated Jun 07	TBD
	Engineered Optical Materials for Quantum Cryptography			1,000	Estimated Apr 07	TBD
	Fabrication and Processing of Adaptive-Optics and Optical Materials			1,400	Estimated Apr 07	TBD
	Fire and Blast Resistant Materials for Force Protection			1,100	Awarded	Marquette University Triton Systems
	High Temperature Aerogel Materials for Global Strike Vehicles			1,000	Estimated May 07	TBD
	Hybrid Materials Integration			1,000	Estimated Jun 07	TBD
	Integral Fuel Tank Protective Coating System			1,000	Estimated Jun 07	TBD
	Nanomaterials Commercialization Center			1,000	Estimated May 07	TBD
	ONAMI Safer Nanomaterials and Nanomanufacturing			2,300	Estimated Aug 07	TBD
	Power Electronics Reliability			1,400	Estimated Apr 07	TBD
	Quenium Wire Program for Defense			1,000	Estimated Apr 07	TBD
	Secure Coating Systems Technology			1,000	Estimated Jun 07	TBD
	Wide Bandgap Materials Integration for Power Electronic Sensor and Optical Devices			2,900	Estimated Apr 07	TBD

AF S&T FY07 CONGRESSIONAL MARKS

PE	PE TITLE/CONGRESSIONAL ADD	PB REQUEST	APPN CONF	CHANGE FROM PB	Contract Award	Identified Performers
62201F	AEROSPACE VEHICLE TECHNOLOGIES	113,756	118,356	4,600	-	-
	Characterization of Airborne Environment for Tactical Lasers			2,200	Awarded	Wright Brothers Institute
	Neurobiologically Autonomous Vehicle Operations			2,400	Awarded	General Dynamics
	Sentinent Adaptive Systems Tech for Vehicle Condition-based Maintenance			1,000	Estimated May 07	TBD
	Unmanned Air Vehicle Research			1,000	Awarded	General Dynamics
62202F	HUMAN EFFECTIVENESS APPLIED RESEARCH	92,991	169,291	96,300	-	-
	AIRPRINT (See Note 4)			2,000	Estimated Apr 07	TBD
	Bio Medical DAR Program			1,600	Estimated May 07	TBD
	Battlefield Automatic Life Status Monitor			1,300	Estimated Apr 07	TBD
	COM Attitude Control System Simulator/Trainer			1,100	Estimated Apr 07	TBD
	C4ISR Fusion System (See Note 5)			1,600	Awarded	SGI and L3 Comm
	Eyewear Display for Battlefield Operations			1,000	Estimated Apr 07	TBD
	Miniature Tri-Axial Accelerometer			1,000	Estimated May 07	TBD
	Networked Warfighter Decision Support			1,000	Estimated Apr 07	TBD
	Solid Electrolyte Oxygen Separator			4,300	Estimated May 07	TBD
	Unmasking Deception and Denial			1,000	Awarded	SRA
	Warfighter Sustainability: Maximizing Human Performance (Note: Only for AFSOC)			1,000	Estimated May 07	TBD
62203F	AEROSPACE PROPULSION	173,848	219,485	48,600	-	-
	Active Combustion Control System for Military Aircraft			3,900	Estimated May 07	TBD
	Active Combustion Control Systems for Military Aircraft (See Note 6)			1,800	Estimated May 07	TBD
	Advanced Affordability Assurance Tools for the Versatile Affordable Advanced Turbine Engine (VAATE) Initiative			1,000	Awarded	American Technology and Services, Inc.
	Advanced Energy Technology for Munitions - Dominator Program (See Note 7)			1,300	Estimated Apr 07	TBD
	Advanced High Speed Propulsion Development			1,000	Estimated Jun 07	TBD
	Advanced Liquid Rocket Booster Technology			1,400	Awarded	Aerojet
	Advanced Vehicle and Propulsion Center			3,200	Estimated May 07	TBD
	Advanced Vortex Hybrid Propulsion System			1,700	Estimated Jun 07	TBD
	Aerospace Lab Equipment Upgrade			1,000	Estimated Sep 07	TBD
	Affordable Lightweight Power Supply			1,000	Awarded	University of Dayton Research Institute
	Chemical Hydride Power System			2,500	Awarded	Lifton Systems, VWR International, Batelle Memorial Institute, Millenium Cell, Aerovironment, Protonex Technology
	Engineering Tool Improvement Program (ETIP) (See Note 8)			2,800	Estimated May 07	TBD
	High-Energy Laser for Detection Inspection and Non-destructive Testing			2,700	Estimated Jun 07	TBD
	High Flux ESC System with TES for Military High Energy Laser			1,100	Estimated Jun 07	TBD
	Hybrid Bearing (See Note 9)			5,700	Awarded	The Timken Company
	Integrated Electric Starter/Generator			5,000	Estimated May 07	TBD
	Intelligent Engine Technology Development for UAVs			5,400	Awarded	Impact Technologies, Inc.
	Manufacturing of High Energy Superior Lithium Battery Technology			5,200	Estimated Apr 07	TBD
	MEPS Thermal Management			5,300	Estimated May 07	TBD
	Methane Second Stage Rocket Engine			5,800	Estimated May 07	TBD
	Military Purpose Electrolyte Supported Fuel Cells			5,000	Awarded	Nextech Materials, Cole Palmer Instruments
	Research Institute for Environmental Studies (TIRES) (See Note 10)			2,000	Estimated Sep 07	TBD
	Solid Boost Propulsion Technology - Technology for the Sustainment of Strategic Systems			5,000	Estimated Jun 07	TBD
	Ultrafast, Ultraintense Laser Microfabrication and Diagnostics			5,000	Awarded	Innovative Scientific Solutions (ISSI)
	VAATE TMC FLADE Technology Demonstration			5,100	Estimated Apr 07	TBD
	X-51 Robust Scramjet Flight Research			3,900	Awarded	Alliant Techsystems, Inc.

AF S&T FY07 CONGRESSIONAL MARKS

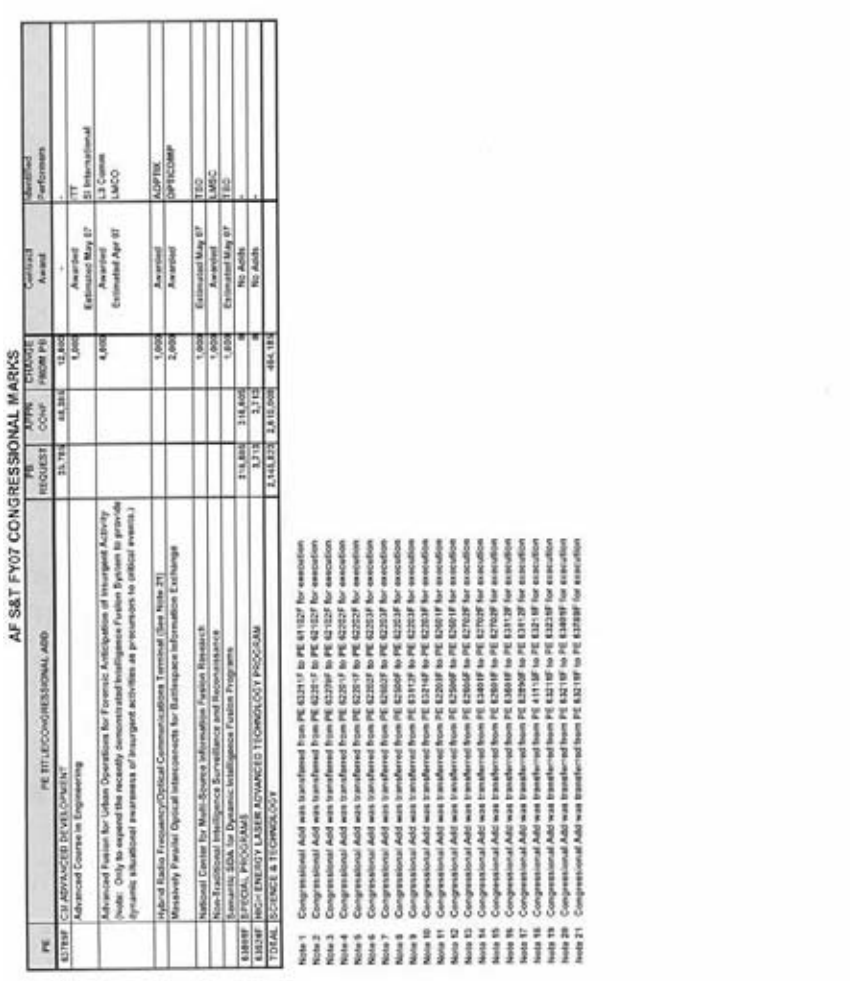
PE	PE TITLE/CONGRESSIONAL ADD	PB REQUEST	APPN CONF	CHANGE FROM PB	Contract Award	Identified Performers
62204F	AEROSPACE SENSORS	117,553	133,753	16,200	-	-
	3-D Packaging Technology for High Speed RF Communications			1,400	Estimated Apr 07	TBD
	Advanced Sensor Aided Vigilance Technologies			1,100	34% Awarded 66% Estimated Jun 07	26%: Wright Brothers Institute, 8%: WYLE Labs
	Center for Advanced Sensor and Communication Antennas			1,600	Awarded	University of Massachusetts
	Compact Optical Receiver for Loitering Standoff Weapons			2,000	Awarded	Azna LLC
	Hanscom AFB Collaboration on Meta-Materials and Conformal Antenna Technologies			1,000	Awarded	Northeastern University
	Optically Pumped Atomic Laser			2,000	Awarded	Prime: KLA-Tencor Sub: Newport/Spectra-Physics
	Phased Array Antenna Control Computer			1,000	Estimated May 07	TBD
	Sensor Network Technology			1,000	Estimated Apr 07	TBD
	Super-Resolution Sensor System			1,700	Estimated May 07	TBD
	WBI LADAR Development and Demonstration			2,000	Estimated May 07	TBD
	Wideband Digital Airborne Electronic Sensing Array			1,400	Estimated May 07	TBD
62601F	SPACE TECHNOLOGY	85,594	103,879	18,285	-	-
	Center for Solar Electricity and Hydrogen (See Note 11)			3,600	Estimated Jun 07	TBD
	Deployable Space Structures			1,100	Awarded	Microsat Systems, Inc.
	Elastic Memory Composites			1,000	Awarded	Composite Technology Development, Inc.
	Field Programmable Gate Array			1,000	Estimated Jun 07	TBD
	Flexible CIGS Solar Cells on Silicone Substrates for Spacecraft			1,000	Awarded	Ascent Solar Technologies, Inc.
	HAARP			3,200	Estimated Jul 07	TBD
	Integrated Control for Autonomous Space Systems (See Note 12)			1,600	Awarded	Planning Systems, Inc.
	Joint Micro Power Initiative			1,000	Awarded	Qynergy
	Multicontinuum Technology for Space Structures			1,000	Estimated May 07	TBD
	Nanoscale Microelectronic Circuit Technology Development			1,100	Estimated Jul 07	TBD
	Shield Rocket Payloads			285	Awarded	SDSM&T
	Three-Dimensional Deployable Structure Systems for Space			1,100	Awarded	Starsys
	USAF National Security Research - Signature Exploitation			1,300	Awarded	University of Louisville
62602F	CONVENTIONAL MUNITIONS	62,105	62,105	0	No Adds	-
62605F	DIRECTED ENERGY TECHNOLOGY	48,422	50,222	1,800	-	-
	Ceramics for Next-Generation Tactical Laser Systems			1,800	Existing Contract (Prior Add)	VLOC, Inc.
62702F	COMMAND, CONTROL, AND COMMUNICATIONS	119,267	129,167	9,900	-	-
	Adaptive Optics for Lasercom System (See Note 13)			2,500	Awarded	AOPTIX
	Advanced Collaboration Platform for Net Centric C2			1,000	Estimated Apr 07	TBD
	Digital Free Space Optical Laser Transmitter Modems			1,600	Awarded	AZNA Corporation
	Massively Parallel Optical Interconnects (See Note 14)			1,100	Estimated May 07	TBD
	MASINT Visualization Tools			1,500	Estimated Apr 07	TBD
	Space-Qualified Common Data Link (See Note 15)			2,200	Estimated May 07	TBD
62890F	HIGH ENERGY LASER RESEARCH	50,166	52,366	2,200	-	-
	Air Laser Technology Development			2,200	Estimated Jun 07	TBD

AF S&T FY07 CONGRESSIONAL MARKS

PE	PE TITLE/CONGRESSIONAL ADD	PB REQUEST	APPN CONF	CHANGE FROM PB	Contract Award	Identified Performers
63112F	ADVANCED MATERIALS FOR WEAPON SYSTEMS	48,901	82,601	33,700	-	-
	Advanced Power Tech: Silicon-Carbide Power, Bipolar Junction Transistors			1,800	Estimated Apr 07	TBD
	Aging Aircraft Fleet Support - National Institute for Aviation Research			2,000	Estimated May 07	TBD
	Assessing Aging of Military Aircraft			2,000	Estimated Apr 07	TBD
	Blast-Resistant Barriers and Structural Design for Homeland Defense			1,300	Estimated Jun 07	TBD
	Body Armor Underarm and Side Protection for Smart Materials (See Note 16)			1,400	Estimated Aug 07	TBD
	Coated Field Repair			1,000	Estimated Jun 07	TBD
	Combined Agent Fire Fighting System			1,000	Estimated Jun 07	TBD
	Continuous Integrated Vehicle Health Monitoring System			1,000	Estimated Apr 07	TBD
	Encapsulated Ballistic Protection System			1,600	Estimated Jun 07	TBD
	Hydrothermal Oxidation (HTO) for Alaska			3,300	Estimated May 07	TBD
	Improved Stealth Aircraft Availability/Functionality			2,000	Estimated Apr 07	TBD
	Inspection Techniques to Detect Fatigue Related Damage on Aircraft Components			2,000	Estimated May 07	TBD
	Large Panel Sapphire Producibility (F-35)			1,200	Estimated Apr 07	TBD
	Low Observable Multi-Purpose Inspection Tool			1,000	Estimated Jun 07	TBD
	Materials Integrity Management Research for AF Systems			1,000	Estimated May 07	TBD
	Metals Affordability Initiative			2,300	Estimated May 07	TBD
	Optical Filters for Hardened Night Vision Goggles			1,000	Estimated Apr 07	TBD
	Quantitative Inspection Techniques for Assessing Aging Military Aircraft (See Note 17)			1,000	Estimated May 07	TBD
	Silicon Carbide Electronics Material Producibility Initiative			5,600	Estimated Apr 07	TBD
63203F	ADVANCED AEROSPACE SENSORS	55,150	58,450	3,300	-	-
	National Operational Radar Signature Production and Research Capability (Combat Identification Signature Center)			1,300	Estimated May 07	TBD
	Precision Image Tracking and Registration Program			1,000	Estimated May 07	TBD
	TACNODES			1,000	Estimated May 07	TBD
63211F	AEROSPACE TECHNOLOGY DEV/DEMO	27,424	36,424	9,000	-	-
	3-D Woven/Braided Composites			1,000	Estimated Apr 07	TBD
	Advanced Aerospace Titanium Structures (AATS) Initiative			1,000	Awarded	ALCOA
	Advanced Aluminum Aerostructures Initiative (A3I)			1,300	Awarded	ALCOA
	Large Scale Affordable Composite Structures			1,300	Estimated Apr 07	TBD
	National Capabilities Analysis Collaborative, Phase III			1,700	Awarded	Wright Brothers Institute
	Short Take Off and Landing (STOL) Herk 1 Continuation (See Note 18)			1,600	Estimated Apr 07	TBD
	Titanium Honeycomb Sandwich and Composite Structures			1,100	Awarded	Benecor, Inc.
63216F	AEROSPACE PROPULSION AND POWER TECHNOLOGY	115,546	146,446	30,900	-	-
	Accelerated VAATE Adv Supersonic Cruise Missile Engine			5,500	Awarded	Williams International
	Assured Fuels Process Demonstration Unit			4,600	Estimated May 07	TBD
	Development of Bi-Polar Wafer-Cell Ni-MH Battery			1,000	Estimated Apr 07	TBD
	Field Renewable Energy System Hybride LI Ion Battery Program			1,000	Estimated Apr 07	TBD
	Flexible JP-8 Military Fuel Certification			2,000	Estimated May 07	TBD
	Silicon Carbide Power Electronics for More Electric Aircraft			6,600	Estimated May 07	TBD
	Versatile Affordable Advanced Turbine Engines (Note: only for project 681B)			2,200	Awarded	Pratt & Whitney
	XTC58F Technology Versatile Affordable Advanced Turbine Engine Program			8,000	Awarded	Honeywell International
63231F	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	32,156	44,056	11,900	-	-
	Air Force Advanced Micro-Compression Sock Program			1,000	Estimated May 07	TBD
	Authentic Tactical Flight Simulator for JSF			1,300	Estimated Jun 07	TBD
	Database Integration Tools			1,000	Awarded	Alion Science and Technology & L3 Comm
	Deployment Environmental & Biological Surveillance System (DEBS)			1,000	-	Transferring to Defense Health Program
	Field Deployable Influence Genotyping System			1,000	Awarded	Combimatrix
	Full Spectrum Laser Eye Protection			1,000	Awarded	Northrop Grumman
	Low Cost Improved Performance Helmet Displays			1,100	Awarded	GENTEX
	Phasor-Bird Helmet Tracker (See Note 19)			1,300	Awarded	Acsension Technologies
	Variable Transmittal Visor			1,000	Estimated Apr 07	TBD
	Virtual Medical Trainer			2,200	-	Transferring to Defense Health Program

AF S&T FY07 CONGRESSIONAL MARKS

PE	PE TITLE/CONGRESSIONAL ADD	FY BEQUEST	APPN CONF	CHANGE FROM FY	Contract Award	Identified Performers
602716F	ELECTRONIC COMBAT TECHNOLOGY	34,434	28,638	4,200	-	-
	Affordable Visible Missile Warning System			1,800	Estimated Jun 07	TBD
	BLADES			1,300	Awarded	General Dynamics
	RAPCEwar			1,000	Estimated Jun 07	TBD
603111F	BALLISTIC MISSILE TECHNOLOGY	0	9,400	9,400	-	-
	Forward Based Conventional Strike			1,900	Awarded	Honeywell
	Minuteman III			4,000	Awarded	Honeywell
	Pacific Ballistic Missile Technology Program			1,200	Awarded	Hanna Engineering
	P-Alert			2,400	Awarded	Ventura Ad Astra
603601F	ADVANCED SPACECRAFT TECHNOLOGY	68,826	101,626	33,500	-	-
	Advanced Satellite Thermal Control Program (See Note 35)			1,400	Estimated Jun 07	TBD
	COTS Technology for Situational Space Awareness			1,000	Estimated Jun 07	TBD
	Integrated Passive Microelectronic Components			1,000	Estimated Jun 07	TBD
	Integrated Spacecraft Engineering Tool			1,300	Awarded	Advatech Pacific, Inc.
	Intelligent Free Space Optical Satellite Communications Node			1,400	Awarded	Space Photonics, Inc.
	Large Automated Production of Expendable Launch Structures			2,800	Awarded	ATK Space Systems, Inc.
	Information Sciences Institute Microsatellite Serial Manufacturing Demonstration Program			1,000	Estimated Jul 07	TBD
	Micromachined Switches for Next-Generation Modular Satellites			1,000	Estimated Jul 07	TBD
	Microsatellite Serial Manufacturing			2,000	Estimated Jul 07	TBD
	Photovoltaic Module Development for Lighter than Air Vehicles			1,000	Estimated May 07	TBD
	Precision Integrated Navigation and Position-Intelligent Networking Technology (PINPOINT)			2,900	Awarded	L3 Comm
	Radically Segmented Launch Vehicle (RSLV) Risk Reduction			1,000	Estimated Jun 07	TBD
	Small Low-Cost Reconnaissance Spacecraft			1,100	Estimated Jul 07	TBD
	Space Situational Awareness/Star Tracking System			1,800	Estimated May 07	TBD
	Systemic Hierarchical Approach to Radiation Hardened Electronics			2,800	Awarded	L3 Comm
	Thin Film Amorphous Solar Arrays			10,400	Awarded	United Solar Ovonic Corporation
63844F	WAJE SPACE SURVEILLANCE SYSTEM (WSSS)	6,874	50,374	44,500	-	-
	High Accuracy Network Determination System (HANDS)			8,000	Existing Contract (Prior Add)	Draper
	Maui Space Surveillance System (MSSS) Operations and Research			25,000	Existing Contract (Prior Add)	Boeing and AFRL
	PanSTARRS			11,500	Existing Contract (Prior Add)	University of Hawaii
63801F	CONVENTIONAL WEAPONS	19,854	38,854	19,000	-	-
	Air Force Special Ops Innovative Miniature Infrared Camera			1,400	Estimated Sep 07	TBD
	Clandestine Electric Reconnaissance Vehicle (CERV) for AFSOC			3,200	Estimated Sep 07	TBD
	Falcon Eye Soaker			2,000	Estimated May 07	TBD
	Ground Mobile Gateway System			1,400	Estimated Jun 07	TBD
	Micro-Sized Air-Launched Atmospheric Visibility Sensor			1,400	Estimated Jun 07	TBD
	Next Generation Fixed Wing 5-3B Heavy Aerial Firefighting Tanker			3,200	Estimated Jun 07	TBD
	UAV Sensor Interface and Payloads for Targeting			1,400	Estimated Aug 07	TBD
	Under Vehicle Mobile Inspection			3,600	Estimated Aug 07	TBD
	Weapons Data Link			1,400	Estimated Jun 07	TBD
63850F	ADVANCED WEAPONS TECHNOLOGY	81,336	77,036	25,700	-	-
	Advanced Weapons and Laser Diode Development			2,800	Existing Contract (Prior Add)	Nuvonyx
	Applications of LIDAR to Vehicles with Analysis (ALVA)			6,800	Existing Contract (Prior Add)	Textron Systems
	High Energy Laser Directed Energy Weapon (HEL-DEW) Scaling Optimization			2,400	Sent to Army to be Placed on Existing Contract	Textron Systems
	Hyper/Multispectral Data Reduction and Archiving (HyDRA) Project			1,900	Estimated May 07	TBD
	Laser Spark System Integration			2,900	Existing Contract (Prior Add)	Textron Systems
	Lightweight Multi-Purpose Laser			5,000	Existing Contract (Prior Add)	N-Light Photonics Corporation
	Mid-Infrared Semiconductor Laser for Aircraft Protection			1,700	Estimated May 07	TBD
	Mobile Active Targeting Resource for Integrated Experiments			1,900	Existing Contract (Prior Add)	Boeing - SVS
	Near Earth Space Surveillance Initiative (NESSI)			1,900	Awarded	University of Texas University of New Mexico
	Real-Time Optical Surveillance Applications			1,400	Estimated May 07	TBD



AF S&T FY07 CONGRESSIONAL MARKS

PE	PE TITLE/CONGRESSIONAL ADD	FY06 PB REQUEST	FY06 APPN	CHANGE FROM PB	Contract Award	Identified Performers
63781F	C2I ADVANCED DEVELOPMENT	33,782	46,382	12,600	-	-
	Advanced Course in Engineering			1,000	Awarded Estimated May 07	ITT SI International
	Advanced Fusion for Urban Operations for Forensic Anticipation of Insurgent Activity (Note: Only to expand the recently demonstrated Intelligence Fusion System to provide dynamic situational awareness of insurgent activities as precursors to critical events.)			4,600	Awarded Estimated Apr 07	L3 Comm LMCO
	Hybrid Radio Frequency/Optical Communications Terminal (See Note 21)			1,000	Awarded	ASPTIK
	Massively Parallel Optical Interconnects for Battlespace Information Exchange			2,000	Awarded	GPHOSMP
	National Center for Multi-Source Information Fusion Research			1,000	Estimated May 07	TSD
	Non-Traditional Intelligence Surveillance and Reconnaissance			1,000	Awarded	LMSC
	Semantic SBA for Dynamic Intelligence Fusion Programs			1,000	Estimated May 07	TEC
63889F	EFFORT, PROGRAM	314,855	316,855	4	No Adds	-
63826F	HIGH ENERGY LASER ADVANCED TECHNOLOGY PROGRAM	9,715	2,715	-4	No Adds	-
TOTAL	SCIENCE & TECHNOLOGY	2,145,835	2,115,598	-84,185		

Note 1 Congressional Add was transferred from PE 62311F to PE 61102F for execution
Note 2 Congressional Add was transferred from PE 62511F to PE 62102F for execution
Note 3 Congressional Add was transferred from PE 62702F to PE 62102F for execution
Note 4 Congressional Add was transferred from PE 62511F to PE 62202F for execution
Note 5 Congressional Add was transferred from PE 62511F to PE 62203F for execution
Note 6 Congressional Add was transferred from PE 62202F to PE 62203F for execution
Note 7 Congressional Add was transferred from PE 62602F to PE 62203F for execution
Note 8 Congressional Add was transferred from PE 62560F to PE 62203F for execution
Note 9 Congressional Add was transferred from PE 63112F to PE 62203F for execution
Note 10 Congressional Add was transferred from PE 63216F to PE 62203F for execution
Note 11 Congressional Add was transferred from PE 62283F to PE 62601F for execution
Note 12 Congressional Add was transferred from PE 62560F to PE 62601F for execution
Note 13 Congressional Add was transferred from PE 62560F to PE 62702F for execution
Note 14 Congressional Add was transferred from PE 63401F to PE 63702F for execution
Note 15 Congressional Add was transferred from PE 62601F to PE 63702F for execution
Note 16 Congressional Add was transferred from PE 63604F to PE 63112F for execution
Note 17 Congressional Add was transferred from PE 62560F to PE 63112F for execution
Note 18 Congressional Add was transferred from PE 41115F to PE 63216F for execution
Note 19 Congressional Add was transferred from PE 63216F to PE 63239F for execution
Note 20 Congressional Add was transferred from PE 63216F to PE 63489F for execution
Note 21 Congressional Add was transferred from PE 63216F to PE 63288F for execution

101. Senator MCCAIN. Secretary Wynne and General Moseley, in your view, does the extent of earmarks you receive for basic and applied research interfere with the Air Force's ability to conduct a coherent R&D program which meets the Air Force's technology needs?

Secretary WYNNE and General MOSELEY. The Air Force's R&D program is reflected in this year's budget request and associated unfunded priority list for S&T. Annual congressional adds or earmarks received in the Air Force basic and applied research budget activities do not interfere with our ability to implement this program. We work very hard to structure 1-year efforts that provide new or complementary military utility to this program. While adds do not interfere with coherency, difficulties are experienced in oversight and management of these congressionally-directed efforts. This becomes especially more difficult when working new congressional special interest items where congressional intent is not always clear. With over 200 individual congressional adds, many hundreds, if not thousands, of man-hours are spent understanding congressional intent, contracting, and managing these efforts.

RECRUITMENT AND RETENTION OF AIR FORCE MEDICAL PERSONNEL

102. Senator MCCAIN. Secretary Wynne and General Moseley, the committee has been concerned about the ability of all three Services to recruit and retain top quality medical personnel. The Air Force medical service continues to experience significant challenges. Overall recruiting of fully qualified health care professionals is barely 50 percent of the requirement, and retention is at a 10-year low, contributing to chronic shortages in certain specialties. Looking to the future, what do you think are the most important monetary and nonmonetary incentives for recruiting and retaining medical personnel?

Secretary WYNNE and General MOSELEY. The Deputy Chief of Staff, Manpower and Personnel is working with Health Affairs, Air Force Recruiting Service and Air Force Medical Service to maximize the effectiveness of accession and retention bonuses, and the Health Professions Scholarship Program. We have provided input to the Quadrennial Review of Military Compensation (QRMC) to establish more flexible and expanded special pay and bonus authorities (ability to vary commitments, expand eligibility to target difficult accession and retention career fields, offer lump-sum bonus versus incremental bonus payments). We believe the QRMC proposed revision to special pay legislation coupled with the necessary appropriation, will allow the Air Force to obtain additional years of service from difficult-to-retain career fields and narrow the pay gap with the civilian sector. We thank Congress for the expanded authorities for physician and dentist accessions bonuses granted as part of the NDAA for Fiscal Year 2007.

Also of importance are the following initiatives that are nonmonetary benefits: enhanced professional development, leadership, and professional opportunities, ensuring predictable defined AEF rotations, and encouraging the right balance for our personnel between their professional duties and their families.

103. Senator MCCAIN. Secretary Wynne and General Moseley, do you have all the tools needed to turn this situation around?

Secretary WYNNE and General MOSELEY. The Air Force will have all the tools necessary, with the QRMC revision of special pay and bonus legislation coupled with the required funding. Revision of legislation will enable the Air Force to vary commitments, expand eligibility to target difficult accession and retention career fields, and offer lump-sum bonus versus incremental bonus payments. The Air Force will continue to prioritize recruitment and retention funds within the Air Force to meet our most pressing needs and maximize our effectiveness.

MEDICAL PROGRAM "EFFICIENCY" REDUCTIONS

104. Senator MCCAIN. Secretary Wynne and General Moseley, in fiscal year 2007, $92.5 million was deducted from the Air Force medical budget as an incentive for hospital efficiencies. By fiscal year 2008, nearly $200.0 million in reductions would be realized. What impact have these reductions had on Air Force medical operations in this time of war?

Secretary WYNNE and General MOSELEY. While the reductions were intended to be an incentive for healthcare efficiencies, the actual medical treatment facility efficiencies impact reduced the recapitalization rate in several critical accounts including medical equipment; information management/information technology; facilities sustainment, restoration and modernization; medical supplies; and contracts. This programmatic approach was used to mitigate any negative impact to direct patient care delivery. However, continued use of this strategy will drive critical medical asset recapitalization rates to unacceptable levels and ultimately adversely impact patient care delivery.

105. Senator MCCAIN. Secretary Wynne and General Moseley, the Assistant Secretary for Health Affairs has testified that the reductions should be reevaluated. Do you agree with this assessment?

Secretary WYNNE and General MOSELEY. Yes. The Air Force Medical Service (AFMS) is concerned with the Medical Treatment Facility (MTF) Efficiency reductions. No real healthcare savings will be produced. The AFMS will experience decreased capability/capacity in the direct care system which will result in diminished access. Patients who cannot be treated on base will require care from the civilian sector which means higher costs for TRICARE, a managed health care support program for members of the armed services, their families, and survivors. Before that happens, the AFMS will slow spending in a number of areas such as facility maintenance, new medical equipment, and research and training.

INSPECTION OF AIR FORCE MEDICAL FACILITIES

106. Senator MCCAIN. Secretary Wynne and General Moseley, in light of the revelations on conditions in Building 18 at Walter Reed Army Medical Center, have you directed inspection of Air Force medical facilities to ensure that appropriate standards of cleanliness and safety are being met throughout Air Force medical facilities worldwide? If so, what are the results of those inspections?

Secretary WYNNE and General MOSELEY. Yes, all 75 AFMS MTFs are regularly inspected (both scheduled and unannounced) by 2 nationally recognized audit, inspection, and accreditation organizations. The Joint Commission inspects and accredits Air Force medical centers, hospitals, and several outpatient clinics. The Accreditation Association for Ambulatory Health Care inspects and accredits a growing number of our outpatient clinics. The foremost aspect of these inspections is always quality of care and quality of the patient environment, to include cleanliness and safety. We are proud that all Air Force medical facilities have passed inspection and are accredited.

In addition to this formal inspection regimen, the Air Force Surgeon General has specialized health facilities staff continuously engaged with MTF senior leadership at each command and base to identify, validate, and execute necessary sustainment, repair, and modernization projects. Furthermore, in support of a 5 March 2007 memorandum from the Assistant Secretary of Defense (Health Affairs), the Air Force Surgeon General directed MTF senior leaders to re-examine their known facility requirements and forward up any previously unidentified repair or maintenance projects. The AFMS has funded—or identified funding—for many of these. We have requested additional funding, preferably multi-year in the operation and maintenance account to accomplish the remaining work.

107. Senator MCCAIN. Secretary Wynne and General Moseley, what guidance have you received from Secretary Gates with respect to the revelations at Walter Reed Army Medical Center about facility condition, outpatient care, and administration of the physical disability evaluation processes and what steps have you taken as a result?

Secretary WYNNE and General MOSELEY. The AFMS has been actively engaged in these issues well before the Walter Reed concerns surfaced. All 75 AFMS MTFs are regularly inspected (both scheduled and unannounced) by 2 nationally recognized audit, inspection, and accreditation organizations. The Joint Commission inspects and accredits Air Force medical centers, hospitals, and several outpatient clinics. The Accreditation Association for Ambulatory Health Care inspects and accredits a growing number of our outpatient clinics. The foremost aspect of these inspections is always quality of care and quality of the patient environment, to include cleanliness and safety. We are proud that all Air Force medical facilities have passed inspection and are accredited.

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With respect to outpatient care, the Air Force Survivor Assistance Program was expanded late in 2003 to assign a Family Liaison Officer (FLO) to severely wounded, injured, and seriously ill personnel at every stop in their evacuation from the AOR, and at every intermediate treatment facility. The FLO provides any assistance the member or family needs. The Air Force Palace Helping Airmen Recover Together (HART) program was implemented in 2005 to provide long-term (5-year) assistance with relocation, counseling, employment, and transitional services. The most recent enhancement provides earlier intervention with information needed to make informed decisions on benefit options available to wounded servicemembers and their families.

Finally, to improve the Disability Evaluation System, the changes implemented by the AFMS include simplifying rules for providers when categorizing conditions, establishing Medical Evaluation Board (MEB) completion at 90 days, monitoring Air Reserve component (ARC) (including Air National Guard) Line of Duty determination delays, and tracking ARC personnel on extensions for medical reasons. The Air Force is also evaluating automation options for the MEB process, which will stream-

line and reduce opportunities for miscommunication for Medical and Personnel units. Air Force has a daily customer satisfaction telephone survey and is exploring its use for specific injured/wounded-warrior issues. To improve case management, Air Force established a time limit for receiving medical consultant reports that might be delaying MEB completion.

BASE REALIGNMENT AND CLOSURE DECISION RELATED TO CANNON AFB, NEW MEXICO

108. Senator MCCAIN. Secretary Wynne and General Moseley, in your written testimony, you stated that "several factors have applied pressure to the Air Force budget including unforeseen Base Realignment and Closure (BRAC) costs." The Air Force proposed to the 2005 BRAC Commission to close Cannon AFB in New Mexico, which would have saved the Air Force over $206 million annually and over $2.6 billion over the next 20 years. The BRAC Commission responded by agreeing to close Cannon by 2009 if the Secretary could not find "other newly-identified" missions to replace the F–16s currently operating out of Cannon AFB. The Air Force then recommended stationing Air Force Special Operations units at Cannon without formally announcing a consideration of other potential receiving installations, as is done with all other Air Force weapon system beddowns. In light of budget pressures, why did the Air Force choose to keep a base open that the Air Force had previously recommended for closure?

Secretary WYNNE and General MOSELEY. In September 2005 the BRAC Commission recommended realignment of Cannon AFB by disestablishing the 27th Fighter Wing, and establishing an enclave at Cannon AFB to remain open until 31 December 2009, during which time the Secretary of Defense shall seek other newly-identified missions for Cannon AFB. Under the direction of the Secretary of Defense, the Secretary of the Air Force began a search for a new mission for Cannon AFB. The Air Force engaged in a thorough and comprehensive reuse study to find new uses for the base and its assets. An eight-step process was used by the Assistant Secretary of Air Force (Installations, Environment, and Logistics) to search across the Military Departments, Federal agencies, and the public.

Air Force Special Operations Command (AFSOC) had been looking for a west base since the mid-1990s with a plan called Commando Vision. Commando Vision looked at several locations in the northwest United States, but the plan had not yet been implemented. The DOD QFR and Global Defense Posture drive the need for a further training and beddown site for AFSOC.

109. Senator MCCAIN. Secretary Wynne and General Moseley, prior to the BRAC decision, were the special operations missions identified for Cannon AFB originally planned for other installations with higher military value?

Secretary WYNNE and General MOSELEY. The AFSOC's mission was never identified for any other installation. As stated previously, AFSOC had been looking for a west base since the mid-1990s with a plan called Commando Vision. Commando Vision looked at several locations in the northwest United States, but the plan could not get enough support to implement. The Air Force took the task of finding another mission for Cannon AFB as directed by the BRAC Commission and the Secretary of Defense.

RUNWAY REPAIRS AT LUKE AIR FORCE BASE, ARIZONA

110. Senator MCCAIN. Secretary Wynne and General Moseley, I have been told that the runway at Luke AFB, AZ, is in serious need of repair. The Air Force recently sent a team of pavement specialists out to Luke AFB to analyze the condition and to determine whether immediate repairs were needed as opposed to waiting until 2011, the current schedule. As we wait for the test results, we continue to train new pilots every day at Luke to fly the F–16, the only single-engine fighter in the U.S. military inventory, which is especially prone to engine damage caused by debris on the runway. Why are we taking this risk? Why are we risking a $60 million plus aircraft and a priceless pilot every time during more than 10,000 take-offs and landings monthly, all at the cost of $16 million in operation and maintenance dollars to repair the runway?

Secretary WYNNE and General MOSELEY. We agree pilots' lives are priceless and F–16s are essential warfighting machines, which is exactly why Luke AFB performs maintenance work and sweeping to keep the 1.5 million square feet of Runway 3L/21R operationally safe. Air Force Civil Engineer Support Agency (AFCESA) performed an evaluation on the runway in February 2007. The primary areas of concern on Runway 3L/21R are sections R02C and R09C. These 2 sections (out of 12)

are presently asphalt and are to be replaced with concrete to provide a more durable surface. AFCESA evaluation showed one partial section, R09C–C, has a poor Pavement Condition Index (PCI). All other runway sections have fair or higher PCI ratings. Luke AFB is continually monitoring the condition of Runway 3L/21R, and the preliminary analysis by AFCESA in February 2007 indicates that the runway is not in danger of imminent failure. There is a $15 million MILCON project.

111. Senator MCCAIN. Secretary Wynne and General Moseley, why can't the Air Force find $16 million in a $1.8 billion facility sustainment account to carry out these repairs in fiscal year 2007?

Secretary WYNNE and General MOSELEY. We will bring the Luke AFB Runway 3L/21R repair project forward from fiscal year 2011 if the next AFCESA report, due to be released in June 2007, validates the requirement. Luke AFB and AETC will work priority repair projects during the year as mission, funds, and facility conditions require.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

TOTAL FORCE INTEGRATION

112. Senator WARNER. General Moseley, in reading your opening statement about total force integration, I've been troubled by recent reports within the Air Force about how Air National Guard forces in the total force wing are being viewed. It seems that cuts to manpower in fiscal year 2007 used to pay for modernization are forcing Guard personnel to be used as replacements for regular force reductions. As an example, I've supported the relocation of our Virginia Air National Guard Fighter Wing to Langley AFB so our Guard members can train and operate side-by-side with Active-Duty personnel flying the F–22 Raptor. As I know it, an agreement between the Air Force and the Air National Guard set forth in 2005 envisioned an increase in the total F–22 capability available to COCOMs as measured by crew ratios. The goal was to maximize the overall efficiency and the effectiveness of F–22 combat power by collocating Active and Guard fighting forces to take full advantage of the mutual benefit of each component's strengths in training every day side-by-side. Now I hear that upon completion of the collocation, our Nation may have a net loss of Air Force combat power by using the Virginia Air Guard Wing to compensate for Active Force manpower cuts and to sustain current levels of crew ratios and combat support capability in the Active Forces at Langley AFB. What is the intent of total force integration in relation to maintaining levels of combat capability?

General MOSELEY. The intent of total force integration is to increase Air Force combat capabilities by maximizing crew-ratios and maintenance support to respond to COCOM taskings. The 192nd Fighter Wing's relocation to Langley will occur at the end of this year following the distribution of their F–16s to other Reserve component units in late fiscal year 2007. Many 192nd Fighter Wing personnel are already training and working on F–22s at Langley AFB. By fiscal years 2009–2010, all 192nd Fighter Wing personnel will be fully integrated and collocated with the 1st Fighter Wing. As a result, there will be a net gain of Air Force combat power.

113. Senator WARNER. General Moseley, will Reserve units in total force wings be used to fill in the gaps exposed by Active Force reductions, or will they be maintained as additional combat capabilities?

General MOSELEY. While some manpower efficiencies may be realized once Regular and Reserve component units are fully integrated, Reserve unit personnel are not being used to replace Regular personnel in total force wings.

The Air Force is modernizing while reducing overall aircraft and manpower numbers. High-tech emerging mission areas will provide an exponential increase in capability. As a result, our force structure will have 25 percent fewer fighters and 10 percent fewer total aircraft. The 2025 fighter force will be 100 percent PGM-capable and 90+ percent low observable. Higher crew ratios will increase utilization in wartime and efficiency in peacetime. Reserve components will fly newer, more capable airplanes as they are introduced. Technology improvements in newer aircraft have also significantly reduced the maintenance manpower requirements per flying hour, driving down manpower requirements.

114. Senator WARNER. General Moseley, if the Air Force goal is to sustain increased capabilities, are operational planners being directed to increase the war and mobilization planning assumptions for total force wings?

General MOSELEY. As the Air Force moves from older generation aircraft to fifth-generation aircraft, the advances in technology will deliver better reliability and increased combat capability per aircraft. In addition, the total force changes being implemented by the Air Force will maximize crew-ratios in associate units, allowing for a greater number of sorties to be produced. War planners are aware of all these parameters, and take them into account as they develop war and mobilization plans.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

GUARD AND RESERVE RETIREMENT PROPOSAL

115. Senator CHAMBLISS. Secretary Wynne and General Moseley, in your written statement you discuss your efforts at total force integration to seamlessly join the Guard and Reserve components to the Active component in order to take full advantage of all components' strengths. I think you have been successful in this effort and believe that, perhaps of all the Services, the Air Force has most efficiently and effectively utilized its Guard and Reserve members over the past 15 years and, as you have said many times, you could not do your job without them.

I have introduced a bill in the Senate, S.648, National Guard and Reserve Retirement Modernization Act, which would lower the age at which Guard and Reserve members can collect retired pay by 3 months for every 90 days they spend on Active-Duty in support of a contingency operation. I have two purposes for this bill. The first is to incentivize mid-career personnel who are being deployed, and stand to be deployed again, to stay in the Service by giving them an additional incentive. The second is simply to recognize that the way we are using our Guard and Reserve personnel over the past 10 years has fundamentally changed, and to update the retirement benefit in light of those changes.

Do you believe that, in light of our current usage of the Guard and Reserve and unknowns related to how this usage will affect long-term Guard and Reserve retention and recruiting, we should be considering changes in the Reserve retirement benefit?

Secretary WYNNE and General MOSELEY. We are waiting to see the report from the Commission on the National Guard and Reserve who was directed by Congress to make recommendations. The cost and its tangible impact to the overall Air Force budget and support to the Air Reserve component members must be carefully balanced for a positive conclusion.

116. Senator CHAMBLISS. Secretary Wynne and General Moseley, what specific options related to modernizing the Guard and Reserve retirement benefit has the Air Force considered?

Secretary WYNNE and General MOSELEY. None at this time because we are waiting to see the report from the Commission on the National Guard and Reserve who was directed by Congress to make recommendations. The cost and its tangible impact to the overall Air Force budget and support to the Air Reserve component members must be carefully balanced for a positive conclusion.

117. Senator CHAMBLISS. Secretary Wynne and General Moseley, in light of different options for improving or changing the Reserve retirement benefit, would you prefer:

- An option that rewards Guard and Reserve members across the board, regardless of their level or type of participation?
- An option that rewards Guard and Reserve members who remain in the Selected Reserve beyond 20 years?
- An option that simply lowers the age of annuity receipt by 5 or 10 years?
- An option that is targeted to Guard and Reserve who are deploying in support of contingency operations related to the global war on terrorism?

Secretary WYNNE and General MOSELEY. The Air Force cannot elect any options at this time, until sufficient information on the cost/benefit analysis as it impacts recruiting and retention is received.

118. Senator CHAMBLISS. Secretary Wynne and General Moseley, in structuring a potential change to the Reserve retirement benefit, what factors would you consider and what type of behavior would you want to incentivize through a changed benefit?

Secretary WYNNE and General MOSELEY. We would consider and attempt to incentivize enhanced recruiting and retention of Reserve component members, lim-

iting Reserve component mobilization and enhancing Reserve component volunteerism.

119. Senator CHAMBLISS. Secretary Wynne and General Moseley, what is your specific opinion of S.648?

Secretary WYNNE and General MOSELEY. We do not have a specific opinion at this time. We are waiting to see the report from the Commission on the National Guard and Reserve who was directed by Congress to make recommendations. We would happily consider any proposal, but would need to fully understand how the proposal benefits, applies to, or affects the Total Force.

REPAIR ENTERPRISE 21

120. Senator CHAMBLISS. Secretary Wynne and General Moseley, in the section on "Depot Maintenance Transformation" in your written statement you discuss an initiative called "Repair Enterprise 21" which appears to be a new approach to Air Force logistics. Repair Enterprise 21 is a lean logistics initiative which will "establish an enterprise-wide single repair network supporting the entire Air Force supply chain." Would you please explain in more detail the status of Repair Enterprise 21, what it entails exactly, how it will impact or change the current role of the Air Logistics Centers, and most importantly, how it will affect the Air Force's sustainment of weapon systems?

Secretary WYNNE and General MOSELEY. Repair Enterprise 21 (RE21) will rightsize and rationalize the Air Force's intermediate maintenance infrastructure. Ultimately, RE21 will reduce the number of Air Force intermediate repair facilities from approximately 75 to 22 and increase slightly the workload at the Air Logistics Centers (ALCs). Intermediate repair requirements will be prioritized centrally and accomplished by either a Centralized Intermediate Repair Facility or at an ALC. Senior Air Force leadership has approved 9 of 14 organic repaired commodities for transition to the RE21 repair network:

- B–1, C–5, C–130, E–3, and F–16 Avionics
- TF33 engines
- Pave Penny and Low Altitude Navigation Targeting Infrared for Night (LANTIRN) Pods

The F100/F110 and F101 engines are pending approval. We anticipate late spring or early summer for their approval.

Three commodities have been disapproved or tabled:

- ALQ131 and ALQ184 pods were disapproved due to cost to ship oversized classified cargo and lack of spare pods
- F–15 Avionics has been tabled and will be readdressed in 12 months

We expect the TF33 engine transition to start in the fourth quarter of fiscal year 2007. The B–1, C–5, C–130, E–3, and F–16 Avionics and Pave Penny pod transitions will start in the first quarter of fiscal year 2008. The F101 engine and LANTIRN pods will start in the second quarter of fiscal year 2008.

We expect weapon system sustainment to improve with RE21, particularly with a stable workforce and standardized work practices. Additionally, by centralizing engine repair we can focus on reliability centered maintenance through module matching and more rapid introduction of technical improvements to improve engine average time on wing.

TOTAL FORCE INTEGRATION

121. Senator CHAMBLISS. General Moseley, the 116th Air Control Wing is the first and only "blended wing" which includes both Active and Guard personnel doing the same tasks and deploying together. The "blended wing" has worked well in this case, but it has worked well primarily because the people involved have made it work well, in spite of organizational challenges and cultural differences between the Guard and Active force. What have the Air Force and DOD in general learned from the "blended wing" concept and how has it informed the Air Force's efforts at "Total Force Integration"?

General MOSELEY. The Air Force learned a great deal from this initial integration effort at Robins AFB. We took a brand new mission that had not received all of its equipment, threw it into a conversion that had never been tried, shortened the conversion period and then sent it immediately to war . . . and it was successful. This proved that Air Force men and women can accomplish remarkable feats in the face of substantial obstacles. We also learned that each component brings a unique set

of tools and capabilities that, when combined and shared daily, is greater than the sum of its parts. This is especially true in the maintenance community. We learned that many of the "pre-set" notions one component formulates about the other are marginalized or dissolved totally with integration. Finally, we learned that one size does not fit all. Total Force Integration transformation efforts are dependent upon a number of factors which must be identified, analyzed, and coordinated to ensure the Air Force gets the greatest value for the effort. As a result of what we learned, we sought and received congressional support for important changes to the legal guidance in titles 10 and 32. We still have work to do operationally to facilitate support using full-time Guard and Reserve personnel as well as dual-hatted authority.

122. Senator CHAMBLISS. General Moseley, what are other models for Active/Reserve interaction that you are considering that might take advantage of the unique capabilities and best practices resident in the Reserve and the Active Force?

General MOSELEY. There are four associate models being used for Total Force Integration implementation:

Classic Associate:

An integration model where a Regular Air Force component unit retains principle responsibility for weapon system or systems, which it shares with one or more Reserve component units. Regular and Reserve component units retain separate organizational structures and chains of command. There are varying degrees of functional integration based on MOUs.

Active Associate:

An integration model where a Reserve component unit has principle responsibility for weapon system or systems, which it shares with one or more regular units. Reserve and regular component units retain separate organizational structures and chains of command. There are varying degrees of functional integration based on MOUs.

ARC Associate:

An integration model where two or more ARC units integrate, with one retaining principle responsibility for weapon system or systems, which are shared by all. Each unit retains separate organizational structures and chains of commands. There are varying degrees of functional integration based on MOUs.

Integrated Associate:

An integration model similar to the classic associate model; however, members of all components contribute to one unit mission with administrative control and support provided by the respective component via detachments.

C–130 AND JOINT CARGO AIRCRAFT

123. Senator CHAMBLISS. Secretary Wynne and General Moseley, the Air Force is requesting funding for 33 C– and KC–130J aircraft in the fiscal year 2007 and fiscal year 2008 supplemental requests and the fiscal year 2008 base budget. The Air Force is also planning to procure another intratheater airlift platform, the Joint Cargo Aircraft (JCA) which is a joint program with the Army. What business case and requirements have led you to a decision to procure both these aircraft?

Secretary WYNNE and General MOSELEY. The 2006 QDR, informed by the 2005 MCS, established a range of 395–674 C–130s to support the NMS with acceptable risk. In December 2007, AMC is scheduled to complete an Intratheater Fleet Mix Analysis to determine the best mix of intratheater aircraft. The future Air Force intratheater fleet will include the C–130, C–17, and the JCA, and the mix of that fleet is dependent on many factors including health of the C–130 fleet and dedicated intratheater C–17 lift.

C–130Js

To meet the minimum MCS requirement, the Air Force requested 29 C–130Js. In the fiscal year 2007 supplemental request, the Air Force requested 5 C–130Js to replace 5 C–130H2s being converted to MC–130Ws. In the fiscal year 2008 budget, the Air Force requested 9 C–130Js on the multi-year procurement contract. In the fiscal year 2008 supplemental, the Air Force requested 5 C–130Js to replace the remaining 5 C–130Hs being converted to MC–130Ws, 7 C–130Js to replace stressed C–130s due to the global war on terror, and 3 C–130Js to replace 3 non-combat C–130 losses.

The United States Marine Corps requested 4 KC–130Js in the fiscal year 2008 budget and 7 KC–130Js in the fiscal year 2008 supplemental.

JCAs

In accordance with Program Decision Memorandum (PDM) III in December 2005, the Army and Air Force were directed to form a Joint Program Office (JPO) from the Army's Future Cargo Aircraft (FCA) and the Air Force's Light Cargo Aircraft. In June 2006, the Army and Air Force signed a Memorandum of Agreement (MOA) to purchase the same JCA platform. The Army and Air Force are on track to meet the Milestone C decision by 30 May 07. The Air Force is committed to the JCA program and to delivering unparalleled intratheater airlift to the COCOMs.

124. Senator CHAMBLISS. Secretary Wynne and General Moseley, to what extent do the JCA and C–130J have overlapping versus distinct capabilities?

Secretary WYNNE and General MOSELEY. The JCA and C–130J have similar capabilities for use in the intratheater airlift role. Both are capable of short takeoff and landing at fields as short as 2,000 feet. Both aircraft are capable of moving the Department's standard 463L pallet and can airdrop container delivery system bundles. Additionally, both aircraft will be equipped with all the requisite communications, navigation, and defensive gear to operate as an integral part of our combat theater airlift system. Still, the C–130J offers capabilities that the JCA does not, and the JCA offers efficiencies not available in the C–130J. The C–130J is faster and offers greater cargo capacity, higher climb gradients, and more flexibility on similar sized runways than the JCA. The C–130J is compatible with all current Air Force Material Handling Equipment (MHE) and can accept a 463L pallet configured at a standard height of 96 inches, both of which the JCA cannot. Finally, the C–130J can carry many vehicle types that the JCA cannot (Stryker, Fire Engine, Up-armored Humvee, et cetera). However, our experience in Iraq and Afghanistan shows frequent, but required, movement of less-than-C–130 sized loads. In these situations, the JCA offers more efficiency than the C–130J because its cost to operate per flight hour is less. Also, depending on which aircraft is selected for the JCA, it may even burn fewer pounds of fuel per passenger or pallet mile than the C–130J. Finally, the unit cost of a JCA will be significantly less than a C–130J. In December 2007, AMC is scheduled to complete an Intratheater Fleet Mix Analysis to determine the best mix of intratheater aircraft. The future Air Force intratheater fleet will include the C–130, C–17, and the JCA, and the mix of that fleet is dependent on many factors including health of the C–130 fleet and dedicated intratheater C–17 lift.

125. Senator CHAMBLISS. Secretary Wynne and General Moseley, what missions will you use the JCA for that are unique from missions that C–130Js and existing rotary wing assets currently accomplish?

Secretary WYNNE and General MOSELEY. There are currently no unique JCA missions in the intratheater airlift role that cannot be performed by a C–130J or by rotary wing assets. JCA and C–130J takeoff and landing performance is almost the same with both aircraft capable of short takeoff and landing at fields as short as 2,000 feet. Further, the C–130J offers greater cargo capacity and flexibility on similar sized runways as the JCA.

However, the JCA dimensions are significantly smaller than those of the C–130J. This will allow the JCA to maneuver into tighter spaces on the ground and in parking which offers the potential to operate at fields with a more tightly constrained "maximum on ground" factor. In addition, the JCA will be a more efficient passenger and cargo mover of less-than-C–130 sized loads, since its operating costs will be less per flight hour and the unit cost of a JCA will be significantly less than a C–130J.

In December 2007, AMC is scheduled to complete an Intratheater Fleet Mix Analysis to determine the best mix of intratheater aircraft. The future Air Force intratheater fleet will include the C–130, C–17, and the JCA, and the mix of that fleet is dependent on many factors including health of the C–130 fleet and dedicated intratheater C–17 lift.

COMBAT SEARCH AND RESCUE–X

126. Senator CHAMBLISS. Secretary Wynne, senior Air Force and OSD officials have stated that early delivery of the Boeing HH–47 was a high priority criterion to its selection for CSAR–X. Was delivering CSAR–X early a KPP?

Secretary WYNNE. The early delivery of the CSAR–X is not a KPP in the CSAR–X Capability Development Document (CDD) or the Systems Requirements Document (SRD). The Air Force's selection was based upon an integrated Best Value assessment using the evaluation criteria published in the Request for Proposal (RFP). The evaluation criteria are as follows: Factor 1, Mission Capability (includes the fol-

lowing subfactors listed in rank order: Aircraft Performance—Block 0, System Architecture and Software, Systems Engineering, Product Support, Management/Schedule, and Aircraft Performance—Block 10); Factor 2, Proposal Risk; Factor 3, Past Performance; and Factor 4, Cost/Price. Factors 1, 2, and 3 were equally important, but when combined are significantly more important than Cost/Price. Evaluation of the Management/Schedule subfactor included the offeror's approach and ability to effectively and efficiently implement and manage the CSAR–X program to support an Initial Operational Capability not later than fiscal year 2012.

Timely replacement of the aging and under capable HH–60 fleet is an Air Force priority which is why the acquisition strategy delivers a Block 0 (initial capability) first followed by Block 10 (full capability).

127. Senator CHAMBLISS. Secretary Wynne, will any CSAR–X capabilities be sacrificed for earlier delivery?

Secretary WYNNE. The Air Force did not trade any CSAR–X capabilities for early delivery during source selection; however the Air Force may make necessary program adjustments as permitted within the approved contract to maintain schedule, cost, and performance parameters.

128. Senator CHAMBLISS. Secretary Wynne, what early schedule benefit will the Air Force receive by selecting Boeing versus the other bidders for CSAR–X?

Secretary WYNNE. The early delivery of the CSAR–X is not a KPP in the CSAR–X CDD or the SRD. The Air Force's selection was based upon an integrated Best Value assessment using the evaluation criteria published in the RFP. The evaluation criteria are as follows: Factor 1, Mission Capability (includes the following subfactors listed in rank order: Aircraft Performance—Block 0, System Architecture and Software, Systems Engineering, Product Support, Management/Schedule, and Aircraft Performance—Block 10); Factor 2, Proposal Risk; Factor 3, Past Performance; and Factor 4, Cost/Price. Factors 1, 2, and 3 were equally important, but when combined are significantly more important than Cost/Price. Evaluation of the Management/Schedule subfactor included the offeror's approach and ability to effectively and efficiently implement and manage the CSAR–X program to support an Initial Operational Capability not later than fiscal year 2012.

Timely replacement of the aging and under capable HH–60 fleet is an Air Force priority which is why the acquisition strategy delivers a Block 0 (initial capability) first followed by Block 10 (full capability).

129. Senator CHAMBLISS. Secretary Wynne, operations in the terminal area—the combat landing zone and surrounding area—is the most critical, dangerous portion of a combat rescue mission. Were terminal area characteristics a KPP for the CSAR–X program?

Secretary WYNNE. The development of the CSAR–X requirements was led by experienced Air Force operators, maintainers, and support personnel who have performed the demanding CSAR mission. Terminal area characteristics are not addressed as a stand-alone KPP for CSAR–X, however they were considered during CSAR–X requirements development and influenced eight of the nine KPPs, including: Combat Radius, Rotor-Downwash at Mid-mission gross weight, Net Ready, Self Defense, Vulnerability Reduction, Electro Optical/Infrared (EO/IR) threat disengagement, Radio Frequency (RF) threat disengagement, and Payload/Cabin Space.

130. Senator CHAMBLISS. Secretary Wynne, if there is a follow-on source selection for CSAR–X, will the Air Force place greater emphasis on aircraft attributes for terminal area operations?

Secretary WYNNE. In response to the GAO's recommendation in their February 26 decision, the Air Force will soon issue an amendment to the RFP and conduct an evaluation of the revised proposals. The Air Force validated requirements have not changed and we will continue to apply an integrated Best Value assessment, which considers Mission Capability, Proposal Risk, Past Performance, and Cost/Price evaluation factors. The evaluation criteria are as follows: Factor 1, Mission Capability (includes the following subfactors listed in rank order: Aircraft Performance—Block 0, System Architecture and Software, Systems Engineering, Product Support, Management/Schedule, and Aircraft Performance—Block 10); Factor 2, Proposal Risk; Factor 3, Past Performance; and Factor 4, Cost/Price. Factors 1, 2, and 3 were equally important, but when combined are significantly more important than Cost/Price.

131. Senator CHAMBLISS. Secretary Wynne, did the less expensive medium-lift CSAR–X competitors fail to meet the minimum specified requirements?

Secretary WYNNE. The CSAR–X RFP required that all offerors meet all the Government's specified minimum requirements. The integrated Best Value assessment determines which offeror best meets or exceeds the Government's requirements as stated in the RFP.

QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

C–130 AVIONICS MODERNIZATION PROGRAM

132. Senator CORNYN. Secretary Wynne, what is the Air Force's plan for the AMP for the C–130 fleet?

Secretary WYNNE. The plan in the fiscal year 2008 President's budget is to install AMP on 268 C–130H1, H2, H2.5, and H3 combat delivery aircraft. On 2 February 2007, C–130 AMP declared a critical Nunn-McCurdy breach and is currently undergoing an OSD certification process. Results of this certification process are due to Congress on 5 June 2007.

133. Senator CORNYN. Secretary Wynne, what is the estimated cost per aircraft?

Secretary WYNNE. The Average Procurement Unit Cost is $11.8 million (procurement cost/procurement quantity). The Program Acquisition Unit Cost is $17.29 million ((RDT&E cost + procurement cost)/total quantity). This information is based on the December 2006 Selected Acquisition Report submitted to Congress in April 2007.

134. Senator CORNYN. Secretary Wynne, how many C–130Es will undergo the modernization program and what is the timetable for this work to be done?

Secretary WYNNE. No C–130Es will undergo C–130 AMP or Center-Wing Replacement.

135. Senator CORNYN. Secretary Wynne, how many C–130H1s will undergo the modernization program and what is the timetable for this work to be done?

Secretary WYNNE. All 47 C–130H1 aircraft are planned for modernization. They are tentatively scheduled to begin C–130 AMP modification in fiscal year 2011.

C–130 WING BOX REPAIRS

136. Senator CORNYN. General Moseley, what is the Air Force's plan for repairing the wing boxes of the C–130 fleet?

General MOSELEY. As mentioned above, we inspect and repair as necessary to lift flight restrictions between 38K and 45K EBH, at which point the aircraft grounds regardless. The only way to remove the aircraft from grounded status is a full replacement of the center-wing box. Our replacement program is being implemented in 3 stages to accommodate changing requirements based on force structure decisions. At this point, we have no requirement to replace center-wing boxes on E models. All other C–130 Mission Design Series (MDSs) are phased into the program based on projected restriction points and EBH analysis.

Phase 1 is a Sole Source Contract to Lockheed Martin to convert an AC–130H center-wing box to the MC–130H configuration; currently being installed and scheduled to complete by the end of April 2007.

Phase 2 is a Sole Source Contract for Lockheed Martin to deliver 12 Kits for the MC–130H, HC–130N/P, and the C–130H.

Phase 3 is a Sole Source Contract for Lockheed Martin and was awarded on 31 Mar 07. This phase replaces the center-wing boxes of the remaining fleet of AC–130U, EC–130H, MC–130H, HC–130N/P, C–130H1/H2/H3, any potential Foreign Military Sales (FMS), Coast Guard (USCG), and Navy requirements. We expect to recompete in fiscal year 2009 and estimate contract award in fiscal year 2010 for components surrounding the wing box; this could result in qualification of a second source.

137. Senator CORNYN. General Moseley, what is the estimated repair cost per aircraft?

General MOSELEY. Current costs to replace the center-wing box range is between $6–$7.5 million per aircraft depending on the Mission Design Series.

If you are looking at repair cost, then repairs resulting from the Time Compliance Technical Order (TCTO) 1908 inspection are running about $700,000–$800,000 depending on the extent of damage. TCTO 1908 inspection takes a restricted aircraft (~38,000 EBH) and identifies structural deficiencies to repair it to put in "unre-

stricted flight status to 45,000 EBH" and then it is grounded, regardless of repairs. For the most part a TCTO 1908 aircraft gets between 4–7 years of unrestricted life on it—depending on how you fly the aircraft and the EBH factor, but it does not prevent grounding at 45,000 EBH.

138. Senator CORNYN. General Moseley, how many C–130Es will undergo wing box repairs and what is the timetable for these repairs?

General MOSELEY. Currently we do not plan, nor have we budgeted, to replace any center-wing boxes on our C–130E fleet.

139. Senator CORNYN. General Moseley, how many H1s will undergo wing box repairs and what is the timetable for these repairs?

General MOSELEY. The current replacement plan is for 47 C–130H1s to undergo wing box replacement. The timetable for these replacements is based on projected restriction points and EBH analysis with replacements beginning in fiscal year 2009 and completing in fiscal year 2013.

Since the TCTO 1908 inspection and repair is only an interim solution to allow unrestricted flight operations between 38,000 and 45,000 EBHs, at which point the aircraft grounds, we are trying to limit the number of 1908 inspections and repairs to minimum essential.

140. Senator CORNYN. General Moseley, how many H2s will undergo wing box repairs and what is the timetable for these repairs?

General MOSELEY. The current plan is for 152 C–130H2s to undergo center-wing box replacement. The timetable for these replacements is based on projected restriction points (38,000 EBH) and EBH analysis with repairs beginning in fiscal year 2014 and completing in fiscal year 2020.

Given that we have sufficient lead time to replace C–130H2 center-wings at or just prior to their restriction point, it is highly unlikely that we will conduct TCTO 1908 inspections on H2s.

141. Senator CORNYN. General Moseley, how many H3s will undergo center-wing box repairs and what is the timetable for these repairs?

General MOSELEY. The current plan is for 80 C–130H3s to undergo center-wing box replacement. The timetable for these replacements is based on projected restriction points and EBH analysis with replacements beginning in fiscal year 2014 and completing in fiscal year 2020.

Given that we have sufficient lead time to replace C–130H3 center-wing boxes at or just prior to their restriction point, it is highly unlikely that we will conduct TCTO 1908 inspections on H3s.

C–130 RETIREMENT

142. Senator CORNYN. Secretary Wynne, what is the Air Force plan for retiring C–130s?

Secretary WYNNE. The Air Force plan is to divest the C–130E fleet by fiscal year 2015. The Air Force will have 119 C–130Es at the end of fiscal year 2007 following the retirement of 51 C–130Es authorized in the NDAA for Fiscal Year 2007. The 119 C–130Es remaining will be retired over the next 8 years. The Air Force retirement plan will balance the declining health of the C–130E fleet with recapitalization efforts to meet the 395 C–130 minimum directed by the 2005 MCS to achieve moderate risk.

143. Senator CORNYN. Secretary Wynne, how many C–130Es are to be retired and what is the timetable for them?

Secretary WYNNE. The Air Force current C–130 retirement/modernization plan is to divest the C–130E fleet and modernize the C–130H fleet (H, H1, H2, H2.5, and H3). The Air Force will have 119 C–130Es at the end of fiscal year 2007 following the retirement of 51 C–130Es authorized in the NDAA for Fiscal Year 2007. The level and speed of recapitalization efforts will directly impact the speed at which the Air Force retires the structurally fatigued, less capable C–130E. The Air Force is requesting to retire 24 C–130Es in fiscal year 2008, bringing the C–130E fleet strength down to 95 by the end of fiscal year 2008. The C–130Js requested in the fiscal year 2007 and fiscal year 2008 global war on terror supplementals will assist the Air Force in the recapitalization of the C–130Es.

144. Senator CORNYN. Secretary Wynne, how many C–130H1s are to be retired and what is the timetable for retiring them?

Secretary WYNNE. The Air Force has no plan to retire any of the 47 C–130H1s in the current C–130 fleet. The Air Force current program of record is to include all 47 C–130H1s in the C–130 Avionics Modernization Program and the Center-Wing Box replacement program.

C–130 BASING

145. Senator CORNYN. General Moseley, please list all of the C–130 bases and the following information for each base:

- The number and model (E, H1, H2, H3, or J) of C–130 aircraft.
- The number of such aircraft in Active-Duty, Guard, or Air Force Reserve.

General MOSELEY. Please see attached C–130 Fleet as of 01 Oct 06 slide which provides complete break out of the C–130 number, model, location, and disposition (Active-Duty, Guard, or Air Force Reserve).

146. Senator CORNYN. General Moseley, what is the Air Force's plan for maintaining C–130s in the Active-Duty Force?

General MOSELEY. The Air Force currently has 13 Active-Duty C–130 Squadrons, including an Active-Duty Association at Cheyenne. By fiscal year 2008 the Air Force will convert one of their squadrons to an Active-Duty Association at Pope and by fiscal year 2011 the Air Force plans to stand-up one additional Active-Duty Association at Elmendorf; both in support of BRAC-directed force structure changes. This will bring the final total Active-Duty C–130 Squadron count to 14 through the FYDP.

147. Senator CORNYN. General Moseley, what is the Air Force basing plan for Active-Duty C–130s in the next 5 years?

General MOSELEY. Over the next 5 years the Air Force will maintain Active-Duty C–130 presence at Dyess AFB, TX; Little Rock AFB, AR; Ramstein AB, Germany; and Yokota AB, Japan. Additionally, the Air Force will have three Active Associate units at Cheyenne, WY; Pope AAF, NC; and Elmendorf AFB, AK.

148. Senator CORNYN. General Moseley, what is the Air Force basing plan for Active-Duty C–130s in the next 10 years?

General MOSELEY. Over the next 10 years the Air Force will maintain Active-Duty C–130 presence at Dyess AFB, TX; Little Rock AFB, AR; Ramstein AB, Germany; and Yokota AB, Japan. Additionally, the Air Force will have three Active-Duty Associate units at Cheyenne, WY; Pope AAF, NC; and Elmendorf AFB, AK.

JOINT CARGO AIRCRAFT

149. Senator CORNYN. Secretary Wynne, what is the Air Force's plan concerning the acquisition of JCA?

Secretary WYNNE. The Army and Air Force have been conducting a Joint Source Selection since the RFP was released on 17 March 06. The Services are on track for a Milestone C decision for low rate production in May. We expect the winner to be announced shortly after a successful Milestone C decision.

50. Senator CORNYN. Secretary Wynne, how many JCAs are needed?

Secretary WYNNE. In June 2006, the Army and Air Force signed an MOA to purchase the same JCA platform. In preparation for Milestone C decision in May 2007, the Air Force is finalizing a preliminary assessment of JCA quantities. A more detailed analysis of the optimum intratheater airlift fleet mix is being conducted by RAND and will be complete in December 2007. The Air Force is committed to the JCA program and to delivering unparalleled intratheater airlift to the COCOMs.

151. Senator CORNYN. Secretary Wynne, what is the Air Force's timetable for procuring these JCAs?

Secretary WYNNE. The Air Force is scheduled to begin procurement in fiscal year 2010 after a successful Full Rate Production decision.

152. Senator CORNYN. Secretary Wynne, is the Air Force planning to use JCAs as replacements for C–130s?

Secretary WYNNE. No, based on the 2005 MCS, we need the capacity of at least 395 C–130s to stay above the acceptable risk level.

153. Senator CORNYN. Secretary Wynne, what is the Air Force's basing plan for the JCAs?

Secretary WYNNE. The Air Force transformational efforts maximize current and future capabilities through Total Force Integration; a cornerstone of the JCA program. The basing and beddown for this new airframe will leverage the strengths of Active Duty, Guard, and Reserve Forces to ensure maximum effectiveness of this vital asset. JCA basing is still in development and will take into consideration many factors to include the Army's basing strategy, expanding role of homeland security/homeland defense, support to FEMA regions, and minimizing MILCON costs. At this time, the Air Force is postured for aircraft selection in May 2007 and reception of its first JCA in fiscal year 2012.

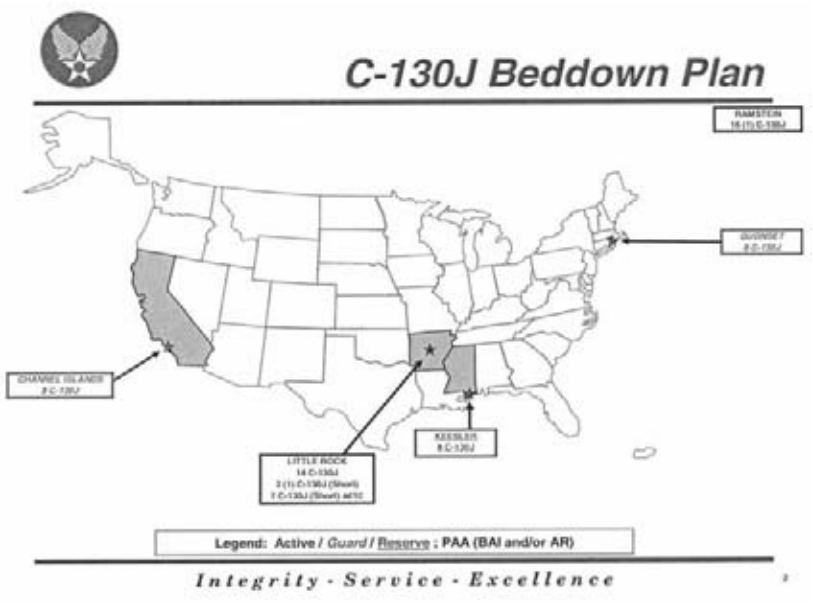
C–130J

154. Senator CORNYN. Secretary Wynne, what is the Air Force plan for continued acquisition of the C–130J stretch model beyond the existing contract?

Secretary WYNNE. The Air Force's Multi-Year Procurement of the C–130J is set to end in fiscal year 2008 with additional procurements based solely on unfunded priorities and global war on terrorism supplementals.

155. Senator CORNYN. General Moseley, please list the bases that will receive C–130Js, the number of C–130Js at each base, and specify whether the aircraft will be in Active-Duty, Guard, or Air Force Reserve.

General MOSELEY. Please see attached C–130J Beddown Plan slide which provides the Air Force's programmed C–130J force structure.



[Whereupon, at 11:46 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, MARCH 22, 2007

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

UNITED STATES SOUTHERN COMMAND, UNITED STATES NORTHERN COMMAND, AND UNITED STATES JOINT FORCES COMMAND

The committee met, pursuant to notice, at 9:36 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Bill Nelson, Bayh, Pryor, Warner, Sessions, Thune, and Martinez.

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

Majority staff members present: Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Peter K. Levine, general counsel; Michael J. Noblet, research assistant; Arun A. Seraphin, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Lynn F. Rusten, professional staff member; Robert M. Soofer, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: David G. Collins, Fletcher L. Cork, and Jessica L. Kingston.

Committee members' assistants present: Christopher Caple, Sherry Davich, and Caroline Tess, assistants to Senator Bill Nelson; Todd Rosenblum, assistant to Senator Bayh; M. Bradford Foley and Terri Glaze, assistants to Senator Pryor; Sandra Luff, assistant to Senator Warner; Mark J. Winter, assistant to Senator Collins; Stuart C. Mallory, assistant to Senator Thune; and John L. Goetchius, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to consider the posture of three military com-

mands that are crucial to our National Security: U.S. Northern Command (NORTHCOM), U.S. Southern Command (SOUTHCOM), and U.S. Joint Forces Command (JFCOM).

With the high-stress deployments in Iraq, and the resulting strains on the readiness of our military forces, this hearing is a timely opportunity to hear from JFCOM which is the force provider for the combatant commands, and from two of the combatant commands that depend upon JFCOM for the military forces that they would need if a contingency were to arise in their areas of responsibility.

In this regard, NORTHCOM and SOUTHCOM are two of the economy of force commands, because they do not require large numbers of military forces on a normal basis. Under today's circumstances with so many of our military forces deployed to Iraq, preparing to deploy, or recovering from recent deployments, a question arises as to where JFCOM would get ready, trained, and equipped forces to provide NORTHCOM or SOUTHCOM, if needed. I hope we can explore that topic, among others, at today's hearing.

This morning, we welcome Admiral Timothy Keating, who is the Commander of U.S. NORTHCOM, and of North American Aerospace Defense Command (NORAD). Admiral Keating has been the Commander of U.S. NORTHCOM since November 2004, has recently been nominated for, and on Monday was confirmed as, the next Commander of U.S. Pacific Command (PACOM). We congratulate you, Admiral, on your confirmation, and we'll look forward to working with you on your next assignment.

Admiral Keating will not assume command of PACOM until later in the month, so we will have the benefit of his experience, and his knowledge of NORTHCOM for today's hearing.

NORTHCOM has a two-pronged mission. It is responsible for conducting operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories, and interests within its assigned area of responsibility (AOR), and as directed by the President, or Secretary of Defense, it provides military assistance to civil authorities for domestic crises, including consequence management of natural disasters, like Hurricane Katrina, and man-made disasters, like those involving chemical, biological, radiological, nuclear, and high-yield explosive incidents.

The NORTHCOM AOR is the United States, Canada, and Mexico, and the land, sea, and air approaches to those territories. So, when it comes to defending the territory of the United States, NORTHCOM has the primary responsibility.

The committee also welcomes Admiral James Stavridis, Commander of SOUTHCOM, who is responsible for an area including Latin America, south of Mexico, and the countries and territories of the Caribbean as well as the surrounding waters, ocean, and sea.

The committee is interested in hearing from the Admiral regarding U.S. assistance to Colombia, and the progress being made to balance our security, stability, and democracy in Colombia, and also stop the cultivation, manufacturing, and trafficking of drugs. The price, purity, and supply of cocaine in the United States does not appear to have changed much, and so we'll want to hear why and whether we need to do more to interdict drugs across the transit zone from South America to the United States.

We'll also hear, or hope to hear, the SOUTHCOM perspective regarding ongoing U.N. Peacekeeping Operations in Haiti, and the impact of populist anti-Americanism in South and Central America.

Within the direct responsibility of SOUTHCOM, Admiral Stavridis, we also would like to have your assessment of the ongoing detention and interrogation operations at Guantanamo Bay, and your understanding of what the plans are for the future of the installations there, and the status of any plans for dealing with a post-Castro Cuba.

Finally, emphasizing my initial point, the committee needs to hear how SOUTHCOM activities are being affected, or could be affected, by the reduced availability of U.S. Forces, including Special Operations Forces, due to operational requirements in other combatant command areas.

Finally, we welcome General Lance Smith, U.S. Air Force, Commander of the JFCOM. General Smith and his command have the important responsibility of providing mission-ready, joint-capable forces to our combatant commanders around the world. This is a particularly challenging mission at a time when so many of our military forces are deployed in Iraq.

JFCOM also supports the development and integration of present and future interagency and multi-national military capabilities.

Our committee has a longstanding interest in JFCOM's mission, responsibilities, authorities, and activities with respect to joint doctrine development, training experimentation, and acquisition. We're particularly interested today to hear General Smith's views on the status of JFCOM's contribution to the readiness of our deployed and nondeployed forces.

We thank each of you for your long and continued service to our Nation, and we look forward to your testimony.

Senator Warner?

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman.

On behalf of the distinguished ranking member, Senator McCain, I ask unanimous consent to place his full statement in the record.

Chairman LEVIN. It will be.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

The committee meets today to receive testimony from Admiral Timothy Keating, Commander of U.S. Northern Command (NORTHCOM); General Lance Smith, Commander of U.S. Joint Forces Command (JFCOM); and Admiral James Stavridis, Commander of U.S. Southern Command (SOUTHCOM), on their military strategy and operational requirements. As combatant commanders, we welcome your insight on developments in your areas of responsibility, as well as your assessment of the fiscal year 2008 defense budget request. The committee values the contributions and sacrifices you and the fine men and women under your command are making on behalf of the American people.

Admiral Keating, protecting the United States from direct attack is the highest priority of the Department of Defense (DOD). In addition to defending the Nation against attacks by hostile forces, NORTHCOM also is charged with the responsibility for providing critical support to civil authorities in preventing and responding to terrorist incidents and in assisting civilian agencies in dealing with the aftermath of other domestic emergencies and natural disasters.

The DOD Strategy for Homeland Defense and Civil Support assumes there will be a mass casualty attack against the United States. While the Department of Homeland Security is the lead Federal agency for preventing and responding to such attacks, I would note that 12 of the 15 National Planning Scenarios issued by the Homeland Security Council deal with chemical, biological, or radiological events that could quickly overwhelm the capacity of local and State first responders. As such, the DOD must be prepared to address these important civil support missions utilizing both the Active and Reserve component.

At the same time, however, the Government Accountability Office, the Commission on the National Guard and Reserves, and the Chief of the National Guard Bureau all warn that the National Guard is under-resourced for many of the missions it now performs—especially those necessary to deal with weapons of mass destruction events in the Homeland. Likewise, it is unclear whether we have made sufficient progress as a government in addressing those communications interoperability and interagency coordination problems that hampered recovery efforts after Hurricane Katrina. I will be interested to learn how well NORTHCOM is progressing in these areas.

General Smith, as Commander of JFCOM, you are responsible for providing the trained and ready forces needed by regional combatant commanders. In this role, JFCOM assigns nearly all conventional forces based in the continental U.S. In 2006, JFCOM developed recommendations and coordinated the deployment of more than 310,000 personnel in support of requirements identified by combatant commanders.

We look forward to hearing your testimony today about JFCOM's important role as force provider as well as JFCOM's complementary work in joint training, joint experimentation, and the development of interoperability requirements which ensure our soldiers, sailors, airmen, and marines can combine their capabilities into a single successful effort. Because JFCOM's recommendations and analysis of readiness issues form the basis for deployment decisions, I ask that your testimony today also present your assessment, and any recommendations you have, regarding how best to maintain the Nation's forces at the highest possible level of readiness.

Admiral Stavridis, I welcome you to your first posture hearing as the Commander of SOUTHCOM and commend you for a very comprehensive written statement that emphasizes the linkages, challenges, and promises for improving and sustaining our security cooperation, and strengthening our partnerships, throughout the region. United States national interests with our hemispheric neighbors to the south, the 32 nations that comprise the United States SOUTHCOM area of responsibility, are indeed important and diverse. I applaud President Bush's recent trip to the region and his desire to reinvigorate and reframe relations with our Latin American and Caribbean neighbors. The President expressed his commitment to help the democracies of the Western Hemisphere build government institutions and meet basic needs like education, health care, and housing.

This morning the committee will be interested in your assessment of efforts to curb the flow of illegal drugs into the United States from the south, especially those associated with Plan Colombia; the rise of violent crime in the region and any links between those criminal groups and gangs in the United States; the rise of radical populism in the region and the influence of Hugo Chavez; the future of post-Castro Cuba; violent extremists in the region and any ties between these groups and movements like Hezbollah and al Qaeda; operations at the detention facility at Guantanamo; and, to the extent you can, the efforts and progress to locate the three American hostages held by the Revolutionary Armed Forces of Colombia guerrillas in Colombia since February 2003.

In closing, I would like to express our Nation's gratitude to all of you, and to the men and women of your commands, for all of their efforts in providing for the Nation's defense. I look forward to hearing from today's witnesses.

Senator WARNER. I have a similar statement which I would put in the record to supplement that.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Chairman Levin, thank you.

On behalf of Senator McCain, I request unanimous consent to place his prepared remarks into the record.

Mr Chairman, I join you in welcoming our witnesses here today.

I would like to thank our witnesses, and their families, for their long and distinguished service to our Nation. I would also like them to convey my personal word of commendation, and my deep admiration, for the dedicated men and women of

their commands. Their efforts are vital to our homeland defense; to the protection of our national interests in the Western Hemisphere; and in support of our joint forces deployed abroad in harm's way.

Admiral Keating, welcome back for another appearance before the committee. Congratulations on your recent confirmation to be the next Commander of U.S. Pacific Command (PACOM) and thank you for your willingness to take on another position of great responsibility. We know you will relinquish command of North American Aerospace Defense Command (NORAD) and U.S. Northern Command (NORTHCOM) in a change-of-command ceremony tomorrow in Colorado and we are so very grateful that you are able to appear here today.

The attacks on September 11 were a day of unprecedented alarm and anguish, and the devastation of Hurricane Katrina created a time of extraordinary suffering and sorrow. Admiral Keating, you and members of your command, have a sweeping mission and a wide-ranging mandate. The Nation looks to you, and the men and women of your command, to ensure we are not attacked again and to save lives in the United States.

NORTHCOM, the Department of Defense (DOD), and Federal, State, and local officials have come a long way since those dreadful days, but you have a mission that requires continuous coordination, greater collaboration, and constant vigilance. The committee looks forward to your valued insights on homeland defense and DOD support, to civil authorities responding to terrorist incidents, domestic emergencies, and natural disasters.

Admiral Stavridis, I welcome you to your first posture hearing as the Commander of United States Southern Command (SOUTHCOM), and commend you for a very comprehensive written statement that speaks to the promises and opportunities that exist to sustain and improve our partnerships in the 32 nations that comprise SOUTHCOM.

While our Nation's attention is, at present, focused in other areas of the world, we should not, and can not, neglect the potential threats to our national interests that exist in South America and the Caribbean.

I applaud President Bush's recent trip to the region and his desire to reinvigorate and reframe relations with our neighbors and his expressed commitment to help the democracies of the Western Hemisphere.

General Smith, welcome back. You have appeared before this committee in other capacities, but this is your first JFCOM posture hearing. General Smith, you and the men and women of JFCOM have a very broad mission that contributes appreciably, each and every day, to the success of our efforts in the global war on terrorism and the development of our future joint force.

We have a great joint force now, but it is under strain. Those of us who have been members of this committee since the enactment of the Goldwater-Nichols legislation more than 20 years have watched our joint forces capability mature with great satisfaction. Our joint force is great because we have the best soldiers, sailors, airmen, and marines in the world. This force is made even better by the contributions of the men and women of JFCOM. Their efforts develop a force that can fight, and win, as a joint U.S. force and can operate as part of a multinational force with allied, coalition, and interagency partners.

We look forward to hearing your testimony today about JFCOM's role as force provider, to include your assessment of the readiness of the force for forward deployment, as well as its complementary work in joint training, joint experimentation, and the development of interoperability requirements.

Mr Chairman, thank you and I look forward to the testimony today.

Senator WARNER. I join you in welcoming this very distinguished panel, and also express our appreciation, not only to your service, but that of your respective families through the many, many long years of service. Admiral Keating, turning right around tonight, and go back out to Colorado for a change of command in the morning, is that correct?

Admiral KEATING. That's correct, sir.

Senator WARNER. We thank you for making yourself available for this important hearing today.

Admiral KEATING. Thank you, sir.

Senator WARNER. Your portfolio is one that, unfortunately, we do not hear a lot about, because it is being executed. But, we sleep better at night knowing that you don't sleep that well at night.

It's extremely important how you integrate the uniformed forces of the United States with the local communities, the States, the National Guard, the Reserve, and all of the components of the military to provide the security that we need here at home.

In my questions, I will bring out a point that my able staff prepared for me last night, about how the perspective of homeland security is looked at perhaps one way by the Department of Defense (DOD) and another way by, for instance, our Homeland Security and Governmental Affairs Committee (HSGAC). I want to make sure that that ties in very closely.

General Smith, you are in my home State. I am proud to have you there. Thank you for taking on this assignment. But you have the arduous task of making certain that the men and women of the Armed Forces who leave our shores are equipped and trained sufficiently to meet their missions, and we have potentially some rather challenging pieces of legislative initiative, largely emanating on the House side, the other body, with regard to the reporting to Congress and the public about the degree of equipment, training, and readiness of those forces before they deploy.

I hope to engage you in a colloquy on that, and perhaps, in your general opening statement, you will address that specific requirement.

Admiral Stavridis, we welcome you. This is your first appearance before us since your confirmation.

Admiral STAVRIDIS. Yes, sir.

Senator WARNER. We tend to look south and think everything is going to be all right, but each day we pick up our news, and learn about the very troubled area in which you now have a most significant responsibility. So, we look forward to your testimony.

We thank each of you, again, for your public service.

Chairman LEVIN. Thank you.

Senator WARNER. Mr. Chairman, your statement covered, I think, a lot of the specifics that I was going to cover, so we will proceed with the hearing.

Chairman LEVIN. Thank you, Senator Warner.

I think we'll start with Admiral Keating.

STATEMENT OF ADM TIMOTHY J. KEATING, USN, COMMANDER, UNITED STATES NORTHERN COMMAND/COMMANDER, NORTH AMERICAN AEROSPACE DEFENSE COMMAND

Admiral KEATING. Good morning, Mr. Chairman, Senator Warner, members of the committee.

I'm proud to represent the 1,500 or so men and women from the headquarters at NORAD and NORTHCOM before you this morning.

As you've said, Mr. Chairman, homeland defense is the core of our National Military Strategy. The NORTHCOM and NORAD are separate commands, but they have a complementary mission. We work together to defend our Homeland.

The commands operate within a common security environment, we share a common headquarters building, and largely the same headquarters staff. We embrace common values, we understand the

importance of executing our duties with a sense of urgency in the face of very real and present dangers.

Homeland defense is a high priority for NORTHCOM and NORAD. As NORTHCOM enters its 5th year, we're fully mission capable, and ready to respond to the full spectrum of homeland defense challenges in this modern security environment.

On the other hand, the NORAD agreement, initially signed in 1958, was renewed just last May 2006. NORAD has evolved from its Cold War construct into an adaptive, flexible, and responsive binational organization, ideally suited to address modern threats in the aerospace domain, and will now contribute to greater awareness of threats in the maritime domain. The mission for both Commands is the defense of North America.

NORTHCOM and NORAD are integral elements in the active, layered, integrated defense in which we seek to confront early, and from a safe distance, anyone who threatens our Homeland. NORTHCOM and NORAD operate in a changing, uncertain security environment, a range of symmetric and asymmetric transnational threats represents an immediate challenge for both Commands. These threats continue to be diverse, adaptive, and by their very nature, difficult to predict.

Potential enemies will attempt surprise as they try to employ an array of persistent, catastrophic, and destructive methods and capabilities, which could include nuclear weapons. NORTHCOM and NORAD will act in a timely, and when appropriate, coordinated fashion in concert with our international and domestic partners to deter, detect, prevent, and defeat threats.

NORTHCOM also must plan for military response, as you stated, Mr. Chairman, to requests for support when natural or manmade disasters affect our United States. Catastrophes such as hurricanes, earthquakes, wildland fires, and pandemics can overwhelm local responders, and may require Federal military sources to support State and local efforts.

Likewise, a successful terrorist attack, particularly involving weapons of mass destruction (WMD) could cause mass panic, environmental damage, and significant loss of life. In catastrophic incidents—and only when directed—NORTHCOM will support civil authorities to provide an integrated response as quickly and effectively as we can.

The core capability to accomplish our missions resides, of course, in our people. We must continue to ensure their welfare, and the welfare of their families. We're grateful to you for your support, for our soldiers, sailors, airmen, marines, coastguardsmen, and their families.

The men and women of NORTHCOM and NORAD are resolutely committed to defending the United States, Canada, and Mexico against all threats. I'm privileged to be part of this outstanding team, and I look forward to your questions this morning. Thank you.

[The prepared statement of Admiral Keating follows:]

PREPARED STATEMENT BY ADM TIMOTHY J. KEATING, USN

Chairman Levin, Senator McCain, and members of the committee: At its most basic level, winning the war on terror means defending our Homeland. Homeland defense lies at the core of our National Military Strategy. United States Northern

Command (NORTHCOM) and North American Aerospace Defense Command (NORAD) are separate commands that have complementary missions and work closely together to fulfill our homeland defense responsibilities. The commands operate within a common security environment, predominately share a headquarters staff, and are dedicated to defending North America. We also share common values and understand the importance of carrying out our duties with a sense of urgency in the face of very real and present dangers. It is my honor to report to you on the current state and future direction of our commands.

Homeland defense is the highest priority for NORTHCOM and NORAD. As NORTHCOM enters its 5th year, we are fully mission capable and ready to respond to the full spectrum of homeland defense challenges existing in the modern security environment. The NORAD Agreement, initially signed in 1958, was renewed in May 2006, when NORAD's mission set was expanded to include maritime warning. NORAD has evolved from a cold war construct into an adaptive, flexible, and responsive bi-national organization that is ideally suited to address modern threats in the aerospace domain and contribute to greater awareness of threats in the maritime domain. The desired end state of our commands is the maintenance of our Nations' ways of life and the defense and territorial integrity of North America.

NORTHCOM and NORAD are integral parts of an active, layered defense in which we seek to confront, early and from a safe distance, those who threaten our Homeland. NORTHCOM and NORAD operate in a changing, uncertain security environment. A range of asymmetric, transnational threats represent an immediate challenge for both commands. These threats continue to be diverse, adaptive, and, by their nature, are difficult to predict. Potential enemies will attempt surprise as they try to employ an array of persistent and emerging, catastrophic, and disruptive methods and capabilities, to include nuclear weapons. NORTHCOM and NORAD will act in a timely, and when appropriate, coordinated fashion in concert with our international and domestic mission partners to deter, detect, prevent, and defeat threats.

NORTHCOM must additionally plan for a military response to civil requests for support in response to natural or manmade disasters that affect the United States. Natural disasters such as hurricanes, earthquakes, wildland fires, or pandemics can overwhelm local responders and require significant contribution of Federal military resources to support State and local response efforts to mitigate effects. Likewise, a successful terrorist attack, particularly one involving a weapon of mass destruction, may cause mass panic, environmental damage, and significant loss of life requiring substantial defense support of civil authorities. In catastrophic incidents, and as directed, NORTHCOM will support civil authorities to help effect an integrated national response as quickly and effectively as possible.

PLANS

We rapidly adapt homeland defense and civil support plans as circumstances dictate based upon current intelligence, and regularly exercise them across all domains with our domestic and international homeland defense partners. Over the last 2 years, we finalized the following plans:

- Concept Plan 3310–07, Aerospace Warning, Aerospace Control, and Maritime Warning for North America
- Concept Plan 2002–05, Homeland Defense
- Campaign Plan 2075, Regional Campaign Plan for the War on Terror
- Concept Plan 2501, Defense Support of Civil Authorities
- Concept Plan 2505, Nuclear Weapon Accident Response Plan
- Concept Plan 0500, Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Consequence Management Operations
- Concept Plan 2591, Pandemic Influenza
- Concept Plan 2707, Military Support to the U.S. Government Agencies for Caribbean Mass Migration
- Concept Plan 2400, Emergency Preparedness in the National Capital Region
- Concept Plan 2502, Civil Disturbance Operations
- Campaign Plan 2900, Strategic Communication

This year, we will focus our efforts to complete the following plans:

- United States-Canada Combined Defense Plan
- Canada-United States Civil Assistance Plan

In addition to our current family of plans, we continue to advocate development of an overarching national homeland security plan that coordinates the pre-attack actions of the Federal Government. This plan, as advocated in the 2006 Quadrennial

Defense Review, will clarify the distribution of effort among Federal agencies, promote unity of effort, and reduce uncertainty in the overlap of responsibilities and capabilities among homeland security partners.

TRAINING AND EDUCATION

NORTHCOM's and NORAD's comprehensive training and education program supports the mission of North American defense. NORTHCOM's defense support of civil authorities training programs have also become a national resource for homeland security and defense professionals as exemplified by the training of over 1,200 people in fiscal year 2006 in our defense support of civil authorities course.

Our Homeland Security/Defense Education Consortium (HSDEC) has established a national homeland security and defense curriculum. Currently the organization has 183 charter and associate university members, including the American Association of Community Colleges with 1,154 members in 40 States, the Canadian Defence Academy, and University del Salvador, Argentina. The $1.8 million apportioned to HSDEC from Congress as part of the Fiscal Year 2007 Defense Appropriations Bill is being used to sponsor research into our Commands' priority questions of interest, to develop an internship program for recruiting new defense and security personnel into government service, and for workshops to bring an academic perspective to our commands' respective missions. We also seek to foster greater senior civilian leadership knowledge as NORTHCOM and NORAD partner with the Naval Postgraduate School and civilian institutions in the development of a doctorate degree in the areas of homeland defense and security, with initial classes beginning in summer 2007.

To build on our already strong working relationship with the National Guard, we're continuing the Joint Force Orientation program, which is a cooperative training effort between NORTHCOM, National Guard Bureau, Joint Forces Command and the States' National Guard Headquarters. The program enhances coordination, cooperation, and information sharing between the States' Joint Force Headquarters and NORTHCOM.

EXERCISES

Each year, NORTHCOM and NORAD sponsor two large-scale exercises—Ardent Sentry and Vigilant Shield—and participate in over 30 smaller regional, State, and local exercises. We continually review lessons learned from past exercises and real-world events (such as Hurricane Katrina) and take corrective action when necessary. These actions are an integral part of our exercise program. Our exercise scenarios have involved air (civil and military) incidents and attacks; maritime and port security; maritime interception operations; missile defense; support to law enforcement agencies for border security; consequence management in support of civil authorities; nuclear proliferation; nuclear weapons accidents; weapons of mass destruction attacks; and natural disasters.

Our civil support exercises are evolving to integrate fully with the Department of Homeland Security's National Exercise Program and are now national events with the support of the Federal Government, regional organizations, and the private sector. We actively engage our training partners at every level of Federal, State, tribal, and local government to employ the most comprehensive and realistic scenarios in order to achieve each participating organization's training objectives. Our exercises are based on the 15 National Planning Scenarios and are accomplished in accordance with the National Response Plan and the principles of the National Incident Management System.

Last year, we developed and hosted six major Table Top Exercises (TTXs) and several additional smaller scale TTXs involving military, agency, and governmental participation at all levels. Examples of scenarios addressed during these synchronized TTXs include response to a major earthquake; terrorist use of Man-Portable Air Defense Systems against civilian airliners and Department of Defense (DOD) aircraft; and detection, tracking, and response to a ship-borne nuclear weapon detonated in a major U.S. port.

Canada, primarily through Canada Command, is a full partner in these exercises. Although we have rehearsed and executed trans-border missions, such as the 2006 Super Bowl in Detroit, we have yet to conduct fully combined exercises that occur across the northern border. We continually work with the Government of Canada and its Strategic Joint Staff in the air arena through numerous NORAD exercises that are conducted regularly in, and across, all NORAD Regions (Continental United States, Canadian, and Alaskan NORAD Regions). Canada Command and Public Safety and Emergency Preparedness, Canada participated in the Ardent Sentry series of exercises for the first time in 2006.

We work with the National Guard Bureau to coordinate and synchronize major NORTHCOM and NORAD exercises with the National Guard State exercise series, Vigilant Guard.

We support the DOD's decision to reprogram combatant command funding for the Joint Exercise Program and Training Transformation from the Services into a defense-wide account to be centrally managed by the Office of the Secretary of Defense and the Joint Staff. The consolidation of existing funding into the Combatant Commanders' Exercise Engagement and Training Transformation program will result in efficiencies that can be rapidly applied against training requirements for new mission areas.

INTELLIGENCE ACTIVITIES

NORTHCOM and NORAD maintain situational awareness and readiness around-the-clock to protect against a range of symmetric and asymmetric threats in all domains. The Intelligence Community supports NORTHCOM and NORAD by providing actionable information needed for homeland defense operations. Timely and actionable intelligence is the most critical enabler to protecting the Homeland at a safe distance. Threat awareness allows us to tailor our deterrent posture and convince adversaries that their objectives cannot be achieved by attacking our Homeland and that any attack will result in an overwhelming response.

NORTHCOM uses intelligence and threat information from other Federal agencies to develop and maintain situational awareness of threats within our area of responsibility and to facilitate a seamless handoff of threats to our homeland originating in other combatant commands' areas of responsibility. These assessments and intelligence products are provided to NORTHCOM components, subordinate commands, and lead Federal agencies. NORTHCOM assessments are shared with the intelligence community by posting them to the National Counterterrorism Center Online secure web portal, and our own web portals at various classification levels.

A significant tool within NORTHCOM and NORAD is the Joint Intelligence Operations Center North (JIOC-North), which is part of the intelligence community. JIOC-North provides predictive and actionable threat estimates and timely warning of worldwide threats against North America using fused all-source intelligence and law enforcement information.

To protect Americans' civil liberties, intelligence received from the intelligence community is filtered through a well-established and disciplined Intelligence Oversight Program. This ensures we analyze, retain, and disseminate intelligence with a foreign or international terrorist threat nexus, and then only to the extent the intelligence is relevant to our missions.

HOMELAND DEFENSE OPERATIONS

Should deterrence fail, we will access and assume operational control of forces that are trained and ready to respond and defeat threats directed at our areas of responsibility. Adaptability and flexibility are critical to our commands' ability to counter the modern threat.

NORAD Sector Consolidation

Prior to November 2006, the NORAD Continental Region was divided into three air defense sectors: the Southeast Air Defense Sector at Tyndall Air Force Base, Florida; the Northeast Air Defense Sector at Rome, New York; and the Western Air Defense Sector at McChord Air Force Base, Washington. In November 2006, NORAD consolidated the Northeast and Southeast Air Defense Sectors into a single Eastern Air Defense Sector located in Rome, New York. We are standing up a robust Air Operations Center at Tyndall Air Force Base, Florida. Fielding of the Battle Control System Fixed, a modernized, tactical-level command and control system, enabled this sector consolidation and will reduce manpower requirements.

In 2006, we conducted the following homeland defense operations:

Ground-Based Midcourse Defense (GMD)

NORTHCOM is responsible for directing missile defense operations within our area of responsibility and Hawaii to defend the Homeland, allies, friends, and other national interests from potentially hostile acts. The GMD system achieved limited defensive operations capability in October 2004, was placed in an operational status in June 2006, and is available when needed to defend the United States' and its allies' infrastructure and population centers. Our missile defense crews are trained and our systems are ready to respond as necessary. In July 2006, the NORAD Integrated Threat Warning and Attack Assessment System immediately detected the launch of all seven North Korean missiles, tracked their trajectories, and watched

as they landed in the Sea of Japan. The North Korean missile launch activities that occurred from May to July 2006 provided an excellent opportunity for NORTHCOM and NORAD to coordinate with national senior leadership, other combatant commands, and assigned missile defense assets. The challenge now is to balance operations with research, development, test, and evaluation to ensure the architecture will evolve to defend against a changing threat. Continued funding of GMD is critical to this effort.

Operation Noble Eagle

Since the attacks of September 11, NORAD has supported Operation Noble Eagle with airspace surveillance, a ready alert force, irregular air patrols, and the unique National Capital Region Integrated Air Defense System. Over 45,000 sorties have been flown in support of Operation Noble Eagle, with the Air National Guard conducting over 70 percent of these sorties. We have adjusted our air patrols to achieve the balance between readiness and sustainability. In September 2006, the U.S. Coast Guard assumed the Rotary Wing Air Intercept mission to counter the light civil air threat to our Nation's capital.

On October 11, 2006, minutes after the crash of a civilian light aircraft into a New York City building, NORAD scrambled several fighter and support aircraft to cities on the east and west coasts of the United States including New York, Washington, DC, and Boston. Additional aircraft were scrambled over cities in Canada. The aircraft were dispatched as a prudent measure and in anticipation of a potential terrorist attack; they were airborne within minutes of the incident and remained airborne until it was determined the incident was in fact an accident. The quick reaction demonstrated NORAD's capability and preparedness to coordinate a swift, elevated, and large-scale defensive and deterrent posture.

Northern Sovereignty Operations

On September 28, fighters from Alaskan NORAD Region and Canadian NORAD Region were launched in response to Russian aircraft that penetrated North America's Air Defense Identification Zone. While the Russian air assets at no time violated U.S. or Canadian airspace, NORAD integrated air defense assets in and around Alaska and Canada were able to detect, intercept and identify a number of Russian Tu–95 Bear heavy bombers participating in an annual Russian air force exercise near the coasts of Alaska and Canada. This operation demonstrated our continued vigilance and readiness to defend North American air sovereignty.

DEFENSE SUPPORT OF CIVIL AUTHORITIES

In addition to homeland defense, NORTHCOM has a second core mission to support civil authorities with military capabilities that can rapidly stabilize and improve the situation in the wake of a catastrophic event. The NORTHCOM support is in addition to the U.S. Army Corps of Engineers response in their role as the DOD lead for Emergency Support Function #3, Public Works and Engineering, which is executed independent of NORTHCOM control.

NORTHCOM provides defense support of civil authorities primarily through our subordinate commands: Joint Task Force Civil Support at Fort Monroe, VA; Joint Force Headquarters National Capital Region at Fort McNair, Washington DC; Joint Task Force Alaska at Elmendorf Air Force Base, AK; and Joint Task Force North (JTF–N) at Fort Bliss, TX. In addition, the Army, Air Force and Marine Corps have established dedicated Service Components for NORTHCOM. These commands are: U.S. Army North located at Fort Sam Houston, TX; U.S. Air Force North located at Tyndall Air Force Base, FL, and U.S. Marine Forces North located in New Orleans, LA. The Commander, Fleet Forces Command, located at Naval Station Norfolk, VA, is designated as the Navy's Supporting Commander to NORTHCOM.

At the direction of the President or Secretary of Defense, NORTHCOM supports primary response agencies as part of a comprehensive national response to manage the consequences of an attack or a natural disaster, to include a pandemic. Civil authorities are most likely to request our support to draw upon unique military capabilities or to augment civilian responders. Our ability to respond rapidly with the full range of military capabilities to these requests can be critical in saving lives, minimizing human suffering, and preserving infrastructure.

Successful and timely response includes anticipating and planning for various types of requests that may arise in order to posture appropriate military capabilities. As a lesson learned from Hurricane Katrina, Defense Coordinating Officers and their supporting elements have been positioned in each of the 10 Federal Emergency Management Agency (FEMA) regions. The Defense Coordinating Officers act as military liaisons to increase full-time coordination with State governments and the Adjutants General regarding disaster response planning and to facilitate the "Re-

quest For Assistance'' process following a disaster. These Defense Coordinating Officers and their support staff fall under U.S. Army North, a dedicated Army Service Component Command under the operational control of NORTHCOM, which achieved full operational capability in October 2006.

In an effort to close the response gaps identified in the wake of Hurricane Katrina, NORTHCOM undertook several efforts to improve defense support of civil authorities. NORTHCOM deployed military planners to work hand in hand with the FEMA—assisting FEMA's stand up of their Operational Planning Unit, a group intended to provide FEMA with a robust crisis planning capability for future disasters. Also last year, NORTHCOM military planners deployed to the Gulf Coast Recovery Office in Baton Rouge, LA, and assisted the interagency effort in developing disaster preparedness plans in collaboration with State and local agencies of the Gulf Coast Region. Working with local, State, and Federal participants and in accordance with DOD's direction, NORTHCOM demonstrated unique military capabilities to provide situational awareness to senior leaders in Washington, DC, and at NORTHCOM, as well as local first responders—a vital capability that provides disaster survey information quickly to decision makers and first responders. NORTHCOM also developed several prescripted mission assignments that expedite the response of military personnel and supplies immediately after a disaster occurs.

National Guard

Over the past year, we have actively collaborated with the National Guard Bureau to improve communications, operational synchronization, and training. Programs such as the Joint Continental United States Communication Support Environment, which provides a comprehensive strategy for domestic military interoperable communications and information sharing, 24/7 connectivity to the National Guard Bureau Joint Operations Center, and hosting the Joint Task Force Commanders' Course at the NORTHCOM headquarters improve our ability to seamlessly work together.

Pandemic Influenza

In August 2006, we completed our plan for addressing pandemic influenza and were tasked by the Secretary of Defense to be both the supported commander for pandemic influenza and the DOD lead for directing, planning, and synchronizing the DOD's global response to a pandemic. NORTHCOM has established a joint pandemic influenza team to carry out this critical mission and we have made pandemic influenza planning a top priority for 2007.

SUPPORT TO LAW ENFORCEMENT AGENCIES

Support to law enforcement is an important element in NORTHCOM's and NORAD's mission to deter, detect, prevent, and defeat threats to the Homeland, because of its direct applicability to the global war on terror. Transnational threats include international terrorism, narcotics trafficking, and proliferation of weapons of mass destruction. Federal laws and policies allow us to support law enforcement agencies by conducting operations to deter and prevent transnational threats. We further assist law enforcement agencies in their counterdrug mission. NORTHCOM provides support to law enforcement agencies primarily through our subordinate command, Joint Task Force North at Fort Bliss, TX. Terrorists have used smuggling networks and money laundering to achieve their goals and fund their activities. As we support law enforcement agencies in the fight against drugs, we also focus our efforts on terrorist organizations with a nexus to drug trafficking. We support the global war on terrorism at home by providing unique military capabilities to support civilian law enforcement agencies.

Operation Gulfview

This year, we expanded the role of NORTHCOM's subordinate command, JTF–N, to include integrative support to multiple law enforcement agencies with a focus on coastal border operations. In support of the U.S. Border Patrol's Rio Grande Valley Sector, JTF–N planned and facilitated Operation Gulfview from February to March 2006. Designed to support and improve law enforcement interdiction of transnational threats in the maritime domain along the Southeastern Texas Coastal area of the Padre Island National Seashore, this multi-sensor, multi-agency operation expanded to include the contiguous land border within Rio Grande Valley sector's border domain. This mission employed a DOD-funded coastal defense system designed to provide a command, control, intelligence, surveillance and reconnaissance node capable of fusing multi-sensor, multi-source information into a common operational picture. In conjunction with this system, various title 10 and title 32 assets provided a multi-layered detection and monitoring environment designed to

maximize law enforcement interdiction assets. This operation validated emerging maritime surveillance technologies, explored JTF–N capabilities in the maritime domain, opened lines of communication, and established productive relationships among the 29 interagency participants.

Operation Outlook

In June 2006, JTF–N participated in Operation Outlook, which involved multi-sensor DOD support to the U.S. Border Patrol's Spokane Sector and other Federal law enforcement agencies and interagency partners combining title 10 and multi-state title 32 military forces. Washington Air National Guard Counterdrug Task Force Title 32 forces provided detection support. Title 10 forces, under the command of JTF–N, provided ground-based, mobile ground-to-air sentinel radars. DOD assets were used to increase detection of low-flying helicopters and ground smuggling conveyances for transporting contraband between the U.S. and Canada.

Operation Key Watch Alpha and Able Venture

Key Watch Alpha occurred from May to July 2006 in support of the U.S. Border Patrol's Miami Sector. For the first time, JTF–N worked closely with the U.S. Coast Guard's District Seven Headquarters as a parallel lead Federal agency and once again employed a multi-layered detection, assessment, and awareness approach. Operation Keywatch Alpha incorporated multiple assets, both title 10 and title 32, in an effort to enhance law enforcement agencies' interdiction of smuggling activities along the Florida Keys and the Florida mainland approaches. JTF–N will continue to provide support in the maritime domain and recently concluded Operation Able Venture, a first-ever integrated mission in support of the U.S. Coast Guard in San Diego. These missions validate the need for monitoring of the approaches to, and enforcement of, our Nation's coastal borders and are planned to continue in 2007.

Operation Jump Start

Along the southern border, NORTHCOM and JTF–N have worked closely with the National Guard Bureau and the U.S. Border Patrol to ensure deconfliction with Operation Jump Start, which provides title 32 support to the U.S. Border Patrol along the entire 2,000 mile border with Mexico. In a separate but parallel effort, JTF–N conducted numerous engineer support missions, primarily in Arizona and New Mexico, to construct barrier obstacles that restrict smuggling activities and roads in support of law enforcement agency effort. We will remain engaged with the National Guard Bureau and U.S. Border Patrol throughout Operation Jump Start and, where viable, will continue to support as requested by law enforcement agencies along the southern border.

Tunnel Detection

Applying DOD and Intelligence Community technology and intelligence analysis in support of U.S. Customs and Border Protection, JTF–N supported the detection of four tunnels on the southwest border with Mexico. In conjunction with its homeland security and Intelligence Community partners, JTF–N continues its support of tunnel detection efforts along the U.S. borders. In September 2006, JTF–N co-hosted an interagency tunnel conference with U.S. Customs and Border Protection to enhance knowledge of tunnel detection technologies.

Unmanned Aircraft Systems Operation

Through JTF–N, unmanned aircraft systems were employed, operating solely in restricted military airspace, along the southwest border in support of U.S. Customs and Border Protection. NORTHCOM is engaged with the Federal Aviation Administration to develop airspace procedures for unmanned aircraft systems to operate in the National Airspace System outside of full-time military restricted airspace to provide support to border control lead agencies and disaster response operations. While this is a complex issue, we remain confident that unmanned aircraft systems will be granted access to the National Airspace System in the near future to increase our ability to safely conduct critical homeland security operations and law enforcement support.

INTERAGENCY COORDINATION

Lessons learned from conflicts such as the first Gulf War and the Balkans indicated an increasing need for coordination between the military services as well as with other Federal Government agencies. The attacks on September 11 and the resulting war on terrorism highlighted the need for military activities to be more closely tied to diplomatic, law enforcement, and intelligence sharing activities. In October 2001, the Secretary of Defense directed combatant commanders to integrate and synchronize activities of multiple civilian, State, and Federal Government agen-

cies and departments under a Joint Interagency Coordination Group (JIACG). The JIACGs were made a permanent part of each combatant commander's staff. They facilitate two-way coordination and communication between military and civilian operations in each combatant command's area of responsibility.

At NORTHCOM, we oversee an active JIACG composed of every element across the NORTHCOM and NORAD staff and more than 60 resident or local representatives from DOD and non-DOD agencies. The JIACG meets as a broad corporate entity one to two times per month on topics pertaining to homeland defense and defense support of civil authorities. Our JIACG, combined with myriad interactions with Federal agencies, National Guard, State and local first responders, and countless local and private associates, contributes to information and knowledge sharing and to a collaborative approach to operations in our Homeland.

Interagency operations are the next frontier of jointness and one that the United States should continue to foster. We continually add to our capable team of partners at NORTHCOM and are optimizing collaborative relationship building to achieve our Nation's homeland defense and security imperatives.

Interagency coordination permeates all of NORTHCOM's and NORAD's activities. We harness the power of the JIACG to help us craft realistic, collaborative, and workable plans and we provide the right support, at the right time, in concert with the right partners—always respecting the authorities of those States and agencies that we have been charged to assist through our operation.

In this complex interagency environment, we must also identify and transition meaningful technology that will strengthen homeland security efforts. Deliberative engagement is required across all levels of government and the private sector to support technology which enhances homeland defense and security capabilities. The acquisition and implementation of standards-driven, effective technological networks will be a catalyst to the development and sustainment of critical human networks required to build our capacity along with those of our national and international partners.

INTEROPERABLE COMMUNICATIONS

During 2006, NORTHCOM made significant strides in increasing communications interoperability and improving communications planning and response with our numerous mission partners, while posturing our subordinate and supporting commands with rapidly deployable communications equipment for use during contingency operations.

During the Defense Interoperability Communications Exercise in March 2006, NORTHCOM hosted 17 communications teams representing various DOD, National Guard, Coast Guard, FEMA, and local first responder organizations. To further increase interoperability, the command also published an equipment technical standards document in 2006. This document recommends the technical standards that units and mission partners should adhere to when procuring new communications equipment.

Response operations in the wake of the 2005 devastating hurricane season revealed a number of important lessons—the most critical of these was our Nation's requirement for efficient and effective communications.

The results of the National Baseline Assessment conducted by the SAFECOM Program, an entity within the DHS Office for Interoperability and Compatibility, show that most agencies have developed, at the very least, a minimum technological capability to achieve tactical interoperable communications. However, each urban/metropolitan area has incorporated different technology solutions because achieving interoperability is dependent on the specific types of communications equipment and infrastructures each agency has procured and currently employs. Therefore, a voice communications solution that would be considered ideal in one area could be unsuited for another. Currently, there is a shortage of pre-incident communications planning and coordination among State and local governments that impedes collaboration, sharing of critical information, and the ability of the Federal Government and NORTHCOM to support State and local response efforts effectively.

To address communications shortfalls discovered during Hurricane Katrina, NORTHCOM procured and employed interoperable communications packages that are ideally suited to our homeland defense and defense support of civil authorities mission sets. During exercise periods, we procured and employed several deployable, cellular-based communications suites that provide an autonomous infrastructure to extend communications connectivity in the NORTHCOM area of responsibility. We also procured three Incident Awareness and Assessment/Full Motion Video communications suites to augment or replace capabilities required during emergency response operations.

THEATER SECURITY COOPERATION

NORTHCOM Theater Security Cooperation activities contribute to the Secretary of Defense's Security Cooperation Guidance's top priority to build the capacities of allies and partners to help win the global war on terror by enhancing coordination with our continental neighbors, Canada and Mexico. American Servicemembers' Protection Act sanctions not only prohibited equipment transfers, but encouraged Mexico to consider military purchases from other countries and the continuing restrictions on Foreign Military Financing and the Excess Defense Articles grant programs for Mexico dampens our ability to effectively counter transnational terrorism and narcotics threats. Lifting these restrictions will have a significant impact on our homeland defense efforts with our southern neighbor.

CONCLUSION

NORTHCOM and NORAD are part of a binational and interagency team dedicated to strengthening the security and defense of North America. We have finalized our homeland defense and civil support plans and are now looking at ways to improve continental defense. The continued evolution of the commands is critical to our ability to provide a flexible, adaptable, and scaleable response to modern threats. NORTHCOM and NORAD have synchronized our existing plans, directives, and major operations; established intelligence priorities; and prioritized other resources in pursuit of designated strategic objectives with regard to the global war on terror. Activities and operations directed by NORTHCOM complement and support the United States Government-led international effort to deny terrorist networks what they need to operate and survive. NORTHCOM and NORAD contribute to the overarching national goals of countering ideological support for the enemy, disrupting and attacking the enemy, and protecting the American Homeland.

Responsibility for protecting North America is divided among Federal, State, tribal, and local governments. NORTHCOM and NORAD coordinate closely with other government agencies to achieve integrated plans and operations. NORTHCOM is maximizing cooperation with Canada and Mexico and thus enabling them to counter terrorism through bilateral partnerships. Additionally, we look beyond the established NORTHCOM area of responsibility in coordination with U.S. Special Operations Command and the other regional combatant commands to institute a synchronized DOD global approach to disrupt transnational terrorists through continuous collaboration and a rigorous program of exercises to enhance our ability to conduct homeland defense operations.

The core capability to accomplish our missions resides in our people. We must continue to ensure their welfare and that of their families. We are grateful to Congress for the support that it provides our soldiers, sailors, airmen, marines, coastguardsmen, and their families, in their efforts to defend our Nation at home and abroad. Increases in pay and benefits, such as military housing upgrades, medical care improvements, and other quality of life enhancements, are clear indicators of the extent to which Congress values our servicemembers. The men and women of NORTHCOM and NORAD are dedicated to defending the United States and Canadian homelands against all threats. I am privileged to be a part of this outstanding team.

Chairman LEVIN. Thank you, Admiral.

General Smith?

STATEMENT OF GEN. LANCE L. SMITH, USAF, COMMANDER, UNITED STATES JOINT FORCES COMMAND/NORTH ATLANTIC TREATY ORGANIZATION SUPREME ALLIED COMMANDER FOR TRANSFORMATION

General SMITH. Good morning, Mr. Chairman, and distinguished members of the committee. I really am honored to be able to testify today and talk about the role that JFCOM pursues on a daily basis as we work towards fighting the global war on terror, providing trained and ready conventional forces to the combatant commanders, as well as joint enabling capabilities to those commanders, and at the same time, attempt to lead the transformation effort of the DOD.

It's also an honor to share this opportunity with my friends, Admiral Tim Keating and Admiral Jim Stavridis. I would normally have my closest advisor and senior enlisted member of JFCOM, Sergeant Major Mark Ripka, but he's in Jordan today, looking at the cultural awareness training that our forces are getting before they go in there.

I do have a prepared statement that I would like to submit for the record, and with your permission, I'll make a few statements, and then get to the questions.

Chairman LEVIN. Thank you, it will be made part of the record.

General SMITH. Our message today is that the ability of our military to operate as an integrated, joint force matters. Whether our Armed Forces are engaged overseas, employed to defend the Homeland, or sent to assist natural disasters, we fight and operate as a joint team.

This is because the range and complexity of operations today, and the requirement to coordinate with disparate organizations, make it absolutely essential that we have the right joint enabling capabilities, the right level of joint training and education, and the right level of joint skills and leadership.

I should make it clear, when I use the term "joint" I'm referring to it in the very broadest terms. That's the ability to seamlessly integrate the capabilities of our separate services, other government agencies, allies, coalition partners, multi-national organizations, and other nongovernmental organizations. Simply stated, at JFCOM, we supply joint-capable forces for the combatant commanders' use.

These forces come from the 1.16 million Active-Duty National Guard and Reserve soldiers, sailors, airmen, and marines from our headquarters and our component commands, our combat command, fleet forces command, Army forces command, and Marine forces command.

We've witnessed a significant shift in the way our forces organize and prepare to conduct joint operations. For instance, almost all of our deployed forces today are organized as joint task forces while they're in the Service-pure entities.

The reasons are clear—we can generate more power to create the effects we want, by the integration of our many capabilities and those from the interagencies and coalition members that we work with, than any one Service can produce alone.

Our training methods and infrastructure have likewise undergone a quiet, but significant transformation. With our joint national training capability, we now have the ability to reach out and train the staffs of combatant commands and joint task forces anywhere around the world, without having to deploy to a common location.

In the United States we have 72 different training sites across the country, that connect all of the Services in a common training network. This allows us to leverage over 20 service training programs to identify joint training shortfalls, as well as to add a common joint context, and provide operational and tactical level joint training.

In the same vein, JFCOM is currently coordinated with the National Defense University, United States Army, and the North At-

lantic Treaty Organization (NATO) fleet over in Oberammergau, Germany, to support joint training requirements for the civil military Provincial Reconstruction Teams (PRTs), prior to their deployments into Afghanistan and Iraq. We're also engaged with the Foreign Service Institute at the Department of State (DOS) to do the same thing.

We possess a world-class center of excellence for joint innovation and experimentation, as well as a Joint Systems Integration Command for the DOD and we've built a powerful federation of partners from the Services, interagencies, multi-national partners, and members from academia and industry to participate in the concept development and experimentation for the joint community.

Today, we have the ability not only to peer into the future security environment, and to anticipate what the requirements might be, but also the partnership base, and integration know-how to quickly turn our collective future concepts into real capabilities today, by pulling those experiments and those capabilities forward.

These joint experiments and wargames are also intricately designed to support the needs of combatant commands like NORTHCOM and SOUTHCOM. For instance, next month, JFCOM will support NORTHCOM in their homeland defense mission, while conducting an experiment called Noble Resolve.

That experiment logs in, among other things, the ability of the military to operate with Federal, State, and local governments as a joint team in responding to a series of crises on the homefront.

In summary, jointness is real and powerful. It's about creating a culture of innovation and adaptiveness across the force. It's about delivering products that resolve common challenges. Without a new culture that employs integrated products, we won't get beyond the old way of doing business. Those were the days when our capabilities couldn't talk to one another, and interdependence was impossible. Our ability to generate integrated effects across the battlespace was difficult at best.

We couldn't get away from this in the past, but in this era, where our adversaries are extremely adaptive and technologically and asymmetrically savvy, we can't afford to operate like we did. The challenge is real, and I invite each of you to visit JFCOM and our NATO Command, Allied Command Transformation Headquarters in Norfolk.

Thank you, Mr. Chairman, I look forward to your questions.

[The prepared statement of General Smith follows:]

PREPARED STATEMENT BY GEN. LANCE SMITH, USAF

The efforts of United States Joint Forces Command (JFCOM) are focused on providing forces and capabilities to help win the war today, while preparing forces for the challenges of tomorrow. Our current enemy in the war on terror is adaptive, elusive, and determined to win at all costs. Defeating such a broad and decentralized terrorist network requires innovation and agility. The capabilities of tomorrow's enemy are less clear. We don't know if it will be a peer competitor, a nation-state, or a transnational organization, but we can be assured that we will still need a trained and ready force capable of fighting and winning in any environment.

I am very pleased to be able to share the accomplishments of JFCOM with the committee. As a command we work hard to ensure our 1.16 million Active-Duty, National Guard, and Reserve soldiers, sailors, airmen, marines, and civilians can operate seamlessly and interdependently with each other and with our interagency and multinational partners, maximizing all instruments of national power to fight and win.

JFCOM is uniquely structured to provide Joint Force Commanders with timely, relevant enabling capabilities, including trained and ready joint forces, capable of integrated operations with governmental agencies, multinational partners and non-governmental organizations. Our over 5,350 headquarters personnel—a blend of military from every branch of the Service, Reserves, and National Guard, along with government civilians and contractors—bring a combined expertise that is unique among military and civilian organizations. Their pride and professionalism is the key to JFCOM's success.

Working towards meeting both the needs of today and the challenges of tomorrow defines the mission of JFCOM:

To provide mission ready joint capable forces and support the development and integration of joint, interagency, and multinational capabilities to meet the present and future operational needs of the Joint Force.

With a renewed focus on the joint warfighter, 2006 was highlighted by great partnerships with the combatant commanders, the Services, Federal agencies, academia and industry, and our components: Air Combat Command, Marine Forces Command, Fleet Forces Command, and Army Forces Command. We provide:

- Multiple deployments of Standing Joint Force Headquarters and other assets in support of operational needs of the combatant commanders from Pakistan to Qatar and beyond.
- Continuous robust and tailored tactical communications support to conventional and Special Operations Forces in Iraq and Afghanistan by the Joint Communications Support Element (JCSE).
- The first time deployment of JCSE's U.S. Central Command (CENTCOM) C3 Quick Reaction Force to provide communications support for noncombatant evacuation operations in Lebanon
- Preparation of joint warfighters for operational missions, through 6 Mission Rehearsal Exercises and 16 combatant commander training events, conducting more than 70 collective joint training events involving more than 46,000 participants
- Realistic training for commanders and staffs of Joint Task Force Horn of Africa, Multinational Force-Iraq, Multinational Corps-Iraq, and Combined Joint Task Force 76 in Afghanistan
- Significant expansion of joint distance learning tools such as the Joint Knowledge Development and Distribution Capability
- Enabling technology for all major Service training centers and combatant commanders to train together in a distributed environment through the Joint National Training Capability
- Dedicated assessment teams to Iraq and Afghanistan to identify areas for improved command and control of U.S. and multinational forces
- Sourcing recommendations and coordinated the deployment of more than 310,000 personnel in support of combatant commanders
- The stand up of the Joint Command and Control Capability Portfolio Manager capabilities function to deliver integrated joint command and control capabilities, improve interoperability and increase joint operational effectiveness
- Leadership for Multinational Experiment (MNE) 4, with participants from eight nations and the North Atlantic Treaty Organization (NATO)
- Advanced terrain analysis prototype software (Geospatial Analysis and Planning Support (GAPS)) to meet the warfighter requirements for rapid route analysis and identification, sensor planning and placement and counter fire systems planning and placement.
- Development of timely products such as the HARMONIEWeb Interagency collaborative tool and the Counter Improvised Explosive Device Knowledge and Information Fusion Exchange (KnIFE)

CORE COMPETENCIES

JFCOM's five core competencies—unique mission areas—form the nucleus of the command's day-to-day operations.

Joint Force Provider

As the conventional Joint Force Provider, JFCOM provides trained and capable forces to commanders in the field. This entails identifying and recommending global joint sourcing solutions in coordination with both the Services and combatant commanders.

Joint Force Trainer

As the lead Joint Force Trainer, JFCOM conducts and assesses joint and multinational training and exercises for assigned forces, and assists the chairman and other combatant commanders and Service Chiefs in their preparations for joint and combined operations.

Joint Force Integrator

As the lead Joint Integrator for all of the Department of Defense's (DOD) uniformed components, JFCOM is responsible for recommending changes in doctrine, organization, training, material, leadership, personnel, and facilities to integrate Service, defense agency, and interagency and multinational capabilities. Efforts range from integrating the disparate systems and processes that exist today, to ensuring that the systems and processes of tomorrow are "born joint."

Joint Innovation & Experimentation

As the DOD lead for concept development and experimentation, JFCOM leads the development, exploration and assessment of new joint concepts, organizational structures and emerging technologies. This includes operational concepts involving multinational and interagency transformation efforts.

Joint Force Enabler

As a joint enabling capabilities provider to commanders in the field, JFCOM provides joint enabling capabilities that streamline the rapid formation and organization of a Joint Task Force (JTF) Headquarters. These include command and control capability, augmenting the headquarters with rapidly deployable critical skills support, and providing reach-back support as required.

STRATEGIC GOALS

The command's strategic goals are focused on helping the joint warfighters of today in their efforts to win the war on terror, while working to transform the force to meet the threats and challenges of tomorrow. These strategic goals guide the application of JFCOM's core competencies.

Provide Focused JFCOM Support to Win the War on Terror

JFCOM provides combatant commanders enhanced joint enabling capabilities for defeating violent extremism and building a security environment that is inhospitable to terrorist threats. These capabilities were provided to some 24 separate JTFs throughout the globe in 2006 with even greater requirements in 2007. We will continue to integrate our actions with U.S. agencies and international partners to achieve a common purpose.

JFCOM has established several joint enabling capabilities to complement service headquarters trained or designated to serve as JTF Headquarters. These capabilities provide unique, mission ready support to joint force commanders to aid in the accelerated formation and increased effectiveness of their headquarters.

The more significant joint enabling capabilities are:

- Standing Joint Force Headquarters Core Element (SJFHQ (CE))
- JCSE
- Intelligence Quick Reaction Team (QRT) [resourced from Joint Transformation Command-Intelligence (JTC–I)
- Joint Public Affairs Support Element (JPASE)

The mission of the SJFHQ(CE) is to accelerate the transition of a Service component headquarters to a JTF headquarters. These core elements, ready to deploy worldwide on short notice, are capable of providing initial joint planning and operations within a collaborative environment to access information from global locations. Each core element's personnel and equipment can be tailored for a specific mission to support joint/combined planning, operations, knowledge management and information superiority.

The JCSE provides simultaneous communications support for two JTF Headquarters and two Joint Special Operations Task Force (JSOTF) Headquarters within 72 hours of notification. JCSE also provides contingency and crisis communications to meet operational and support needs of the Joint Chiefs of Staff, Unified Commands, Services, defense agencies, and non-defense agencies. These assets, alert-postured and globally deployable, provide en-route and early entry command, control, computers, and communications to combatant commanders.

The Joint Transformation Command-Intelligence (JTC–I) resourced Intelligence Quick Reaction Teams (QRT) provide military and civilian intelligence professionals with targeting and collection management expertise to a JTF within 24 hours of notification, or during events leading up to crisis/contingency operations.

The Joint Public Affairs Support Element (JPASE) provides dedicated and sustained joint public affairs capability on a scalable and expeditionary basis to support JTFs worldwide. The JPASE is also the joint public affairs defense-wide proponent.

In the last 2 years, these elements supported operations in numerous locations including the U.S. Gulf Coast, Iraq, Afghanistan, Qatar, Horn of Africa, Lebanon, and Pakistan, in support of the war on terror, disaster relief, and noncombatant evacuations.

JFCOM searches for opportunities to develop new joint enabling capabilities that can accelerate the establishment and immediate effectiveness of JTF headquarters and related joint organizations. Joint enabling capabilities are integrated into JTF headquarters training and exercises to increase proficiency for future operations and doctrine changes.

A key JFCOM capability supporting the war on terrorism is the Joint Warfare Analysis Center (JWAC). This center develops and adapts modeling and simulation technologies for analysis, computation and the presentation of options to combatant commands. JWAC's support to the warfighter in Iraq and Afghanistan in 2006 was substantial, and will be again in 2007.

Deliver Trained, Capable, and Interoperable Joint Forces

JFCOM provides forces that meet combatant commanders' requirements for trained and interdependent forces capable of adaptively operating in a joint, interagency, multinational, and coalition environment. JFCOM supports:

- the continued improvement of the joint staffs and operating forces that are currently deployed
- provision of timely and tailored joint training standards for tasks that are jointly executed
- creation of a collaborative environment that, in real time, routinely makes use of lessons learned and best practices
- reduction of solution cycle time to develop relevant, accessible, and value-added training capabilities to the joint warfighter

JFCOM achieves these goals through timely and realistic joint training support at the operational level to combatant commanders, Services, and interagency/multinational partners. Each year JFCOM coordinates and supports commanders through more than 70 collective joint training events involving 46,000 training participants, and individual joint training for more than 26,000 people. In addition, JFCOM, through the Joint National Training Capability (JNTC), supports training for accredited service and combatant command training programs. This support extends to all Army, Air Force, Marine Corps, and Navy pre-deployment training environments by providing a joint training environment for their mission rehearsal events.

The Joint National Training Capability uses a mix of live, virtual, and constructive simulations. Key to this capability is the Joint Training and Experimentation Network (JTEN), a 32 node persistent global network to deliver realistic joint training to the warfighter at 72 sites across the Continental United States and abroad. JTEN provides connectivity with the Navy Cooperative Training Environment (NCTE), the Air Force Distributed Mission Operations Network, and Office of Secretary of Defense's (OSD) Secret-Defense Research and Engineering Network, and will soon be connected with multinational partner training and experimentation networks. Connecting the JTEN and the NCTE enabled the delivery of Joint training during the Terminal Fury 07 Exercise to 3 countries, 14 States, across 19 time zones with 24 federated simulation systems.

JFCOM uses this capability to conduct and support training for combatant commands, JTFs, functional component battle staffs, and Service selected tactical units worldwide, as well as leveraging 20+ Service training programs through an accreditation and certification process that identifies joint training shortfalls, to add joint context and provide operational and tactical level joint training. In addition, JFCOM is currently coordinating with the National Defense University, the U.S. Army, and the NATO School to support joint training requirements for the Provisional Reconstruction Teams (PRT) Training prior to deployments to Afghanistan and Iraq.

In 2006, JFCOM prepared warfighters through 6 Mission Rehearsal Exercises, 16 combatant commander events, and 69 JNTC-enabled Service training events through the use of 43 joint trainer support elements forward deployed to 20 combatant command and Service training sites.

JFCOM significantly enhanced mission rehearsal exercises for Operation ENDURING FREEDOM with an unprecedented headquarters training exercise, in which NATO's International Security Assistance Force Afghanistan and a U.S. Regional Command (82d Airborne Division HQ) trained together in the same exercise. Headquarters personnel from the Afghan National Security Forces, Afghan National Army, Pakistani Army, and the U.S. Embassy in Kabul also participated and

achieved a significant level of multinational realism from both exercise and operational environments.

In conjunction with these training events, the Joint Knowledge Development and Distribution Capability (JKDDC) provides online training for individual augmentees and headquarters staff members. It is an adaptable and world class learning management system used by the warfighter, coalition forces, and Reserves for initial and continuous training in JTF Headquarters. By April of this year, JKDDC will offer over 85 courses (700 hours of instruction) in a variety of subjects to include headquarters operations, interagency, and culturally related topics through a dynamic global network.

JFCOM also executes its responsibilities to transform senior military leadership development and education by bringing joint training and professional military education together, ensuring military, coalition, and interagency leaders are prepared to operate cohesively in joint operations. The command hosts portions of three courses sponsored by JFCOM and the National Defense University:

- Keystone joint operations module for command senior enlisted leaders (91 participants in fiscal year 2006)
- Capstone joint operations module for newly selected flag and general officers (171 fellows participated in fiscal year 2006)
- Pinnacle course for two- and three-star commanders focusing on JTF Commander training (57 participants in fiscal year 2006)

Additionally, JFCOM oversees specialized training provided by:

- Standing Joint Force Headquarters
- Special Operations Command-Joint Forces Command
- Joint Transformation Command-Intelligence (JTC–I)
- Joint Targeting School
- Joint Public Affairs Support Element
- Joint Deployment Training Center
- Joint Personnel Recovery Agency
- JTC–I Quick Response Teams

JFCOM supports the Combatant Commander's Exercise Engagement and Training Transformation (CE2T2) program, which addresses joint warfighter training shortfalls by consolidating existing resources. This will benefit the largest audience and enable portfolio management for the Joint Training Program. The CE2T2 program is based on an extension of the Training Transformation (T2) business model that has become a catalyst for inter-Service coordination, and keeps programs on budget and on schedule while defraying costs of Service training programs. CE2T2 eliminates redundancy, and ensures resource alignment against validated needs.

Primary Joint Force Provider (Global Force Management)

As the conventional Joint Force Provider (JFP), JFCOM provides DOD leadership with the necessary data and alternatives to make proactive, risk-informed force management and allocation decisions. JFCOM uses a process that identifies risks to execute combatant commander missions, forecast sourcing challenges to execute contingencies and project Reserve Component unit mobilization/availability. This requires global visibility on unit readiness as well as the ability to analyze force structure, capabilities, availability, location, and apportionment of those assets.

JFCOM's objective is to source all rotational and emergent force requirements, including individual and ad-hoc force capabilities in collaboration with components, Services (both Active and Reserve) and combatant commands' input to achieve effective/efficient sourcing solutions. JFCOM also sources OSD prioritized JTF Headquarters and the individual augmentees identified to staff those JTF Headquarters, in coordination with the Joint Staff, combatant commands, and Service headquarters. In 2006, JFCOM developed sourcing recommendations and coordinated the deployment of more than 310,000 personnel in support of all combatant commanders.

In addition, the expanding Joint Force Provider mission requires that JFCOM attain an automated capability to assess and monitor force capabilities, availability, location, readiness, and assignment, and to be able to track the status of units through the entire pre-deployment, deployment, redeployment, and reconstitution cycle for both the Active and Reserve components, down to an individual. This requirement is termed the Global Visibility Capability (GVC), for which the Defense Readiness Reporting System (DRRS) and other contributing technologies such as the Joint Event Scheduling System (JESS) and the Joint Force Projection Advanced Capability Technology Demonstration (JFP–ACTD) are currently being pursued and/or enhanced.

JFCOM is spearheading the development and enforcement of policies that transform Global Force Management into a predictive, streamlined and integrated process supported by net-centric tools that expand total force visibility. This effort will enable effective and efficient sourcing of all rotational and emergent force requirements while simultaneously seeking to reduce, and ultimately eliminate, persistent force capability shortfalls (low density/high demand) and fully coordinating the availability of Active and Reserve Forces. This will allow earlier notification of forces that will be deployed, thus adding stability of their personal lives, predictability to their schedules, and greater opportunities for their training.

In October 2006, JFCOM gained responsibility for assignment of individual augmentees to deployed units, a sourcing workload of approximately 10,000 joint positions annually for 55 JTF Headquarters worldwide. This is a new mission requirement of our force provider role which demands an efficient and effective process in order to ensure these individual augmentees arrive where they were needed in a timely manner, trained and ready to fight.

Develop Joint Capabilities and Interoperable Joint Command and Control (JC2)

As the Joint Capability Developer, JFCOM advances warfighter effectiveness, improves combat capability, and helps minimize fratricide by leading the combatant commands, Services, agencies, and multinational partners in the interdependent and integrated development and transition of Joint Warfighting Capabilities. In September 2006, the Deputy Secretary of Defense designated JFCOM to lead a trial program as the Joint Command and Control Capability Portfolio Manager (JC2 CPM). In this capacity, JFCOM has established a JC2 CPM capability function, characterized by short reporting lines, and close coordination with Service C2 programs. JFCOM, along with a multitude of partners, is working to establish the technical expertise and attendant authorities necessary to eliminate unnecessary duplication, close capability gaps, and ensure joint integrated capability solutions for the warfighter.

A fully networked, interoperable, and interdependent joint force is essential to the achievement of successful military operations now and in the future. While we have come very far since the enactment of the Goldwater-Nichols legislation, we still have much work to do with achieving this vision for our Armed Forces. As we learned in Iraq, Afghanistan, and elsewhere, the lack of interoperability in command and control and other functions significantly reduces the effectiveness of our soldiers, sailors, airmen, and marines on the battlefield. Unique among combatant commands, JFCOM works the critical seams of joint warfighting, leading the migration of existing Service-based systems toward a single, integrated joint capability.

JFCOM's goal is to develop operational level forces and headquarters with the organic ability to fight as part of a joint and combined force alongside our multinational and interagency partners. The command's integration efforts will yield a joint command and control capability that ensures decisionmakers receive information when they need it, allowing them to observe, orient, decide, adjust, and act faster than an adversary. Moreover, it will meet the pressing demands of today's battlefield by linking voice and data from global and national command centers to joint task force headquarters, between component commands, and on to the soldier, sailor, airman, marines, coalition partner, or governmental/nongovernmental agency over the last tactical mile.

The goal is to create an "Interoperable JC2 Environment" that:

- Ensures a JC2 capability "Born Joint" not "Made Joint" on the battlefield, as was required for:
  - Blue Force Tracker
  - Joint Airborne Communications Suite
  - Joint Airborne Communications Center Command Post (JACC/CP)
- Provides a persistent test and evaluation environment to assess aspects of command and control portfolio programs
- Provides cross-program and enterprise-wide system engineering
- Recommends Program Objective Memorandum (POM) offsets to ensure the "jointness" of Service and agency command and control programs
- Supports future JTF Headquarters

The CPM will focus on the needs of the combatant commander to ensure proposed solutions contribute to joint command and control warfighting capabilities and that resources are distributed according to joint command and control priorities.

As part of its CPM duties, JFCOM also serves as the operational proponent for the Net Enabled Command Capability (NECC), the web-based replacement for the stove-piped Global Command and Control (GCCS) family of systems. In this role, JFCOM partners with the combatant commands and Services to establish the

warfighter requirements for the new command and control system and then ensures our acquisition partner, the Defense Information Systems Agency, delivers an interoperable capability that meets the warfighter's needs.

Beyond its joint command and control duties, JFCOM also develops additional warfighting capabilities for the joint force. These capabilities include Joint Data Link software, precision targeting system, and machine to machine interfaces for passing that targeting information without relying on voice transmission. All of these capabilities are in use today.

Since 2004, JFCOM's implementation of Limited Acquisition Authority (LAA) in support of the combatant commands has been used to fund/provide several critical capabilities to the warfighter:

- The Joint Precision Air Drop System in partnership with U.S. Special Operations Command, currently employed in theater (January 2006).
- The Change Detection Work Station (CDWS), a Marine Corps initiative, deployed to CENTCOM in January 2005.
- The JTF Commander Executive Command and Control Capability (JTF CDR EC2) delivered to CENTCOM/U.S. European Command (EUCOM) Combined Joint Task Forces (CJTF) in fiscal years 2004–2005.
- Blue Force Situational Awareness, in partnership with U.S. Strategic Command (STRATCOM), in Iraq today with Multi-National Force-West and currently being tested to support XVIII Airborne Corps in their upcoming JTF role.

Warfare is inherently difficult and dangerous. To be effective in the global war on terror, and to be more interoperable with coalition partners, we need better cultural and language tools. To help overcome the language barrier, JFCOM has partnered with the Defense Advanced Research Projects Agency (DARPA) to develop and provide over 1,000 language translation devices for CENTCOM and others. These devices include over 950 one-way speech translation devices (Phrasealator and Voice Response Translators) and nearly 100 prototype two-way Speech-to-Speech (English-Arabic) Translators.

Our Collaborative Information Environment Management Office (CIEMO) is working with the Services, to include the Virginia Army National Guard, non-government organizations and other mission partners to further develop and employ Humanitarian Assistance Response for Multipartner Operations Network on Internet Enterprise (HARMONIEWeb). HARMONIEWeb, developed in the aftermath of Hurricane Katrina, affords the ability for mission partners outside of the U.S. Government to collaborate, share and better integrate information across the spectrum of support for Humanitarian Assistance and Disaster Relief operations.

To reduce the danger of fratricide, JFCOM worked with the Services and the combatant commands to establish a common training standard for authorizing servicemembers to direct close air support fires to targets. Moreover, the command planned and executed a combat identification experiment with over 700 U.S. and coalition participants designed to assess the military utility of specific anti-fratricide technologies. This experiment was such a success and the results of sufficient rigor that the Army and Marines decided to purchase improved combat identification systems for use in the near future.

Two additional subordinate commands that support the joint warfighter and facilitate the integration and interoperability effort are the Joint Fires Integration and Interoperability Team (JFIIT) and Joint Systems Integration Command (JSIC). JFIIT, located at Eglin Air Force Base, FL, conducts joint tactical testing and evaluation designed to improve the integration, interoperability, and operational effectiveness of joint fires and combat identification. JSIC, located in Suffolk, VA, is the battle laboratory for analyzing command and control systems integration and interoperability issues and works closely with the Joint Warfighting Center and the Joint Futures Laboratory.

Lead Continuous Effort to Transform the Joint Force

JFCOM coordinates the transformational actions of the Services, other government agencies, and our international partners to improve our ability to conduct integrated planning, coordination, and execution of complex operations. Our goal is to identify and develop the joint capabilities that provide combatant commanders with the ability to operate continuously and effectively within any adversary's decision-cycle, under any conditions, now and in the future.

Transformation is a continuous process of innovation, experimentation and the transition of solution capabilities into the hands of the Nation's joint forces for today's fight and future engagements. The efforts of JFCOM are directed to ensure the Joint Force Commander is equipped with improved concepts and capabilities across the spectrum of operations, and will be better prepared to command. For ex-

ample, JFCOM is engaged in providing near-term command and control solutions while working toward the force of the future that will:

- Be more capable of working with joint, interagency, and multinational partners
- Be able to work in an environment that deeply integrates planning, intelligence, and operations
- Possess the tools and operational art required to operate at the commanders' discretion,
- Be rapidly deployable and efficiently sustainable
- Be an enabled element within and contribute to a synchronized strategic communication environment

Transformation is about developing new concepts and capabilities together in a wider range of settings from the traditional laboratory experimentation to prototyping the emerging concepts and capabilities in the field. Much of our work is now informed by powerful federations of models and simulations run on supercomputers. This technological edge at the beginning of the development and experimentation process is a key enabler for producing what our primary customers, the combatant commanders, have told us they need to address today's realities and tomorrow's emerging challenges.

Modeling and Simulation (M&S) provides the foundation for innovation and experimentation. Ongoing sophisticated M&S capabilities include the Joint Semi-Automated Forces (JSAF), a high fidelity multidimensional environment that can replicate real-world urban environments such as Baghdad or Norfolk. Matching the real-time fidelity of JSAF, but in a faster-than-real-time capacity, is the Joint Analysis System (JAS). JAS, a constructive simulation, facilitates analysis of actions and results of those actions in an entire joint campaign, from pre-deployment, to employment, and re-deployment of forces. This lets us be more effective and efficient before, during, and after operations. Another emerging model is the Synthetic Environment for Analysis and Simulation (SEAS). This tool models and simulates reactions of institutions, organizations, and individuals that make up a society and their effects on joint operations. We will soon be experimenting with this tool on the battlefield.

JFCOM continues to leverage our affiliation with the Congressional M&S Caucus. For the last 2 years, the Hampton Roads area has hosted the Nation's leaders in M&S to highlight the importance of the industry. This provides a forum not only to share with industry and academia, but also to showcase M&S training initiatives of the military in a JTF environment, promote enhanced M&S capabilities, and understand the importance of such training to success on the battlefield. These conferences also provide a means to share with academia and industry, strategies to foster increased participation by college students in the math and science disciplines. This partnership with academia is a key area that we want to grow in 2007 and beyond.

Recent experiments like the Urban Resolve experimentation series address the capability gaps our commanders now face. By focusing on the challenges of urban operations in 2015, the Urban Resolve series analyzes the effectiveness of current and future capabilities in demanding environments. Over 1,000 people, including representatives from the Services, DARPA, Defense Threat Reduction Agency, interagency and multinational partners, from more than 19 sites, participated in and contributed to the JFCOM lead Urban Resolve experiment series, designed to explore and deliver capabilities for the urban battlespace of tomorrow.

Likewise, the MNE Series brings the multinational and interagency communities together to examine better ways to work together. Eight partner countries, including the U.S., NATO, and other nations participated in the MNE series in 2006. The experiment further refined an effects-based approach to operations, which led to the development of an effects-based planning tool that NATO is fielding to the International Security Assistance Force in Afghanistan.

In 2006, JFCOM established the Joint Intelligence Operations Center-Experimental (JIOC–X) to conduct joint intelligence concept development and experimentation (JICD&E), to conduct joint training, and to incorporate lessons learned, best practices, and assessments in support of both combatant command and Defense JIOCs. The ultimate end-state of the JIOC is the integration of plans, intelligence, and operations in order to increase the speed, power, and combat effectiveness of DOD operations.

A key element in transforming the joint force is achieving Unified Action—achieving unity of effort in complex operations involving the participation of military forces, civilian agencies, nongovernmental organizations (NGOs), international organizations, and multinational partners. JFCOM development partners in Unified Ac-

tion include the National Security Council, Departments of Defense, State, Justice, Treasury, and Commerce, U.S. Agency for International Development (USAID), the private sector, multinational and multilateral partners, and NGOs. Together, we must develop a coherent interagency planning process and the requisite tools necessary to synchronize the diverse capabilities that our civilian agencies, military, multilateral, international organizations, and NGOs bring to the effort. The war on terrorism that we are fighting in Iraq and Afghanistan demand this kind of interagency and multinational participation. The Department of State Office of the Coordinator for Reconstruction and Stabilization (S/CRS) maintains a strong partnership with JFCOM as we work together to understand and develop solutions for common civilian-military planning and coordination, striving to improve the Whole of Government Approach. Our close partnership with Allied Command Transformation and NATO allows us to leverage each other's capabilities with S/CRS to enhance the integration of Defense, US Government, and other national and international agencies efforts in order to develop and deploy fully integrated and interdependent solutions. This will be a challenge and we must strive for seamless integration of our combined efforts.

The 3-year Unified Action development and experimentation program, which began in mid 2005, will identify capability gaps in the areas of Security, Economic Stabilization, Justice and Reconciliation, Humanitarian Assistance and Social Wellbeing, and Governance and Participation. These capability gaps will be cross-walked with developing initiatives across the Unified Action community of interest to develop potential solution sets.

Concurrently, JFCOM and its partners are developing an integrated planning and implementation framework, to include a national security training and education program. These concepts will then be assessed during major experiments to include Unified Action 07 and MNE 5 in fiscal year 2008.

Our new experimentation series in 2007, named Noble Resolve, is intended to improve information sharing, communications interoperability and unity of effort within the areas of Homeland Defense, Homeland Security and Defense Support to Civil Authorities. Utilizing advanced modeling and simulation, Noble Resolve uses a scenario focused on preventing overseas threats from migrating to the homeland. Partners and participants in this experiment include other combatant commands (NORTHCOM, EUCOM, STRATCOM, Transportation Command (TRANSCOM), and Pacific Command (PACOM)), Department of Homeland Security, Federal Bureau of Investigation (FBI), FEMA, port authorities, the Commonwealth of Virginia, the cities of Norfolk, VA, and Portland, OR, academic institutions like Old Dominion University, University of Virginia and Virginia Polytechnic Institute, as well as companies like Maersk Shipping. Through this innovative use of technology, we are able to focus on critical homeland defense skills, assess risk management, test command and control with first responders, and build counterterrorism tools between States.

In developing the foundation for the combatant commanders' success in future operations, JFCOM has pursued a wide range of activities that provide unique joint enhancing capabilities. For example, the Cross-Domain Collaborative Information Environment is a hardware and software solution that supports cross-mission and cross-domain information sharing throughout the battlespace. The key deliverable to the warfighter is the capability to allow multiple data types to pass from one classified domain to another.

Combatant commanders have also identified a requirement for more robust joint logistic processes that impact the Joint Force Commander's ability to effectively plan, execute, and integrate logistics at the operational level. As a result, JFCOM, partnering with the combatant commands, the Services, and the Defense Logistics Agency, is developing a family of scalable joint and combined capabilities (JxDS) that will enhance coordination, integration, and synchronization to increase force employment opportunities.

A unique challenge of combatant commanders conducting operations in the urban environment is inhibited employment of joint fires due to complex terrain, weapons effects and the proximity of noncombatants. The Joint Urban Fires Prototype focuses on improving the ability of joint commanders to apply precision fires in the urban environment by improving precision, discrimination and response.

"Angel Fire" is another joint enhancing capability showing tremendous potential, and is currently being tested on the battlefield by the Marine Corps. Angel Fire was pulled forward after our Urban Resolve experiment identified the dramatic value of persistent surveillance. The optical sensor device covers a 16 square kilometer area and can provide the joint warfighter with a dedicated sensor to rapidly respond to enemy actions and near real-time reaction to an improvised explosive device (IED) or any other event in the area. The ability to pull forward tomorrow's capability to today is the most important thing we do.

JFCOM's Joint Center for Operational Analysis (JCOA) assists in accelerating transformation of the joint force by producing recommendations for change derived from direct observations and sound analysis of current joint operations, exercises, and experiments. This mission is accomplished by providing tailored, worldwide deployable teams of multidisciplined operations analysts, experts in joint, combined, and interagency matters, with reach-back to greater analytical expertise and an extensive lessons learned database.

JCOA conducts robust and timely analysis of operational issues in order to provide immediate feedback to the joint warfighter and provide input for transformational change to joint doctrine, organizations, training, material, leader development, personnel, and facilities. In support of this mission, JCOA has maintained a permanent presence in Iraq since May 2003 and in Afghanistan since September 2004. In addition to supporting CENTCOM for Operations Enduring Freedom and Iraqi Freedom, JCOA has simultaneously supported other operations or missions around the world to include Pakistan earthquake assistance, the Lebanon Noncombatant Evacuation Operation, Tsunami Relief, Haiti and Guatemala disaster relief, and Hurricane Katrina relief operations. Last year, Congress received a copy of one of JCOA's most publicly visible products, the "Iraqi Perspectives Report."

JCOA also operates the KnIFE, aimed specifically at the current threat to our forces posed by IEDs. KnIFE is a capability to comprehensively fuse data sources, databases, best practices, tactics, techniques, and procedures dealing with asymmetric warfare into products requested by and provided to warfighters and our coalition partners.

JFCOM continues to work to build innovative partnerships between private industry, academia and DOD through Cooperative Research and Development Agreements (CRADAs). With projects of mutual benefit to these organizations and the DOD, these agreements, enable pooling of scarce research assets, and the sharing of information to facilitate fast, effective and efficient research and development of capabilities required by the joint warfighter today and in the future. We currently have CRADAs with approximately 20 companies and several academic institutions.

Allied Command Transformation

JFCOM values a close working relationship with NATO's Allied Command-Transformation (ACT). This relationship provides a vehicle for achieving synergy in Allied interoperability, through collaboration on a multitude of levels, to include exercises, training, and sharing of lessons learned and best practices. JFCOM and ACT have combined on numerous projects to improve training and capabilities of U.S. and coalition forces, solve capabilities shortfalls and identify solutions for NATO forces.

The combined capabilities and synergy of effort of JFCOM and ACT are maximized through efforts such as the upcoming MNE 5, which is focused on the "Whole of Government" approach, and the Coalition Warrior Interoperability Demonstration, that will test the interoperability of the NATO Network Enabled Capability.

This close working relationship allows development of appropriate "teamed" solutions that not only address the problems at hand, but strengthens relationships with and the capacity of our multinational partners. The synergy of the projects we're working on together helps to improve allied and coalition operations.

THE WAY AHEAD

We are balancing the war today with the imperative needs of tomorrow. In 2007, JFCOM continues to provide capabilities that will achieve this.

- The 33 training exercises scheduled for this fiscal year, in conjunction with training exercises conducted by 22 accredited Service and combatant command training programs, will be facilitated by the expanded Joint Training and Experimentation Network and the interactive Joint Knowledge Development and Distribution Capability portal, which will enhance joint training immeasurably.
- Experiments, focused on the integration of interagency and multinational partners, will bring the joint force closer to the realization of Unified Action.
- As JFCOM gains experience with management of Individual Augmentees and In-Lieu of Units, additional force providing efficiencies will be realized with the goal of moving unit, IA, and ILO force notification from weeks to months.
- Deployment of responsive joint enabling capabilities will continue to contribute unique capabilities to the global war on terror and disaster relief/ humanitarian assistance operations.
- The JC2 Capabilities Portfolio Management effort will mature.

- Based on assessment of training and current operations, JFCOM will continue to improve and refine Mission Rehearsal Training for OIF and OEF forces and enhance information exchange abilities to help defeat Improved Explosive Devices.
- JFCOM will continue to work with OSD, Joint Staff, CENTCOM, EUCOM, and NATO to improve Afghan National Security Force Training.
- Establishing two Standing Joint Force Headquarters Core Elements with Full Operational Capability to deploy globally by 31 December 2007 in support of a wide range of mission sets.
- Enabling the sustainment of two Standing Joint Force Headquarters Core Elements with the transformational use of 240 deployable reservists in key billets.
- Increase Homeland Security capabilities, and increase training and education opportunities for the National Guard and Reserve.

CONCLUSION

JFCOM is dedicated to the total force of soldiers, sailors, airmen, marines, and civilians who serve our country and champion freedom around the globe. We stand ready to rapidly deploy enabling and enhancing capabilities to support the joint warfighter as well as our interagency and multinational partners in complex operations. We bring these current capabilities to bear while keeping a watchful eye toward the continuously changing threat to develop solutions to defend our freedoms today and tomorrow. On behalf of our 1.16 million great men and women, the combatant commanders, and our components, we thank you for this opportunity to present the JFCOM story.

Chairman LEVIN. General Smith, thank you so much.

Admiral Stavridis?

STATEMENT OF ADM JAMES G. STAVRIDIS, USN, COMMANDER, UNITED STATES SOUTHERN COMMAND

Admiral STAVRIDIS. Thank you, Mr. Chairman, Senator Warner, Senator Nelson, Senator Martinez, and Senator Sessions; let me just begin by simply saying thank you for the opportunity to appear here today in front of all of you. I'm also very happy to be appearing with General Lance Smith, who came out and greeted my aircraft carrier strike group in the Arabian Gulf in 2003, when I first met him. Sir, it's good to be with you. Admiral Tim Keating who—I could ask for no finer wingman, and has been a mentor of mine for many years. It's great to appear with both of you.

I do want to particularly thank the members of the committee who've taken the time to come travel in the region, and I think there is no substitute for the kind of personal eyes-on experience you get. Most recently, Senator Levin was visiting Guantanamo Bay, Senator Nelson was through the region, and visited one of our New Horizons projects. I know Senator Martinez has been through the region recently—I would extend an invitation to the committee to come as a group, or individually, to any part of the region, at any time. It's a vibrant, exciting, and diverse region where great interests of the United States are at play every day.

It is also a region, I always like to say, which is not America's backyard—that's not the right expression. It's not even America's front porch, it's our home. The Americas stretch from Canada to the tip of Tierra del Fuego in the South, and collectively, we live in this shared home, all of us, all of the countries. The 32 that are under my AOR are going through some challenging times, and I think that together the United States and those countries can partner in ways that will help us fulfill a true partnership here in the Americas.

I've had the opportunity in my 5 months in command to do some travel through the region myself. Most recently, for example, last week I spent an hour with Daniel Ortega in Nicaragua. I'd be happy to talk about that. I spent some time in Panama with President Torrijos, and others. I will tell you, generally, in the region, the United States is looked on as a strong partner. Always, there will be some strong disagreements, country to country, but overall, this is an area of great potential for the United States of America.

I think the way to unpack that potential is by taking the kinds of approaches you heard Lance Smith talk about a moment ago—interagency, joint—obviously—combined, working with our partners. This is really, as Senator Levin said, an economy of force theater, but to execute what we need to do, we have to team up with the DOS with the Department of Homeland Security (DHS), the Coast Guard, the Drug Enforcement Agency, and many others. I'd be happy to address some of that today.

If I may, I'd simply like to close this brief opening statement by saying how proud and lucky I am to be at U.S. SOUTHCOM to work with great reservists, great civilians, great Active-Duty, coastguardsmen, soldiers, sailors, airmen, and marines. They're the best shipmates a sailor like me could ask for. Our families support us every day. Senator Warner, I appreciate your words on the families involved, and I look forward to all of the questions to come. Thank you.

[The prepared statement of Admiral Stavridis follows:]

PREPARED STATEMENT BY ADM JAMES G. STAVRIDIS, USN

INTRODUCTION

Mr. Chairman, Ranking Member McCain, and distinguished members of the committee, thank you for the opportunity to appear before you today to discuss the environment in which we operate, the challenges we face, and what we are doing throughout Latin America and the Caribbean. I would like to begin by thanking the committee members, particularly those who have traveled to our region to gather first hand impressions. Most importantly, on behalf of all the members of the United States Southern Command (SOUTHCOM), thank you, as a committee, for your continued support. We at SOUTHCOM very much look forward to working with you and your staffs in the coming years.

Our mission is straight-forward: to promote security cooperation and conduct military operations with the 32 nations and 13 territories in the region to achieve U.S. strategic objectives. Our mission enhances security and stability in the Western Hemisphere and, in so doing, ensures the forward defense of the United States. Our ability to accomplish this mission is significantly influenced by our understanding of the diverse environment in our hemisphere and the linkages that bind the Americas together.

LINKAGES

Our shared home is the Americas. We have much in common with our partners throughout the region; we share common interests and are dependent upon each other in many ways. There are numerous and compelling geographic, cultural, economic, political, and historical linkages that tie all of the Nations of the Americas together and which must be understood in order for us to achieve our mission.

Nearly half a billion people live in the SOUTHCOM region—roughly one half of this hemisphere's population. Our area of responsibility covers roughly one sixth of the Earth's surface and is bounded by large bodies of water, making the maritime environment of great importance. The people of this part of the world have diverse and rich heritages and languages. A growing part of the population has strong cultural, political and economic ties to the United States. In 2000, for example, the U.S. Census Bureau reported that the number of Hispanics in America accounted for 12 percent of our population. Today the government estimates the figure as approximately 15 percent, with more than 40 million U.S. citizens of Hispanic origin.

This figure is expected to grow rapidly in the coming decades, making the U.S. very soon the second most populous country of Spanish-speakers in the world. This significant cultural and human linkage between the U.S. and the region is underscored by the almost 15 million U.S. citizens who traveled to Latin America and the Caribbean in each of the past 2 years, with an almost equal number of our neighbors coming north.

The economic linkage between the Nations of the Americas has risen dramatically over the last decade, with north-south trade comprising almost 40 percent of U.S. total global trade in 2005. Trade between the U.S. and SOUTHCOM's partner nations in Latin America and the Caribbean increased 22 percent between 2004 and 2005, with considerable repeat growth last year; and further substantial growth is predicted as a result of the Free Trade Agreements we have with a number of countries in the region. In particular, we also currently have a unique and valuable opportunity to strengthen our economic ties to Colombia, Peru, and Panama through the passage of Free Trade Agreements with these key friends to foster economic security, stability, and prosperity there.

The U.S. also imports over 50 percent of its oil from the Western Hemisphere, with 34 percent coming from Latin America and the Caribbean in 2005—outweighing the 22 percent imported from the Middle East. An important facilitator to this critical trade throughout the Americas is the Panama Canal, which sees almost 15,000 ships transit each year, of which two thirds are going to or from one of our coasts in the U.S. The canal, in effect, is the economic heartbeat of the Americas. Panama recently passed an important referendum to expand the canal to allow for a projected twofold increase in throughput capacity, which would certainly build upon the growing economic interdependence of this hemisphere.

Beyond the cultural and economic linkages, perhaps the most important connection we share with the region is a social and political sense that respects democracy, freedom, justice, human dignity, human rights, and human values. We share the belief that these democratic principles must be at the core of what we accomplish in the region and that free governments should be accountable to their people and govern effectively. This common belief is most evident as expressed in the first article of the Inter-American Democratic Charter: "The people of the Americas have the right to democracy and their governments have an obligation to promote and defend it. Democracy is essential for the social, political, and economic development of the peoples of the Americas." The rest of this tremendous consensus document of the Americas goes on to further reinforce our shared values and our goal of strengthening representative democracy in the region. We have made great strides over the last 2 decades in helping democratic values spread, with all but one leader in the Americas having been democratically elected.

We are passionate about the linkages we share in this hemisphere. We at SOUTHCOM dedicate a good portion of our time to studying these connections, and we firmly believe that our region is inextricably linked to the economic, political, cultural, and security fabric of the United States. Understanding these linkages helps us make the best use of our resources in order to better secure the U.S. and to help extend peace and prosperity to the entire region.

CHALLENGES

Beyond the understanding of these critical linkages, we at SOUTHCOM also devote a considerable amount of energy to the study of the significant challenges confronting the region—challenges such as crime, gangs, and illegal drug trafficking as primary examples. These challenges loom large for many nations in the region; they are transnational, adaptive, and insidious threats to those seeking peace and stability. By their nature, these challenges cannot be countered by one nation alone. Therefore, they require cooperative solutions involving a unified, full-spectrum governmental and international approach in order to best address them.

In many cases, the main source for these challenges stems from the underlying conditions of poverty and inequality that are prevalent in most of the area. According to 2005 United Nations statistics, about 40 percent of the region's inhabitants are living in poverty, defined as an income of less than two U.S. dollars per day. Of that number, about 16 percent are living in extreme poverty—less than one dollar per day. Couple these poverty figures with the most unequal distribution of wealth for any of the world's regions, and you have a catalyst for potential social and political insecurity and instability.

Stemming from these underlying conditions, illegal drugs and crime are the most pressing security concerns for this part of the world—and based upon the region's proximity and linkages to the U.S., a security concern here at home as well. The Andean Ridge in South America is the world's leading source of coca cultivation, and

despite international efforts and record interdictions and seizures, the region still produces enough cocaine to meet demand here in the U.S. and a growing demand abroad.

A close corollary to the illegal drug trade is the alarming growth of criminal activity in the region—some of which is a byproduct of the drug trade but just as much stems from the region's extensive poverty and inequality. Violence is now among the five principal causes of death in several countries in the area. The annual homicide rate for Latin America and the Caribbean is among the highest in the world, with 25 homicides per 100,000 people compared to Africa's 22 and the U.S.'s 5.5. In Central America, Haiti, Jamaica, and major cities in Brazil, gangs and criminal violence are a security priority, with some gang population estimates reaching into the hundreds of thousands. These gangs do not just pose a concern in Latin America. They have spread from Los Angeles and New York to around your homes in northern Virginia and my home in southern Florida. Members cross borders, moving drugs and money. This is an issue not just for our partners in the region, but for Americans on our own soil.

The costs associated with violence in the region are difficult to assess, but according to the Inter-American Development Bank, they were estimated as close to 15 percent of Gross Domestic Product across this part of the world in 2005. This inhibits efforts to alleviate the underlying conditions of poverty and inequality.

As stated earlier, we are fortunate as a hemisphere to have as neighbors democracies that virtually all share similar values with us. Unfortunately, poverty, inequality, and security challenges all contribute to a growing, frustrated expectation from the people for dramatic change. We have seen instances in some countries where "change agents" have successfully campaigned on themes of radical change, with promises of achieving sweeping results through unorthodox and unproven economic and political policies. We will closely follow any developments in the degradation or dismantling of democratic institutions in these countries and any security crisis that follows from destabilizing political and/or economic policies. In some cases, we have the complicated task of maintaining working relationships with a nation's security forces in the face of antagonistic political leadership and attempts to spread anti-U.S. views and influence. This situation exacerbates the already difficult mission of achieving regional cooperation to address ever-changing and insidious transnational challenges.

COMMAND PRIORITIES

Within this diverse environment, with its compelling hemispheric linkages and its significant region-wide challenges, we at SOUTHCOM have several key priority focus areas, discussed below.

First and foremost is the hostage situation in Colombia. Not a day goes by without our team focusing on the plight of Keith Stansell, Marc Gonsalves, and Thomas Howes. These three men are American hostages who have been held captive by the Fuerzas Armadas Revolucionarias de Colombia (FARC) for over 4 years, having first been taken into captivity on 13 February 2003. The safe recovery of our countrymen is our top priority. We search every day for leads that will help bring these Americans home. Finding them is of utmost importance to SOUTHCOM.

Another focus area, associated with the hostage situation, is the overall security challenge in Colombia. Over the last decade, Colombia has achieved great success in its complex struggle for peace and security. Ten years ago, the headlines coming out of Colombia resembled the worst of those to come out of any war-torn country: beheadings, kidnappings, torture, and bombings occurred essentially daily. Through its own interagency efforts and a welcomed steady stream of resources and support from the U.S., Colombia has battled from the brink of chaos to a far better situation in terms of peace and stability. Last year marked the lowest homicide rate in two decades. At great effort, the government has established security police force presence in all of its 1,098 municipalities, significantly deterring crime and terrorist incidents. This increased security presence, coupled with significant operational successes against the FARC, has contributed to the fastest sustained economic growth in a decade—over 5 percent annually for the past 2 years—and has encouraged a real sense of positive momentum for the entire country.

These hard-fought successes, however, need continued U.S. support and steadfast effort from the Colombian government in order to fully win the peace for the country. SOUTHCOM continues to be a steady partner to our Colombian counterparts and is constantly striving to advise and assist them as they plan for the future. In addition to supporting Colombia, countering any expansion of FARC activity into neighboring countries is also part of our focus.

As in all combatant commands, support for the global war on terror is a major priority for SOUTHCOM. We remain vigilant and are constantly working with our partners in the U.S. interagency and with our partners in the region to keep our Nation secure. I would characterize our region as being a highly-likely base for future terrorist threats. Members, facilitators, and sympathizers of Islamic terrorist organizations are present throughout the region. Hizballah appears to be the most prominent group active in the region, and while much of their activity is currently linked to revenue generation, there are indications of an operational presence and the potential for attacks. The Hizballah network in the region is suspected of supporting the terrorist attacks in Buenos Aires in 1992 and again in 1994. We suspect that a similar operational support network exists today and could be leveraged in the future.

We have seen successes in mitigating Islamic terrorist activity in the region. Brazil, Paraguay and Argentina have made progress in working together to address terrorism and illicit criminal activity through the Tri-border Commission's 3+1 conference. A Regional Intelligence Center, located in Brazil and staffed by agents from all three countries, is nearly operational. Throughout 2006, countries in the region have taken action against terrorist-linked supporters and facilitators. In January 2006, Colombian authorities dismantled a complex document forgery ring with alleged ties to indigenous and Islamic terrorist organizations. Also in early 2006, Brazilian authorities arrested a suspect linked to the late Lebanese Prime Minister Rafik Hariri's assassination. We will continue to work with our partner nations throughout the region to maximize counter-terrorist successes and ultimately deny, disrupt, dissuade, and deter terrorist and terrorist-associated activities in the area.

SOUTHCOM's most visible assignment in the global war on terror is conducted at the U.S. Naval Station Guantanamo by Joint Task Force—Guantanamo. We conduct safe, humane, legal, and transparent detention operations in compliance with the laws of our Nation, Common Article 3 of the Geneva Conventions, and the Detainee Treatment Act of 2005. In accordance with the Detainee Treatment Act, all interrogation operations comply with the interrogation techniques prescribed in Army Field Manual 2–22.3, Human Intelligence Collector Operations, and all detention and interrogation operations are conducted humanely. Both I and members of my staff make frequent inspection visits to our facilities at Guantanamo and we are in constant communication with the Task Force Commander.

As detailed earlier, a key challenge for the region is the spread and breadth of criminal activity and illegal drug trafficking. As a priority, we work with our counterparts throughout the region to assist them in their attempt to cope with the serious effect gangs and criminal activities have on their ability to govern. In some instances, due to a lack of enough trained law enforcement entities, countries' militaries have been asked to assist in combating these violent gangs.

The situation in Cuba and any potential repercussions from the end of Fidel Castro's rule are another set of our priorities. We are concerned that Cuba's poor socioeconomic conditions and repressive regime, combined with a leadership change, could spark mass migration, and we are ready to assist the U.S. Coast Guard and the U.S. Department of Homeland Security to respond if mass migration occurs.

PROMISES

As evinced by the already strong linkages we share as a hemisphere, we believe that if we were able to overcome the region's challenges to security and prosperity, we would be able to unlock the true promise of the Americas: the promise of a secure, prosperous, and democratic hemisphere that works together to face threats to peace and stability.

The word 'promise' has two appropriate meanings for how SOUTHCOM approaches its role in the region and for our view of the future for this hemisphere. On one hand, a promise is a commitment honestly undertaken and executed by two or more parties. In this case, SOUTHCOM is committed to lasting and beneficial partnerships with the countries in the region. Encouraging regional partnerships has been a cornerstone of our strategy for many years and a formal strategic objective for the last 4 years. Our "promise" entails fulfilling the commitment of being a good partner and pursuing better cooperative security arrangements in order to face together the tough challenges that confront us now and into the future.

Promise can also mean "potential"—the potential to do something vital and important; the potential to be something special and extraordinary. We believe that through lasting partnerships, we can help achieve the security conditions necessary to create the enduring basis for prosperity and healthy democratic institutions in this important region. This is the promise of a hemisphere free of gangs and drugs; free of human trafficking, money laundering, and terrorism; free of repressive re-

gimes; it is the promise of all of us together finding cooperative solutions to demanding security challenges.

Our goal at SOUTHCOM is simple: we will work with our partners to unlock this "Promise of the Americas." Every day we strive to be engaged in a positive way with as many of our regional partners as possible, and in doing so, enhance the security of the United States while simultaneously enhancing their own security. The U.S. SOUTHCOM strives to fulfill the promise of this region through military-to-military engagements that build the capacity of the Nations in the region to protect their own sovereign territories. Given our close linkages, this increased capacity and stability will also provide a first line of defense for the United States.

In support of our goal, we employ a theater security cooperation strategy that calls for building host nation capabilities. Over time, these capabilities will ensure our partner nations have the means to control their borders and protect their citizens, while also deepening the roots of good governance. We also envision our partners being able to work together in a collective environment to be able to counter emerging and adapting threats. To this end, most of our military-to-military engagement is in the form of training and education programs, joint exercises, peacekeeping, and other partnership programs.

Education and Training

Education, training, and military operations provide substance to our collective security agreements and contribute directly to building capability. Education and training are prerequisites to effective operations, while operations enable partner nations to protect and control their sovereign territories. Two institutions that provide formal education to nations in the Americas are the Western Hemisphere Institute for Security Cooperation and the Center for Hemispheric Defense Studies.

The Western Hemisphere Institute for Security Cooperation provides professional education and training—particularly in human rights—to select uniformed and civilian security forces of nations within the Western Hemisphere and operates in the context of the democratic principles set forth in the Charter of the Organization of American States. Their curriculum is designed to foster mutual knowledge, transparency, confidence, and cooperation among the participating nations, as well as to promote democratic values, respect for human rights, and knowledge and understanding of U.S. customs and traditions. The student body of Western Hemisphere civilians and police personnel receives instruction in human rights, the rule of law, due process, civilian control of the military, and the role of the military in a democratic society. Partner nations nominate students to attend this Defense Department school, and the State Department leads an interagency vetting process that examines each nominee prior to final selection.

The Center for Hemispheric Defense Studies is a regional academic forum offering strategic level defense and security cooperation, research, and dialogue for the promotion of effective security policies within the Western Hemisphere. The Center's civilian and military graduates and partner institutions comprise communities of influence that work toward a more cooperative and stable international security environment. The Center also facilitates NationLab Strategic Seminars at foreign national defense universities with a primary focus on national policy innovations for breaking the cycles of poverty, corruption, narcotrafficking, gangs, organized crime, and other key challenges in the region.

We have made tremendous progress in extending the International Military Education and Training (IMET) program to partner nations throughout the theater. We truly appreciate Congress's delinking IMET from the American Servicemembers' Protection Act (ASPA). IMET's overarching training program, as executed by the Department of Defense, has trained tens of thousands of Latin American officers, enlisted, and defense civilian personnel, with graduates reaching the highest level of military and civil service. IMET is a key training program that, until Congress provided relief, had been subject to the provisions of ASPA. We are working vigorously to renew training opportunities throughout the region, including partner nations like Nicaragua, where an IMET graduate recently led the interception of 871 kilograms of cocaine.

As we seek to train the future defense leaders of our partner nations, we must also continue rigorous training of our own forces. The establishment of a Combatant Commanders Exercise Engagement and Training Transformation (CE2T2) Program would consolidate all joint training initiatives and provide visibility and accountability in planning and executing our Joint exercise and engagement program. This program would make better use of existing training funds and provide the flexibility that is critical, given the complex and adaptive nature of our sustained operations in the global war on terrorism. CE2T2 funds are a consolidation of existing joint training resources and not a new or growth initiative.

Complementing formal education is a myriad of training exercises that improve capability and interoperability while building confidence and improving transparency. Medical readiness, disaster relief, humanitarian assistance, counter-terrorism, peacekeeping, and maritime capabilities are all developed through a family of related exercises.

Joint Exercises and Initiatives

The Humanitarian and Civic Assistance program provides training for U.S. Forces and provides tangible benefits to host nations in the form of medical clinics, schools, well drilling, and construction of rudimentary roads. As part of this program, Medical Readiness Training Exercises (MEDRETEs) serve as a mutually-beneficial effort to improve medical treatment capacity of U.S. personnel while providing an invaluable service to citizens in partner nations who might otherwise never receive much needed treatment. U.S. medical personnel benefit by providing medical care in a challenging and often unique environment; local medical professionals develop closer relationships with U.S. medical personnel; and the population receives quality medical care. MEDRETEs create close human linkages amongst the people of our Nations and generate tremendous goodwill towards the United States. In fiscal year 2006 alone, our MEDRETEs treated 272,600 people and 41,000 animals and conducted 3,327 surgical procedures.

New Horizons are engineer-based humanitarian and civic assistance exercises that provide excellent training for U.S. forces and a tangible benefit to the Nations in which the exercises are conducted. As an example, in 2006, a New Horizons project provided Peru with two clinics, one school, three wells and three MEDRETEs. We also conducted similar exercises in the Dominican Republic, El Salvador, and Honduras, all benefiting the local populace and strengthening the ties that connect the Americas. The demonstrated goodwill and benefit generated by these exercises is immense.

Last year, 21 nations from the Caribbean and Central America came together for the Fuerzas Aliadas Humanitarias (Humanitarian Allied Forces) exercise to focus on regional cooperation and information sharing to prepare for humanitarian and disaster relief operations. Fourteen military, government, and nongovernment regional organizations participated in this exercise. Emergency operations centers from the participating countries were linked to a single Partner Nation Network—a major step toward capacity building and information sharing.

The Humanitarian Assistance Program is another element of security cooperation that provides engagement opportunities for U.S. personnel while serving the basic social needs of the residents where exercises are conducted. Over 60 training projects in 22 countries were conducted in fiscal year 2006 for $15.4 million, while another 116 projects in 26 countries are scheduled for fiscal year 2007 with a budget of $13.2 million. These projects are conducted to contribute to the sustainment of regional partnerships.

Fuerzas Comando (Commando Forces) is a skill competition and senior leader seminar designed to enhance cooperation and trust between international Special Operations Forces while improving their training, readiness, and interoperability. A total of 15 countries from throughout the region participated in 2006. This exercise drew anti-terrorism experts from 15 countries who exchanged information and shared tactics, techniques, and procedures for counter-terrorist operations. Fuerzas Comando builds regional capability and supports our war on terror efforts.

Tradewinds is a phased, joint, combined exercise that occurs throughout the Caribbean and is intended to improve the readiness of the Caribbean Basin nations to respond to transnational threats and disasters. Enhancing Caribbean regional capability supports the war on terror and provides defense-in-depth for the United States.

Panamax is an annual multinational exercise tailored to the defense of the Panama Canal against asymmetric threats. For last year's exercise, 17 nations from North America, South America, and Europe came together to work in unison to better prepare for today's security challenges. The objectives of the exercise included the full integration of all participants into a multi-national staff and concentrated on the Proliferation Security Initiative. This year we expect more than 20 participants.

Another key part of our military-to-military engagement strategy is our annual Partner Nation Communication and Collaboration conference that is hosted by a different partner nation each year. In 2006, it took place in Montevideo, Uruguay. This year we will gather in the Dominican Republic. This conference focuses on strategies to improve communication in order to respond to regional crises, such as disaster relief and peacekeeping operations.

Peacekeeping and other Partnership Initiatives

Peacekeeping, like MEDRETEs, crosses the boundary between training and operations. SOUTHCOM assists in enhancing the peacekeeping capacity of partner nations through the conduct of peacekeeping activities. The Department of State-funded and Department of Defense-executed Global Peace Operations Initiative (GPOI) is another excellent example of interagency cooperation. GPOI provides for the equipping and training of a multi-national Peacekeeping Operations (PKO) battalion of up to 650 soldiers from the Central American Armed Forces (CFAC). This battalion includes one infantry company each from Guatemala, Nicaragua, Honduras, and El Salvador. The GPOI program within the SOUTHCOM area of responsibility also provides for the equipping and training of two specialized companies: a Military Police company from Guatemala and an Engineer company from Paraguay. These specific capabilities were requested by the United Nations. The CFAC battalion staff will participate in this year's Panamax exercise as part of its operational preparation.

Yet another example of the peacekeeping operations ongoing within our region is the United Nations Stability Mission (MINUSTAH) in Haiti. Commanded by a Brazilian officer and manned by regional soldiers from many countries, MINUSTAH demonstrates the viability of our coalition approach to peacekeeping exercises and operations and the enduring value of regional cooperation.

This past year we held our first maritime Partnership of the Americas event. A portion of the George Washington Strike Group conducted unit-level training in the region where 5 partner nations conducted 24 community relations events in eleven countries. These countries included the Dominican Republic, Nicaragua, Jamaica, Honduras, and Trinidad and Tobago. We are planning a second Partnership of the Americas for 2007. In conjunction with this exercise, we will also leverage a worldwide U.S. Navy program called Project Handclasp that distributes humanitarian, educational, and goodwill materials to the needy in our partner nations. These materials are donated by the U.S. private sector and will be distributed by U.S. servicemembers in conjunction with community service projects. This year we have received over 285,000 high-nutrition meals valued at over $70,000 through Project Handclasp for distribution throughout the region. We are also focusing this program elsewhere in the region to add impact to our outreach efforts.

We will deploy a U.S. Navy hospital ship (U.S.N.S. *Comfort*) to the Caribbean, Central America, and the Andean Ridge this summer to conduct theater security cooperation and humanitarian assistance operations. Like our MEDRETE exercises, these operations serve as a mutually-beneficial effort to hone the readiness skills of medical personnel of U.S. Armed Forces while helping to improve and save lives, reduce suffering, stimulate public health, and support the command's theater security cooperation objectives. The *Comfort* will visit various countries in a 4-month deployment and treat as many as 70,000 patients. Nongovernmental organizations, partner nation medical staff, and U.S. medical staff will work closely to aid those without access to medical service and build lasting relationships for the future.

In concert with the deployment of the *Comfort*, we will deploy a U.S. Navy high-speed vessel (H.S.V. *Swift*) to Central America and the Caribbean for 6 months this spring. The *Swift* would conduct training and exchanges with our partners in the region and participate in community relations projects. The *Swift* deployment is part of a broader Global Fleet Station program designed by the Navy to provide flexible forward presence for theater security cooperation activities around the world.

The Combating Terrorism Fellowship Program (CTFP) is a key tool in preventing terrorist groups from using our region as a staging ground for terror attacks against the United States and Partner Nations. CTFP goals are to build capabilities and capacity to combat terrorism and to develop a global network of "combating terrorism" experts and practitioners, all sharing common values, language, and understanding of the terrorism threat. The program is conducted through education and training seminars on intelligence gathering and sharing, senior level military education for both officers and enlisted soldiers, legal aspects in combating terrorism, civil-military responses to terrorism, countering ideological support for terrorism and its financing, and various maritime security procedures.

The State Partnership Program (SPP) is another example of successful collaboration that has had dramatic growth and benefit in our region over the past few years. The SPP links 20 U.S. states to 26 partner nations using the U.S. National Guard as the executive agent. In fiscal year 2006, State National Guards conducted 149 separate events with partner nations. These events develop core competencies in regional military forces, promote the concept of citizen-soldiers as public servants, and reinforce our bilateral relationships.

Enduring Friendship is a regional multi-year initiative that provides maritime security assistance to select countries in the region. Enduring Friendship will strengthen partner nations' maritime domain awareness and operational capabilities to anticipate and respond to threats, maritime emergencies, and natural disasters, and will also enhance control over illicit trafficking lanes. This program will improve partner nation maritime command, control, and communications (C3) capability; increase interoperability; and integrate maritime operational pictures, thus laying the foundation for maritime theater-wide information sharing and coalition operations.

The first of three Enduring Friendship phases focused on the Dominican Republic, Panama, Jamaica, and the Bahamas. Phase two will include Belize, Honduras, Guatemala and Nicaragua. The Eastern Caribbean and the Regional Security Systems (RSS) countries will be in phase three. In conjunction with other SOUTHCOM efforts, Enduring Friendship will increase Western Hemisphere collective maritime security.

Our Enduring Friendship initiative greatly benefited from the recently approved Global Train and Equip authority approved by Congress. Last year, we were able to concentrate Section 1206 funds on two of our phase one countries, significantly accelerating our timeline to reach operational capability in these countries and giving us the flexibility to build a more responsive program. We plan on using this year's funds, if approved, to jump-start our phase two countries, bringing much closer to fruition our goal of a vigilant and responsive maritime capability in this region so critical to our own security.

These Train and Equip funds have proven to be an extremely proactive tool for this and other initiatives at SOUTHCOM and have provided us with a truly responsive funding source for priority programs. As we develop our regional partnerships, it is critical to be able to dedicate resources quickly to build capability and/or capacity in response to emergent threats or during unique opportunities. The authority to train and equip ensures that we maintain this flexibility.

The ability to build the capacity of our partner nations and to respond quickly to unconventional threats would allow SOUTHCOM to better fulfill the cornerstone of our regional strategy: being steadfast, responsive, and lasting partners to help bring about the promise of the Americas. By fulfilling our promise, we will be enhancing our own security, with our capable partners in the region responding to emergent threats and denying access and maneuver room for our Nation's enemies.

Partnerships in the Region

We have many examples of successful partnering with countries in our region. Since 2000, Colombia stands out as a true reflection of what steady partnership with the U.S. can achieve. Through collaboration, partnering, education, training, and operations supported by the U.S., Colombia's military has grown by 27 percent since 2000, or 128,000 members, and by 2010 the national police are projected to increase their end strength by 25 percent, or 163,000 members. According to the Colombian National Inspector General's office, while the size of the security forces has grown in the past 10 years, the number of human rights allegations is down 67 percent thanks to an aggressive human rights program that now extends down to battalion level. Polling also indicates a high respect for the Colombian military among the populace.

Today, the Colombian military conducts sustained counternarcoterrorism operations, developing actionable intelligence, protecting the National infrastructure, and enhancing civil-military cooperation in the context of their democratic security strategy. They do so consistent with the norms of international human rights and the rule of law. Colombia has dramatically improved security throughout its country and is poised for truly winning the peace for its democracy—among the oldest in Latin America.

Another positive example of regional partnership can be seen in Central America, where the System for Central American Integration Meeting of Heads of State met in October 2006 to identify and publish a plan of action for the Central American security priorities. The plan, published in November 2006, addresses how the region can counter organized crime, gang participation, illicit arms transfers, and porous borders.

Our emphasis within Central America is to build partner nation capacity to improve internal security, prevent illicit activity, and enhance regional stability. To do so, USSOUTHCOM leverages existing organizations such as the Conference of Central American Armed Forces (CFAC) to improve the collective response of our partners and advance our security cooperation objectives. As members of CFAC, the Central American countries of El Salvador, Guatemala, Honduras, and Nicaragua work together to respond to threats throughout Central America and mitigate the

effects of ungoverned space, porous borders, corruption, and organized crime. Outside of the construct of the CFAC, El Salvador continues to be a steady partner of the U.S. and is a champion of peace and stability in Iraq. Their Cuscatlán Battalion is currently on its eighth rotation to Iraq in support of peacekeeping and stabilization operations.

In the Caribbean, the Cricket World Cup is fostering collaboration among the participating nations on matters from threat identification to threat mitigation, including maritime port security and consequence management for possible chemical, biological and radiological attacks. The Caribbean Community, with our help, is working diligently to face these and other security concerns.

OPERATIONS

Ultimately, education and training translate to operational capability and, in our region, operations are conducted not from fixed, large U.S.-run bases, but instead from a combination of flexible U.S. and partner nation facilities. With our departure from Panama at the turn of the century, there was less emphasis placed on permanent basing and more emphasis put on the use of partner nation facilities from which counternarcotics operations could be launched. Three such facilities, known as Forward Operating Locations, are at Manta in Ecuador; Comalapa in El Salvador; and Curacao and Aruba in the Caribbean Basin. These sites, which fall under the broader category of overseas facilities known as Cooperative Security Locations, are well forward of the United States and are unique in that they are used only for counternarcotics operations. We also maintain a forward operating site at Soto Cano Air Base in Honduras. We currently operate out of Apiay in Colombia and are working with the Government of Colombia to increase access for counternarcotics and other missions. These overseas cooperative locations are a cornerstone of our ability to operate in the SOUTHCOM region.

Joint Interagency Task Force South

Located in Key West, Florida, Joint Interagency Task Force South (JIATF South) is the Nation's crown jewel in addressing the challenges posed by transnational narcoterrorism and a model for interagency and partner nation cooperation. In a combined effort with the U.S. Government interagency and our partner nations, JIATF South continues to disrupt record levels of cocaine bound for the U.S. and Europe. It conducts highly effective interagency operations by coordinating, integrating, and synchronizing scarce Department of Defense, interagency, allied, and partner nation resources. Most of our partner nations do not have the resources to devote exclusively to interdiction, yet their willingness and governmental cooperation increase each year as the negative effects associated with the illegal drug trade spread and as our collective successes in attacking illicit drug trafficking increase throughout the region.

The positive effects of everyone pulling together are clearly illustrated by the great successes JIATF South has achieved over the last 6 years of ever increasing record disruptions. The last 3 years alone resulted in cocaine disruptions of 219 metric tons (MTs) in 2004, 252 MTs in 2005, and 260 MTs in 2006. These numbers represent nearly a threefold increase in disruptions since 2000, and all of this is a result of continually improving our working relationships with involved U.S. Government entities and with our partner nations. However, today's more robust intelligence picture of illicit drug movements also points to room for continued improvement. Intelligence suggests that some cocaine movements in JIATF South's operating area go undetected each year because of a lack of an appropriate detection resource to respond to intelligence queuing, a real missed opportunity because nearly 90 percent of illicit drug movements that are successfully detected by JIATF South assets are eventually interdicted.

Joint Task Force-Bravo

Joint Task Force-Bravo (JTF–B) in Soto Cano, Honduras, represents the only permanently deployed U.S. forces in the region. JTF–B is a first responder to crises in the region and routinely conducts humanitarian assistance, disaster relief, search and rescue, personnel recovery, and noncombatant medical evacuation operations. Their most recent humanitarian operation was the deployment of three helicopters in response to flooding in Panama as part of Task Force-Estamos Unidos. They flew six relief sorties transporting food, water, mattresses, and petroleum products to disaster stricken areas. The familiarity of JTF–B crews and support personnel with the topography, communications systems, and movement corridors were instrumental in mission success. JTF–B is also a key contributor to our counternarcotics effort, using their assets, regional knowledge, and professional contacts to facilitate local law enforcement and interagency interdiction of illicit drug trafficking. JTF–B has

a long history of answering our partner nations' calls for support during crisis—especially during hurricane season—and is a valuable asset to SOUTHCOM's partnership and cooperation plans in the region.

Joint Task Force Guantanamo

Joint Task Force Guantanamo (JTF–GTMO) in Guantanamo Bay, Cuba, provides significant support to the overall global war on terror and ensures enemy combatants are kept off the battlefield while garnering information of strategic value for dissemination to national security decision makers. Over the past year alone, JTF–GTMO completed over 3,000 interrogations and developed over 200 Intelligence Information Reports.

Currently JTF–GTMO detains less than 400 unlawful enemy combatants, down from a total lifetime population of approximately 800, in a legal, humane, safe, and transparent manner. Over the past year, JTF–GTMO hosted over 320 individual media representatives from over 220 outlets. We also work closely with the International Committee of the Red Cross. Detainees have communication with the outside world through mail and receive medical care and food service similar to that of the U.S. military servicemembers who guard them. The Military Commissions Act of 2006 established procedures for trying unlawful enemy combatants for violations of the laws of war. While the conduct of such commissions is not our responsibility at SOUTHCOM, we provide administrative and logistical support to the commission process as directed by the Department of Defense.

INITIATIVES

Within SOUTHCOM, we are striving to transform into a true interagency organization. To facilitate this, we recently established a new directorate for interagency partnering, with support from the Office of the Secretary of Defense and the Department of State. This directorate's goal is to develop a culture of robust partnering with the interagency, international, nongovernmental, and private organizations to better integrate and focus national and international efforts to support security, stability and prosperity in the region.

Our efforts include coordination and synchronization with members of the interagency, academia, nongovernmental organizations, think tanks, our senior leadership in the Department of Defense, and Members of Congress and their staffs. These organizations formulate policy, allocate resources, develop strategies, and strive to ensure the U.S. Government shares a common vision and strategic objectives. It is in this arena that we seek to play a leading role in the transformation effort. The products of these key organizations shape the SOUTHCOM's theater security cooperation strategy and provide vectors for our engagement.

U.S. SOUTHCOM is also committed to experimentation and innovation. Experimentation provides a means to increase capability, capacity, and collaboration with the interagency and coalition nations in the theater. It is an integral part of our overall theater security strategy. Latin America and the Caribbean is an excellent region for innovation—for trying new approaches, new technologies, new applications of existing technologies, and new ways to combine capabilities. We will continue to seek out opportunities to incorporate experimentation into ongoing operations and exercises to increase the Nation's effective and efficient accomplishment of its objectives.

As an example of experimentation, we recently completed a Crisis Management experiment with multiagency participation from the U.S., Argentina, and Honduras. This event provided a multinational environment to collaborate with regional and functional experts to address three time-sensitive crisis scenarios: responses to a natural disaster, a chemical incident, and civil unrest. We will expand the experimentation audience in 2008 by combining the next crisis management experiment with a recurring exercise that trains and improves humanitarian assistance and disaster relief skills for approximately 150 personnel from 27 nations in the region.

We will also continue to bring innovative and experimental capabilities under development into Colombia, such as the ability to detect objects under dense foliage, use of unmanned systems, innovative data fusion, biometrics, and others for validation in an operational environment, as well as providing near real time support to the Colombian military from such cutting edge technologies.

CONCLUSION

We believe that the bilateral and multilateral education, training, and operations achieved through partnering with U.S. SOUTHCOM are having a significant positive influence in the Americas. There is regional momentum to develop solutions to the challenges faced by the Americas. The Defense Ministers of 34 American nations

met in October 2006 to examine the changing threat environment, both internal and external to the hemisphere. These Ministers agreed that regional challenges need cooperative solutions and that the collaboration of virtually every nation is essential. They produced a consensus document that describes the region's commitment to combating the proliferation of weapons of mass destruction and which firmly condemns all forms of terrorism, drug trafficking, and transnational crime. The document also identified the need to strengthen cooperative mechanisms to counter these threats. This event reinforced the importance of partnering and highlighted the need for cooperative solutions for problems such as poverty, gangs, money laundering, human smuggling, counterdrug activities and dealing with regional violence.

I would like to thank all of the members of the committee and all the Members of Congress for your support of U.S. SOUTHCOM and the important work we are doing in Latin America and the Caribbean. While the likelihood of large-scale military combat in our region remains low, the importance of sharing ideas, economic activity, cultural exchanges, and conducting military exercises is quite high. In fact it is essential to creating a mutually beneficial security environment in this hemisphere, and we ask your continued support of our initiatives throughout the region.

In this vein, we are cautiously optimistic that Colombia is on the threshold of achieving its strategic objectives, but they will be heavily reliant on U.S. support for the next 2 or 3 years. The support from Congress has been invaluable for the past 6 years and we strongly encourage your continued support. Our initiatives include aircrew and maintenance personnel for helicopters, a robust logistics support system supporting JTF–Omega, Plan Consolidacion, and other ongoing support. In addition, we are seeking to provide the Colombian military with an automated online logistics system that integrates the supply and maintenance function of the Colombian military and national police. We are also trying to support to a modest depot level repair capability, fielding "Midnight Express" boats supporting riverine interdiction for the Colombian Navy on their North and Pacific coasts, and helping to establish the 2d Riverine Brigade on their Pacific coast.

We also appreciate your past support for several of our other initiatives, including expanded authority to conduct counternarcoterrorism operations in Colombia.

We understand and appreciate the value of congressional support and are thankful for all you have provided for the command. I want to thank you again for delinking IMET from the ASPA sanctions. Your actions will enable us to re-engage hundreds of military personnel each year who would otherwise be denied an opportunity to benefit from U.S. military education and training.

While we deeply appreciate your support in this area, there are other areas for which we also seek assistance. The command is seeking congressional support for the construction of a consolidated headquarters facility in Miami-Doral for occupancy by 2010. The headquarters is vital for effective command and control of future joint, coalition and interagency operations that we conduct in the region. Our current headquarters complex lacks adequate space, is improperly configured, does not comply with anti-terrorism and force protection standards, and has dated communications architectures and expensive annual lease costs. Your support for this project is of tremendous importance.

The command received $110 million in Foreign Military Financing (FMF) for the region in fiscal year 2006. FMF is a prerequisite for successfully funding many of the programs that enable military-to-military engagements that lead to long-term relationships. In addition, it enables partner nation capacity that, in turn, provides for defense-in-depth for the U.S. Partner nations prefer to buy U.S. military equipment for the quality and sustainment packages that accompany the purchases. We appreciate your continued support on this important program.

Finally, we ask your support for the proposed Center for Excellence in Human Rights. SOUTHCOM is the only combatant command with a dedicated Human Rights program. The authorities we would gain from this proposed language would allow SOUTHCOM to intensify our support to our partner governments in their efforts to eliminate human rights violations. The protection of human rights is an essential step toward strengthening democracy in our neighboring countries.

As I mentioned earlier, it is in the context of geographic, social, economic, political and military linkages that we plan and execute the daily activities associated with our mission, and successful mission accomplishment for the command requires cooperation and reliable partnerships—partnerships based on commitment, based on a promise to this region of the world.

This combatant command is committed to being the strategic partner of choice in the region and will focus on the relationships necessary to do so. We will strive to invent new approaches in every area; from tactical execution to strategic engagement, from more efficient training methodologies to creative ways to improve resources.

I take great pride in our mission and in the exceptional men and women of the United States SOUTHCOM. I know from first hand experience that today's men and women in uniform are patriots of extraordinary promise. They are coming of age in this new century as the war on terror unfolds; they watched the World Trade towers fall to earth with incomprehension and anger; and then reacted with fierce determination. They have made a promise to their country that they will stand the watch and fight for us to win the battle that is unfolding today. From the dusty streets of Baghdad to the mountain passes of Afghanistan to the tropics of Colombia to the cold foothills of Korea—they are fulfilling that promise. I am proud to serve with them in U.S. SOUTHCOM.

I thank you for your support to the finest military in the world.

I am prepared to answer your questions.

Chairman LEVIN. Thank you very much, Admiral.

Thank you all, not just for your opening statements, but also for your statements that you prepared in advance. They came, as we really prefer, a couple of days in advance, and you have kept that commitment to us, it's not always kept by a lot of our witnesses, and it's very much appreciated when it is, because it allows us to prepare better, to actually read your statements, have our staff read your statements before we meet together. So, thank you for that, as well.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Admiral Keating, one of the major problems that we had before the September 11 terrorist attacks was a lack of information sharing—by the way, let's try an 8-minute round in the first round here.

One of the major problems that we had before the September 11 terrorist attacks was a lack of information sharing among relevant government agencies. When General Renuart had his confirmation hearing earlier this month, I asked him about the apparent fact that NORTHCOM had withdrawn its representative to the National Counterterrorism Center (NCTC) last year, because NORTHCOM and the Defense Intelligence Agency found that it was too hard to get information and cooperation from the NCTC. In order to avoid a repeat of the pre-September 11 failure to share information, would you agree that we need to ensure that there is good information sharing and cooperation between NORTHCOM and the NCTC as well as among other Federal agencies?

Admiral KEATING. I would agree emphatically.

Chairman LEVIN. Admiral, one of the painful lessons that we saw from Hurricane Katrina was the need for better planning, coordination, and integration among Federal and State emergency response agencies, NORTHCOM, and the National Guard in the event of a domestic disaster.

What were some of the key NORTHCOM lessons learned from the Hurricane Katrina response experience, and what—in your judgment—remains to be done to ensure that that kind of confusion and delay is not repeated?

Admiral KEATING. Principal lessons learned would be several, Mr. Chairman.

One, the ability to assess the situation accurately and rapidly. Two, the ability to communicate across the spectrum of first responders, up to and including title 10 Reserve National Guard Forces who would come from out of the area to deploy. Three, to provide—via whatever means—the capability to stabilize and mitigate human suffering, and restore infrastructure as quickly as pos-

sible. Those would be the three major areas where we've concentrated our efforts.

Changes would include—we now have a full-time, Active-Duty colonel embedded with each Federal Emergency Management Agency (FEMA) region, at the FEMA region headquarters. So, that's 10 Active-Duty personnel, with a small support staff who are, essentially, FEMA operatives, to provide direct liaison from NORTHCOM. In conjunction with the National Guard and FEMA and the support of Congress, and with some extra money, we purchased cell phone farms. We have three, at NORTHCOM, of these cell phone farms. We can either airlift, drive, or float these cell phone farms in where we power up a Honda generator, put a tower up and start dispersing cell phones, and it is an organic, but complete system which—when infrastructure is restored—can then integrate into the full system.

Chairman LEVIN. Great.

Admiral KEATING. Then the third point might be the exercises we're doing with increased frequency, and complexity, to ensure that the responders at the State level understand the capabilities at the Federal level.

Chairman LEVIN. Thank you.

Just one question on ballistic missile defense, Admiral. Would you agree that it's important that the ground-based mid-course defense, the GMD system, be operationally effective and reliable, before being declared fully operational?

Admiral KEATING. I would, sir.

Chairman LEVIN. General, let me turn to you now.

The pace of operations and the scope of operations in Iraq, Afghanistan, as well as our rotational strategy for meeting U.S. Central Command (CENTCOM) force requirements has put an extraordinary strain on the readiness of our uncommitted units. So many people and so much equipment is already deployed that on February 28 this year, General Schoomaker in the Army, and General Conway in the Marine Corps, each acknowledged their concern about the challenge of manning, equipping, and training units that are preparing to deploy, but are not deployed.

The readiness in nondeployed Army units has declined to alarmingly low levels, General Schoomaker refers to this as a ''lack of strategic depth.'' Your command is responsible to provide trained and ready joint forces to our combatant commanders, can you give us your assessment of the readiness of our non-deployed land, air, and sea forces? Also, what specifically can be done to improve the readiness of those forces? Particularly our ground forces?

General SMITH. Yes, Mr. Chairman.

First of all, I share the assessment that the Chief of Staff of the Army and the Commandant of the Marine Corps have. For those forces that are not deployed and not very close to getting deployed, have personnel shortfalls, as well as equipment shortfalls. The kind of training that they're getting is very much focused on counterinsurgency as opposed to some of the other skills that they would need for a conventional warfight.

The way we do business is we move the training flow and we move the equipment towards units as they get closer to deployment. That leaves those that just returned in the process of regain-

ing and resetting their equipment that they brought back from war, turning over in the organization and sending people off to school, and then reintegrating generally about a third of their personnel to the training flow so that they can get prepared for their next deployment. That results in a very significant number of people being at a readiness levels of category level (C)–3 or C–4.

Chairman LEVIN. Just briefly, that's an unacceptable level, bottom line.

General SMITH. C–1, of course, is they can do any mission. C–2 is they can do primarily the missions that they're being asked to, but some that they can't do, and C–3 is a readiness level that we would not send them to war at. We would send them to war at C–1 or C–2 as long as they could perform the mission. So our goal is, as they sit static and they go through reset, is they will be generally at that C–3 readiness level. But, then as they start standing up their training pipeline and their personnel pipeline, they will get closer and closer to C–2 and then ultimately we'll have them at C–1 prior to them going into the theater.

As I was at Fort Stewart and Fort Bragg about 10 days ago, and I asked what they desired the most, as far as being able to have a capability in the United States to train on, was peacetime up-armored Humvees, the M11–14. That's because most of them go to Iraq or Afghanistan, there are insufficient numbers to be able to train on in the States until they go through their National Training Center, or the Joint Readiness Training Center (JRTC) at Fort Polk.

Chairman LEVIN. General, a recent New York Times article highlighted the challenges that the Army's having in providing its typical airborne infantry portrayed as a "force immediately ready" to deploy for a contingency anywhere in the world. This ready brigade, also known as the Division Ready Brigade, ordinarily stands to deploy by air within 18 hours of alert, its U.S. combat troops anywhere in the world that they are needed.

The article points out that our most recently designated Ready Brigade of the 82nd Airborne Division at Fort Bragg is getting ready to deploy as part of the surge to Iraq, and therefore, as of this moment, the Nation is without its required Ready Brigade.

As a force provider, you obviously will be paying particular attention to and be involved in making sure that we have an appropriate combat brigade capable and available for worldwide deployment within the 18- to 72-hour standard which has been established. What can be done to ensure that the Nation reestablishes this capability, how concerned are you about the fact that we don't have it at the moment, and how are we going to cover that Ready Brigade mission adequately, without interruption, as we continue the plus-up of forces in Iraq, and the rotational strategy in both Iraq and Afghanistan?

General SMITH. Mr. Chairman, I was with that unit, the 1st Brigade Combat Team (BCT), the 82nd last Friday—I'm sorry, a week ago Friday, and they're out at the JRTC right now at Fort Polk. So, indeed, to meet the timelines that we would expect of the Division Ready Brigade, they would have some challenges trying to meet the specific requirements, but would they be able to respond to a threat in another part of the world, other than Iraq or Afghan-

istan? Yes. It would just take a little bit more time than we would like it to take. We've accepted that risk through April 1, at which time, a unit of the 101st will take over that role.

I have cautioned everybody that might want to use those units that because of the way we're doing business, they might find themselves in a situation where it might take a little bit longer than the specific timeline, which is a fairly challenging timeline—within a day. We are accepting some level of risk as we go about doing that. But, we always have somebody in mind to be able to go perform that mission. We will have a permanently trained and ready force to do that with the 101st, with some delays, depending on where they are in their reset timeline, to meet those——

Chairman LEVIN. The added risks are obviously of concern to us, as they are to you. I'm wondering if you, for the record because my time is up, would give us an idea as to how much additional time would be required for them to respond?

General SMITH. I certainly will, Senator.

Senator WARNER. It is an important question, as part of this hearing, it ought to be answered here.

Chairman LEVIN. Do you have the additional time that it would take?

General SMITH. Senator, I don't, because it would change every day.

Chairman LEVIN. How about a range? I'll get you in trouble with a range question.

General SMITH. I would say, we would like to have them be able to get airborne or at least a first unit at a classified, but at a fairly short period of time, which would constitute, a day or two. Then the rest would follow in a matter of days.

The fact that the JRTC, they are probably the most ready force we have in the United States right now, as far as equipment and training, and the ability to go do this. So, they would take a couple of extra days to go. When they get back, and they're back at Fort Bragg, then that timeline will change.

Chairman LEVIN. Which way?

General SMITH. It will probably improve. Just because they have the facilities there, and we have the rapid ability to move airplanes in there, and they would be in a State, and they would be on some level of standby to be able to——

Chairman LEVIN. When are they going to Iraq?

General SMITH. I'm sorry, did you say when?

Chairman LEVIN. Yes.

General SMITH. They go the 2nd or the 3rd—I'm sorry, the 1st of the 82nd goes in June.

Chairman LEVIN. Thank you.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

That important colloquy just underscores the stress that all military commanders, indeed, from the Secretary of Defense down, have acknowledged that our forces are being put under. It means greater requests to the individual in uniform and to their families, and to the question of our carefully planned operations here at home, and they impact, indeed, on our homeland defense, and

other things. So, we better deal with it, the surge is going forward, we all hope it is successful.

I would like to follow on that General Smith, because Congress this week, and perhaps into next, is going to be dealing with the governmental appropriations, and I am reading from the full committee print of the House of Representatives, March, this month, Section—Chapter 9—General Provisions, "Congress finds that as Defense Department policy that units should not be deployed for combat unless they are fully mission capable. None of the funds appropriated or otherwise made available in this act may be used to deploy any unit of the Armed Forces to Iraq unless the Chief of the military department concerned has certified in writing to the Committees, the Appropriations Committee and Armed Services Committee, days in advance of the deployment that the unit is fully mission capable."

Help us work through your role in that very important decision-making, if in fact, this or something similar to it became law. What is your role in that?

General SMITH. Senator Warner, first of all, my role on a regular basis is to monitor the readiness of the force, so that we know, in a contingency, what our capabilities are, so that we could advise the Chairman and the Secretary of Defense, and in turn, the President on what capabilities we can respond to.

As far as the certification process, or a signing off on a unit that is ready to go, we don't do that.

Senator WARNER. That is clear.

General SMITH. There's a service responsibility and my component commands, however, do. So, in the instance of an—I'm sorry, they do not do a written statement.

But certainly, General Campbell who is a component commander, is integrally involved in the training, the equipping, and the readiness of that unit to meet its latest arrival date in Iraq or Afghanistan or Kosovo or wherever——

Senator WARNER. Now, he is the Army?

General SMITH. He's the Army Forces Commander at Fort McPherson, and he's my Army component commander.

Senator WARNER. You have a similar one for Navy?

General SMITH. Indeed we do, Admiral Naplan at Fleet Forces Command, and General Blackman at Marine Forces Command, and General Keys at Air Combat Command.

So they regularly report on the readiness of the unit, so as their personnel are trained and ready and the numbers are right, they will change from a lower readiness status, to a higher readiness status, and then we track them on a stair-step, and we watch them as they get closer and closer to deployment so to make sure that we're providing for those trained and ready forces.

But we rely on the Services, and we rely on our component commanders, and indeed, the Division and BCT Commanders to ensure that they're ready to go.

Senator WARNER. Let me probe more deeply here. Force commander makes the certification that this specific unit is C–1, C–2, whatever the case may be. That is transmitted to you, is that correct?

General SMITH. It is.

Senator WARNER. Now, my question is do you do any independent analysis to verify the finding of that force commander?

General SMITH. I do not.

Senator WARNER. You do not. So, simply you accept it at face value, you have no responsibility under law or otherwise to go back and review it and give your own command's judgment as to the accuracy of that report.

General SMITH. That's correct, Senator Warner.

Senator WARNER. Then it goes on up to the Chief of Staff of the respective Service. Now, do they then try and go back through you, or some other ways to make an independent assessment?

General SMITH. They do not come back through me. They have a very close relationship with their Service headquarters.

Senator WARNER. Well, of course.

General SMITH. So they're also—I think this is a better question for General Schoomaker, for instance, I believe that he accepts the readiness rating and the status of the unit as determined by the commander of that unit.

Senator WARNER. So as this proposed law is written, that force commander is the one that is going to make that decision?

General SMITH. Indeed.

Senator WARNER. Whether or not the unit is ready?

General SMITH. Indeed, the commander should make that decision.

Senator WARNER. Now, back again to your command, as I read this, this would not permit anyone, any unit, below C–1 to be deployed. Do you come into that equation at all?

General SMITH. First of all, the C status is a—there are a variety of ways to look at readiness, and that happens to be one, and it's fairly simplistic. So really, the combatant commander on the receiving end establishes the requirement.

For instance, an artillery unit may not be C–1 to perform its artillery role. On the other hand, we will use them to go perform a military police role. So that the readiness of them to perform that mission, would not necessarily be reflected in the readiness status of the unit to do its other conventional missions. So, it was tailored to meet the combatant commanders' requirements, and we monitor that. Then we rely on the commander to say, "Yes, indeed, we are ready and trained to do the mission we've been asked to do."

Senator WARNER. I think, I judged from your response, you are not a part of that decisionmaking.

General SMITH. We are not. That's correct, we are not.

Senator WARNER. Now, Admiral Keating, as you complete your very distinguished career in your current assignment, our wish to you, as I have come to know you quite well through the years, personally, you leave with a sense of satisfaction and achievement. But, there must be things that either you were not able to achieve, for whatever reason, on your watch, or if you had more time, you would achieve them, but what is left undone that you think your successor has to do to continue to improve this structure?

Admiral KEATING. Primarily, Senator Warner, it would be to make even healthier and more open interagency cooperation—not just relationships, but work ethic—between the DOD and the other Federal agencies, and the commercial sector.

Post-Hurricane Katrina, we were getting phone calls in the hours after the storm moved—you remember it missed New Orleans, but it hit Gulfport, MS—very hard. Phone calls from folks like Home Depot, FedEx, and Wal-Mart saying, "You want wood? We have wood. You want trucks? We have trucks. You want water? We have water." We really hadn't thought through the commercial application of help that could be provided. Remember, there were 140 countries around the world who volunteered assistance. So, making more healthy and more transparent the interagency working relationships on a day-to-day basis, I say would be a primary goal for my successor.

Senator WARNER. Then, I presume that as you turn over that you've made those points clear to your successor.

Admiral KEATING. He is well aware, yes, sir.

Senator WARNER. Well aware of that.

On a scale of 1 to 10, how do you feel America is prepared to meet the range of contingency that any prudent planning document requires? Not only of hurricanes, but WMDs, Heaven forbid a repeat of September 11 proportions. Where do you think we are, 1 to 10?

Admiral KEATING. In the aggregate, Senator, a seven. We could be lower in some specifics. Some of the high end—a biological attack would be a significant challenge. Pandemic influenza, not even an attack.

Senator WARNER. Surely, disease.

Admiral KEATING. On the other hand, we are much better today than we were 4 or 5 years ago, one has to be careful. A disaster may be relatively low-end unless you're in the path of the hurricane or the tornado.

Senator WARNER. Right.

Admiral KEATING. But we're much better at it today than we were 3 or 4 years ago.

Senator WARNER. About a seven?

Admiral KEATING. About a seven.

Senator WARNER. Lastly, to Admiral Stavridis. You mentioned that you just visited the Panama Canal, and that is an issue that rises and falls. At the moment it seems to be relatively quiet. I recall the last consternation was that China was beginning to close in at both ends of the Canal with offerings to the locals to do certain things that gave us a presence there.

Give us a short report on the Canal, how you feel it is? Because it is integral to our security program. Is the modernization likely to go ahead? What role has China or other foreign nationals taken to support the operation of that Canal?

Admiral STAVRIDIS. I will, sir.

First of all, as we say in Spanish, I think you're right, it is "muy tranquilo," very calm, in the Canal right now. I just had the opportunity to go down and open one of the locks down there. I spent a fair amount of time talking about the security issues with the Administrator of the Panama Canal, a Panamanian, of course.

I will tell you as a professional mariner who has sailed the Canal under U.S. operations, and has sailed it under Panamanian operations, that it runs in a completely professional and excellent fash-

ion today. So, as an entity, as an organization, as a flow, it's excellent.

Sir, as you mentioned, the Panamanians just passed a referendum with a 72 percent majority, very, very high approval for a $5.25 billion expansion of the Canal. This expansion, which will take about 7 years to complete, will open the Canal to about 50 percent more shipping, because the current Canal is not quite wide enough for the larger ships to pass through it. That's a significant economic benefit, not only to Panama, but to the region, and to the United States.

We are very concerned, however, about the potential for the Canal to get targeted. It's something we think about at SOUTHCOM and we partner closely, not only with the Panamanians, with all the concerned nations.

As a result, we do an annual exercise in Panama, and off the waters of Panama, that began 3 years ago with only three nations participating, this summer there will be 20 countries participating in it. It's become one of our largest multi-lateral exercises anywhere in the world, and it's focused on counterterrorism as it might attack in the Panama Canal.

So, we're looking at it very closely, there's multi-lateral coordination to deal with any potential threat to it. In terms of the foreign influence over the Canal, sir, I don't see that as a factor. I think the Canal is run extremely well by the Panamanian government without outside influences. They are partnering closely with us, and with other nations of the region to protect it appropriately.

Senator WARNER. Thank you.

My time is up, Mr. Chairman.

Senator BILL NELSON [presiding]. Thank you, Senator Warner.

General Smith, I want to pick up on some line of questioning from Senator Warner.

I was struck last week when the Chief of Staff of the Army was here, in which he openly stated and admitted, at the early part of the war that units of the National Guard went to Iraq without the proper training, and without the proper equipment. On the latter, I know firsthand, because I was getting calls from moms, dads, husbands, and wives about members of the Florida National Guard not having the proper body armor. Even though, I think, an objective analysis would say that certainly the training was not a question for the Florida National Guard, but the equipment was.

Now, since you are to monitor the readiness of the forces, how can you make sure that—not only the Active-Duty Forces, but the National Guard Forces and the Reserves that are going to Iraq—are ready and equipped?

General SMITH. Senator Nelson, we treat and consider the National Guard and Reserve exactly the same as we do the Active-Duty units, in their march to deployment. Now, we focus mostly on the major units and, at the BCT level, and as a National Guard or Reserve unit gets closer to their deployment date, you'll see them go from a readiness status of, let's say, C–4 to C–3, their equipment will get better, they'll get equipment to train on, their personnel situation will get better, their training will get better, and they will turn from red to yellow to green during that process.

The reason this process works—because it is true that the readiness level of the National Guard is less than the Active-Duty Force, is because their time during reset, or their time back to the States, between the time they got back the last time and the time they're going, it's supposed to be 5 years. So consequently, they are not going to get attention until they get closer to their deployment dates.

That, again, is one of those areas where we find ourselves taking some risks in some other areas of the world, if we had to deploy them, that I know you're aware of. But again, the first of the 34th, for instance, the Minnesota National Guard unit that we extended not too long ago, went over there with all of the same equipment and everything that the Active-Duty Force had.

Senator BILL NELSON. The question is, how are you involved in making sure—since one of your tasks is to monitor the readiness of the force—that they are trained, and that they are equipped, so that we don't again have what General Schoomaker told us—which stunned this committee last week, when he testified that the National Guard was going to Iraq, and it wasn't trained, and it wasn't equipped.

General SMITH. Again, I don't think—at that point, that was because of the rapidity that that happened, so there was no training pipeline and readiness pipeline that there is today to do that, and some level of, with some thorough process.

Senator BILL NELSON. Do you think that your command, you, should have more authority in the certification of the readiness of the forces, and the decision to deploy them?

General SMITH. I'm satisfied that our component commanders do a good job at evaluating the readiness of the force before they deploy them into war.

Senator BILL NELSON. Okay, and who is making that decision?

General SMITH. That decision is made by, the first command commander in that part of the Army, in concert with the commander of whatever the unit happens to be. In the Active-Duty Force, it would be the Division Commander or the Corps Commander. In the National Guard and Reserve it would be, first Air Force or whoever it is, that's coming, first Army or whoever it does that's responsible for the training, readiness, and equipping of the Reserve component.

Senator BILL NELSON. Admiral Stavridis, let me take care of some housekeeping here, for you. Why don't you lay out for the committee, why your command headquarters needs to be where it is, so that we can have it on the record here, especially since we thought this thing was done with Base Realignment and Closure, if you will?

Admiral STAVRIDIS. Sir, thank you.

First, sort of proceeding from the bigger picture to the specifics, I'm absolutely convinced the command should be in South Florida. Why? Because it's the nexus of transportation, of intellectual discourse, of publishing, of academe as it relates to Latin America and the Caribbean. All roads lead to Miami, in terms of the way the league flows together, and the way it connects with the United States. I'm absolutely convinced South Florida is the correct location for it.

Let's kind of bring that in a little closer—the best place to locate it, specifically in South Florida, in my opinion, is in Doral, which is effectively in the heart of Miami itself. It's extremely close to the international airport.

Now, why is that important? It's because there is a tremendous leveraging effect of people, team leaders passing through Miami, because of its transportation nexus, and it affords us at the headquarters the opportunity to literally scoop people up at the airport, get them to the headquarters, have a discussion with them, put them on an airplane, get them back.

Senator BILL NELSON. Give us an example of who.

Admiral STAVRIDIS. I can very well. Minister Santos, of Colombia, who routinely comes to Washington, makes a point of passing through the Miami International Airport, I get a chance to just hop in the car and go over there. I get a very valuable 30, 45 minutes with him, and he makes his connecting flight. That example is repeated frequently and often at all levels in my staff, through all my flag and general officers.

Second, that Doral location is extremely proximate to the Florida International University and the University of Miami, two of the leading centers of thought and intellectual study of the entire region—the Caribbean and Latin America.

Third, the school situation is the best there for my families and the ability of spouses to have work in the area. All of this plays into a quality of life piece that fits, I think, best in Doral.

So, the State of Florida has made an offering of land to us there, upon which we could use military construction funds, if the committee and the Senate, and ultimately, Congress approve it, and we would like to begin construction on the headquarters.

Our current situation is, we're scattered in nine buildings, all around the Miami area, and then we have one—far too small—central location, and we're seeking to consolidate that, put it in one place, and as I look at the ability to conduct the mission that I've been given as a combatant commander, I do believe the Doral location is the best one, overall.

Senator BILL NELSON. In effect, the State of Florida location is giving you at what would be a good value, whereas the present landlord is Jack Lorada.

Admiral STAVRIDIS. Yes, those are both true statements.

Senator BILL NELSON. Okay.

Admiral Keating—and thank all of you for your public service.

Senator WARNER. Excuse me, Mr. Chairman, I wonder, I had a question along your lines.

Senator BILL NELSON. Sure.

Senator WARNER. I wonder if I might put it in the record at this point?

[The information referred to follows:]

Senator WARNER. Admiral Stavridis, I note in your thorough written statement that you advocate for congressional support for the authorization in fiscal year 2008 for $237 million to construct a new headquarters complex for Southern Command (SOUTHCOM) in Miami, FL. While I am supportive of your need for a new headquarters, my concern is that, unlike most other U.S. major command headquarters which are located on military installations, you are proposing to build this complex on land leased from the State of Florida. The lease for part of the land will expire in 2015 (albeit with four 10-year options upon mutual agreement by both parties).

Furthermore, the lease requires that the new construction must be used for a SOUTHCOM headquarters, or the lease is terminated. Finally, upon termination of the lease for any reason, ownership and control of the headquarters complex will revert to the State of Florida, and the State has the option to require the DOD to tear down the headquarters at DOD expense and to restore the land to a pre-existing condition. The lease also requires SOUTHCOM to grant the State of Florida access and inspections rights to any part of the headquarters complex, including areas for classified and coalition forces operations. Why are these terms considered acceptable for a $237 million military construction investment?

Admiral STAVRIDIS. The State of Florida is providing land valued at $40 million via a no-cost ground lease for the construction of SOUTHCOM headquarters through 2055, with options. The four 10-year options will be granted by the State of Florida upon authorization of the $237 million military construction project. The U.S. Government may use this property through 2055 for SOUTHCOM headquarters purposes. The State land is located in the optimal location to support SOUTHCOM's mission accomplishment. In the event that SOUTHCOM headquarters relocates or vacates the property, the U.S. Government may utilize the property for other purposes upon approval by the State of Florida.

The Department of Defense (DOD) is negotiating a ground lease amendment with the State of Florida to gain greater flexibility of facility use. The DOD is working with the State of Florida to amend the ground lease agreement to gain the State's pre-approval of acceptable alternative uses by any U.S. Government agency for administration, military headquarters, emergency operations center, and equivalent administrative uses in the event SOUTHCOM vacates the facility. The State has indicated a willingness to pre-approve alternate uses of the facility for other U.S. Government agency use for administrative purposes.

In the event the U.S. Government vacates the facility and no longer requires its use by any Federal agency, the State has two options; (1) retain the improvements, or (2) require improvements be removed.

The lease agreement allows the State, upon reasonable notice, to inspect the premises. The DOD will escort State government officials during any inspection to protect classified information.

Senator WARNER. Admiral Stavridis, doesn't this lease agreement in effect deny the DOD the flexibility to realign unified and combatant commands without the significant penally of losing a headquarters complex?

Admiral STAVRIDIS. No. In the event that SOUTHCOM headquarters utilize the property for other purposes upon approval by the State of Florida. The DOD is working with the State of Florida to amend the ground lease agreement to gain the State's pre-approval of acceptable alternative uses by any U.S. Government agency for administration, military headquarters, emergency operations center, and equivalent administrative uses in the event SOUTHCOM relocates or vacates the facility.

Senator WARNER. Admiral Stavridis, did SOUTHCOM or the Department of the Army ever request an outright deed transfer of the land from the Slate of Florida in order to secure ownership? If so, what was the State's response?

Admiral STAVRIDIS. The State is researching this option. Early feedback is that the State of Florida may transfer title to the land if approved by the State Board of Trustees and if the U.S. Government pays fair market value. The State is researching to determine if there arc other options for transfer of title.

Senator WARNER. Admiral Stavridis, did you analyze the alternative of locating your headquarters on a military installation which might benefit from a greater measure of force protection and the efficiencies gained by sharing supporting activities in existing facilities? If, so, what were those alternatives, and why are you proposing to build on leased property?

Admiral STAVRIDIS. Construction on State land in Miami-Doral is the best site location for SOUTHCOM's mission accomplishment and meets DOD anti-terrorism and force protection requirements.

Seven studies have been conducted since 1995 to explore multiple site locations. All studies indicate that Miami is the best location for SOUTHCOM headquarters. The studies include; (1) 1995 Relocation Study, (2) 2001 Interim Facilities Master Plan, (3) 2002 Facilities Master Plan, (4) 2003 Business Plan, (5) 2004 Northern Command (NORTHCOM)–SOUTHCOM Merger Study, (6) 2005 Base Realignment and Closure (BRAC), and (6) 2006 Economic Analysis. The current and past five combatant commanders have all testified before Congress that Miami is the best location for SOUTHCOM headquarters. In the most recent study, Homestead Air Reserve Base and Patrick Air Force Base were explored as potential alternate locations. A summary of the latest study follows:

Miami-Doral

The State of Florida land in Miami-Doral is the optimal site location because:

- Organizational efficiencies will be achieved by being located in close proximity to key collaborative partners, transportation nodes, and community support:
  - International Airports (daily non-stop flights to most Partner Nations; 10,000 flights/yr)
  - Housing communities (top notch schools, best hospitals, safe housing)
  - Partner Nation consulates
  - Coast Guard District-7 headquarters
  - Universities that collaborate on Latin American Studies
  - Seaports (Port of Miami, and Port of Everglades)
  - Federal Agency regional offices (DHS, DOJ, DEA, DOS, Treasury, FAA)
  - Network Access Point (NAP) of Americas
- Miami-Doral is outside of the hurricane storm surge evacuation zone.
- State land is immediately available and environmentally sound. Adjoining FAA land is available and has been tentatively approved for storm-water retention.
- Miami-Doral is centrally located within reasonable commute distance to preferred housing communities in both Dade and Broward Counties.
- Miami-Doral has ample nearby hotels within walking distance to support contingencies, exercises, and conferences.
- Miami is considered the gateway to the Americas, and is culturally tied to Latin America.

Homestead ARB and Patrick AFB

Even though some facility co-use benefits could be achieved at Homestead Air Reserve Base and Patrick Air Force Base, the following costs and disadvantages significantly outweigh facility co-use benefits:

- Cumulative loss of organizational efficiencies associated with the lack of proximity to key collaborative partners, transportation nodes, and community support:
  - International Airports (10,000 annual commercial flights; longer travel distance/time)
  - Housing communities (schools, hospitals, housing)
  - Partner Nation consulates (visas and collaboration)
  - Coast Guard District-7 headquarters
  - Universities that collaborate on Latin American Studies
  - Seaports
  - Federal Agency regional offices (DHS, DOJ, DEA, DOS, Treasury, FAA)
  - Network Access Point (NAP) of Americas
- Homestead ARB is inside the mandatory hurricane storm surge evacuation zone.
- Sufficient land is not immediately available (Homestead-litigation).
- Not located within reasonable commute distance to preferred housing communities in Broward County (or relocation costs for employees to Patrick AFB), forcing civilian employees who have working relationships with our partner nations to:
  - Relocate (Homestead—at own expense) (Patrick—at government expense), or
  - Commute longer distances; 3-tolls each way, $6 round trip daily, or
  - Seek employment elsewhere.
- Lacks nearby hotels to support exercises, contingencies, and conferences (Homestead).
- Distance from international airports costs 1,250 man-days in additional travel time to/from airports for 10,000 annual commercial flights.

Miami-Doral is the best strategic location for USSOUTHCOM headquarters.

Senator BILL NELSON. Well, if you'd like to go——

Senator WARNER. No.

Senator BILL NELSON. Why don't you? No, I'll just defer to you?

Senator WARNER. It will take some time. This is one of these brilliant staff documents that goes into every aspect. I assure you that I am not trying to put it in Virginia. [Laughter.]

Senator BILL NELSON. Well, I have to always—[Laughter.]

Senator WARNER. Correct. But this is a series of questions, very ably put together by our staff, because we are just trying to look at the costs and the other questions.

Admiral STAVRIDIS. Yes, sir.

Senator WARNER. So, if you would put that in the record at this point, I would be very much appreciative.

Senator BILL NELSON. Absolutely.

Admiral STAVRIDIS. We would be happy to answer them, sir.

Senator WARNER. Fine, thank you very much.

Senator BILL NELSON. It is so done.

I'm glad you made that comment, I want to go onto Admiral Keating, just so that we could clear the record, Admiral Stavridis, because now there are folks that are saying it ought to be the old Homestead Air Force Base, and so forth, and you've just made the case clear, by your role is not only as a warrior, but it's also as a diplomat. When you can have access to all of these governmental and diplomatic leaders on the spur of the moment, which increases your contact and effectiveness by quantum leaps, then it's the logical thing to do.

I'll close that, I want to pick up on what the chairman had asked you, Admiral Keating. On the cooperation of your command with the National Guard, and the State and local authorities when we have a national emergency. It was not a fine day when, in the midst of Hurricane Katrina, we suddenly had the military trying to order the National Guard around, and you got into all of those problems down there.

I would hope that—particularly if it's a natural disaster in Florida, let me tell you, the Florida National Guard knows how to handle hurricanes. It shouldn't be the military commanders from someplace else coming in and telling them what to do.

Admiral KEATING. Couldn't agree more.

Senator BILL NELSON. Would you comment on that?

Admiral KEATING. I couldn't agree more with you, Senator. I'm not aware of a specific example—you may have in mind as to—when you say it was not a good day when the military tried to order the National Guard around, in either Louisiana or Mississippi. Benny Landreneau, The Adjutant General (TAG), Major General Landreneau, the TAG from Louisiana, and Major General Cross, the TAG from Mississippi, and I, we were in communication, I never issued an edict to them. They asked for help, and we tried to provide it to the best we could.

We ended up with some 55,000 guardsmen principally in Louisiana under the Emergency Management Assistance Compact where governors provided help by the National Guard, and we ended up with about 25,000 Active-Duty Forces. Some of those were afloat in the Gulf.

I spend a lot of time with Doug Burnett, your TAG. He has come to our headquarters 2 years running for our annual Hurricane TAG Conference. We are well aware of Florida's experience in dealing with hurricanes. The last thing we would do is to presume command control of any State forces, or local responders in a crisis.

So, we couldn't agree more, we understand our role, Senator, we will be in support of someone when we're directed, and that is how we train, and that is how we will employ our forces.

Senator BILL NELSON. Senator Thune.

Senator THUNE. Thank you, Mr. Chairman, and thank you, gentlemen, for your great service to our country.

I want to follow up on one of Senator Nelson's questions with General Smith. I heard some of the same complaints from my constituents, the National Guard units were going to Iraq unprepared, and I guess I'd like to get you to comment on whether that was a problem, was it a leadership problem, was it a funding problem, was it indicative of another large peace-time military drawdown that had left our military unprepared to deploy, as has happened in previous conflicts, and as a follow-up question to that, what are your thoughts on congressional efforts to raise the top line of the Defense budget, so that we don't have those same sorts of problems in the future?

General SMITH. Senator, thank you.

First of all, with regard to the specific shortcomings or instances, it's hard to address the lack of readiness of a National Guard or a Reserve unit that goes over there. I was on the receiving end of those forces at the time that I think you're talking about, but I'm not sure as I was the Deputy Commander of CENTCOM.

Of course, one of the issues, if you're talking armored Humvee and the like, is that we didn't anticipate the requirement. We were used to thinking about war with the enemy in front of you, not behind you. So, for a variety of reasons, the industrial base, power requirements, all of those were not established sufficiently to make sure that everybody had armored Humvees.

As far as the armor piece, that continues to change. Today, the requirement for armor is considerably different than it was 3 years ago. Today, you have the armor that goes down the arms and the legs, and much more protection, and that becomes the norm. That, by the way, is not inexpensive, and so the pipeline to get that stuff in theater continues on a regular basis, and those that need it, get it.

Certainly the top line investment to re-equip the forces, and make sure that we have sufficient equipment for those kinds of contingencies is important. As we go into the surge, if you will, we were taking out some of the equipment out of our normal Reserve capability, that we would otherwise have to give to Active-Duty National Guard and Reserve Forces that go over, so there will—if we had to do something else, there would, no doubt, be some instances where people would not have the absolute best equipment, or the equipment that we'd like them to have, and so we would adjust our tactics for that.

Uparmored Humvees is another good example. We would simply say, "You can't leave the compound," or "You can't go across the berm or whatever, unless you have the proper equipment." Those inside the fence, or otherwise, might have lesser capable equipment than those that are outside and patrolling the forces.

The top line raise could help that, and make sure that our preposition stocks are sufficient for the missions that we'd be asked to perform.

Senator THUNE. Thanks.

Admiral Keating, with responsibility for protecting the United States from missile attacks, you are the primary user of the Missile

Defense System (MDS), and over the last several years, Congress has provided resources to develop and deploy a system capable of destroying ballistic missiles from our enemies before they reach our cities.

However, for Congress to continue to invest resources in this national priority, we have to know that you, as the warfighter, have confidence in the system. Do you have confidence in our MDS today? If so, how did the successful intercept test last September impact your views?

Admiral KEATING. I do have confidence in the system, Senator. We were prepared to deploy that system. The Secretary of Defense brought that system out of research and development and put it in the limited defensive operational status, as you recall, on July 4 and 5. In the weeks leading up to July 4 and 5 this past year, as we were watching the North Koreans as they executed what we suspected they would, they launched a volley of missiles, one of them appeared to be an intercontinental ballistic missile.

The integrated intelligence systems detected that launch and transmitted that information to our headquarters, I was in communication with the Secretary of Defense. We were prepared to respond with ground-based interceptors, had we been so directed by the Secretary. He had to give us the authorization, but the missile didn't get very far.

So we were prepared to use it that day—prior to the successful test on September 1. That test, again, not an end-to-end test, further reinforced my confidence in the system. I appear before you today as confident as I know how to be in the employability and the efficacy of that system.

Senator THUNE. Thank you. In 2007, the National Defense Authorization Act called for an organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the DOD to act as executive agent of the Department on unmanned systems.

So, Admiral Keating, I would direct this to you, as well. Do you think that establishing a single department to act as an executive agent for UAVs would enhance coordination, promote unity of effort, and reduce the uncertainty in the overlap of responsibilities in the event of a natural or manmade disaster?

Admiral KEATING. I do, sir.

Senator THUNE. On March 5, 2007, Air Force Chief of Staff, General Moseley, sent a memo to each of the Services, as well, asking the commanders of the combatant commands which recommends that the Air Force be the executive agency for medium and high-altitude UAVs, and I guess my question has to do with, since it is the existing role of the Air Force to conduct joint interdependent warfare from the air and through space and cyberspace, and they already have a proven record for providing vital air space and cyberspace capabilities for the Services, is the Air Force the best choice to be executive agent for fielding and integrating and operating UAVs?

Admiral KEATING. I think it is, sir.

Senator THUNE. Thank you.

One question for Admiral Stavridis, after September 11, Congress passed House Resolution 4775, which was designed to fund operations in Colombia, the target being the narco-terrorist factions. This expanded authority was further codified by National Security Presidential Directive 18 that allowed special forces soldiers in Colombia to expand their mission from solely counterdrug operations to one that includes fighting counternarcoterrorists, and counternarcoterrorism, trained for the national police and the Colombian Army.

Just the question I have is how successful has that program in Colombia been, and are there lessons that can be learned there, that could be applied to what is a very serious drug problem in Afghanistan? Just your thoughts on that.

Admiral STAVRIDIS. Thank you, sir.

If I could, just Colombia broadly, I think is moving in the right direction. If we look back on Colombia in 1997, 1998, 1999, it was on the brink of falling into being a true narco-terrorist state—kidnappings, murders, bombings, violence throughout the country, essentially trending toward an ungoverned state.

Come forward, 5 or 6 years. Because, I would argue, the reasonable application of U.S. resources, and a small presence of U.S. military, civilians, and contractors; and Senator, there's a cap on our military of about 800—we've been well below that throughout this whole process, and then we only have about 500 Active-Duty military in Colombia—but partnering in the system the Colombians have shown great progress.

For example, in Colombia today, in all 1,098 municipalities, there's a strong police presence. Kidnappings are down 76 percent, murder rates are down 50 percent. The economy is doing well, unemployment is down. President Uribe enjoys popular approval ratings well over 75 percent. One of the three major opposition groups, the Self-Defense Forces of Colombia (AUC), has been completely demobilizing, taking 15,000 fighters out of the field. The Revolutionary Armed Forces of Colombia (FARC)—by all intelligence estimates—have decreased about 30 percent, from 18,000 to 12,000.

Now, are there continuing challenges in Colombia? You bet there are. Are drugs still a big problem? Yes, sir, they are. But are they making progress? I would say by any reasonable metrics standard, they are. I believe that we need to continue to provide that relatively modest level of resources over the next 2 to 3 years, and I think we will see Colombia move from a state which could have failed badly 5 or 6 years ago, to being one of our strongest and potentially most stable allies in the region. I think that's an important thing to understand.

Again, there are going to be continuing problems and challenges, but I think the trends are up—Colombia is a country on the move.

Senator THUNE. Second part of that question—any parallels there with what's happening in Afghanistan? Any lessons that can be learned or applied?

Admiral STAVRIDIS. Two very different countries, but I think the fundamental answer is yes. Today there are a handful of Afghani police who are—just a handful, I believe less than 10, but it's a start—who are in Colombia working with the Colombians to try and take some of these lessons back, and a lot of these lessons are

classic counterinsurgency kinds of things. The fight against narcotics—both in Colombia and elsewhere around the world, is intertwined with the practice of sound counterinsurgency tactics, techniques, and procedures. I believe there is a good opportunity for cooperation and it is nascent, but it is starting now.

Senator THUNE. Thank you all, very much.

Thanks, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you, Senator Thune.

Senator Pryor.

Senator PRYOR. Thanks, Mr. Chairman.

I would like to ask some questions on NORTHCOM, if I may. My first question on NORTHCOM is how is the relationship with the DHS?

Admiral KEATING. It's good.

Senator PRYOR. Is it integrated?

Admiral KEATING. Not as well as it should be, Senator, getting better. Things I might illustrate that would merit that evaluation—we now have a full-time, senior executive service level representative from DHS in our headquarters. We have two military officers who go to work every day at the DHS. We have 10 Active-Duty colonels who are permanently assigned to FEMA regions, so they're working closely with the DHS throughout the country, in each of the 10 FEMA regions.

We have aligned our exercise programs—under the national exercise program, DOD, DHS are conducting exercises—the same exercise, then enabling them therefore to be simultaneous with the same scenarios presented in the course of that exercise, two of those simulated exercises a year.

So, I would say that there is work to be done, principally in the area of plans—we in the military have a culture of, we kind of know how to do plans, we go to school to learn how to do it, and for hundreds of years, we've been developing plans. DHS, relatively new, they have asked for our help, we're providing them help in building a family of plans to replicate the plans that are on our shelf in NORTHCOM and DHS. There's work to be done, but we're a lot better off than we were a couple of years ago.

Senator PRYOR. The chairman and I are also members of the HSGAC here in the Senate, and I'm the chair of a newly-created subcommittee called the State, Local, and Private Sector Preparedness and Integration Subcommittee. That is a lot of lessons learned from Hurricane Katrina, but a lot of other things, too—September 11 and a lot of other things, so I think that we need to do a better job, generally, and Congress needs to do a better job of oversight, at making sure that we are integrated, and that we are talking to each other.

One question I would have for NORTHCOM, and it may be a non-traditional question, but in this world—I'm curious about your relationships with the Governors of the States. The reason I ask about them, is surely the number of times that the National Guard has been called up, so to speak, 99 percent of the time, it's been by the Governors, commanders in chief, to handle some local situations.

Admiral KEATING. Yes, sir.

Senator PRYOR. But tell me how your relationship is with the Governors, and how you're building that.

Admiral KEATING. I have gone with the Secretary of Defense to the National Governor's Conference here in Washington, DC. We have concentrated our efforts, primarily, Senator, through TAGs of the States to keep it on a military basis. General Renuart, when he assumes command tomorrow of NORTHCOM has, on his agenda, to appear before the National Lieutenant Governor's Conference. We have worked and collaborated extensively with the States, the head of the States' militia, and the National Guard, there is work to be done with the Governors themselves, and we're attempting to make those inroads through the Lieutenant Governors.

Senator PRYOR. With regard to this general emphasis that has been talked about in Congress and over at DHS with interoperable communications, are you all participating with DHS and with local law enforcement about trying to build an interoperable communications system?

Admiral KEATING. Extensively, yes, sir.

Senator PRYOR. How do you think that's going?

Admiral KEATING. Significant progress, particularly in the last 18 months, Senator. We came to you and asked for a little bit of extra money. Each of these systems costs about $2 million. The system is an organic cell phone farm, we have three of them ourselves. DHS and FEMA have a half a dozen and the National Guard has 12 to 18, and they're procuring more. These can be rolled out in the event of a disaster when the infrastructure is wiped slick. We put them in, turn on the power, and distribute cell phones and satellite phones. Those systems did not exist pre-Hurricane Katrina, they now do.

We also convened our second annual Defense Interoperability Communications Exercise down at Fort Monroe, VA, where all manner of agencies—from Sheriff Department to Fire Department, Red Cross, commercial, we have Wal-Mart and Coors Brewing Company come as well as National Guard, Active-Duty, and Reserve Forces. They literally set up their communications gear in a great big football field, go inside and figure out how they can talk to each other, using satellites and other methods of communication. So, lots of progress is being made. There is work to be done, to be sure, because there is not a single standard, and likely will never be, a single standard for all manner of communication within the common United States. But we are taking down some barriers, and we're getting good cooperation from industry in so doing.

Senator PRYOR. Great, thank you. I have a question for SOUTHCOM, and that, I think, Senator Thune a few moments ago asked about activities in Colombia, and you gave us an update on that, but I don't think he asked, unless I missed it, about hostages? Three American hostages being held by the FARC—what's the status of that?

Admiral STAVRIDIS. Senator, thank you for asking that question.

We have three U.S. hostages who are held today by the FARC, the lead insurgent group, narcoterrorist group. They are Tom Howes, Marc Gonsalves, and Keith Stansell, and they have been held hostage for over 4 years. It's an extremely challenging envi-

ronment to try and effect their safe recovery, for a variety of reasons. One is the tactics, techniques, and procedures of the FARC, who are very good, they move the hostages frequently. They are in triple-canopy jungle, it's a very difficult operating environment.

They are part of a larger group of Colombian hostages being held. We're working diligently with the Colombian military, the Colombian police, our own interagency partners by the U.S. Embassy, and we think about them every day. They are literally my top priority at U.S. SOUTHCOM.

To have a fuller discussion of the current status of the efforts, or the opportunities to pursue that, we'd need to go into a closed session or I can submit that on a classified basis for the record, sir.

Senator PRYOR. We don't need to do that right now, but tell me, are you confident that they're still alive?

Admiral STAVRIDIS. The last proof of life was a video that was made almost 4 years ago. However, we remain confident they are still alive. Beyond that, I would not want to say without going into a closed session.

Senator PRYOR. Okay, I understand. Thank you.

I have one last question for JFCOM and that is, the Joint Fires Integration and Interoperability Team (JFIIT), I'm just curious about the status of that, and how that's going, and where it's heading.

General SMITH. Senator, they're doing great things. They recently have been working with the Marine Corps to develop better procedures and capacities in the close air support role with the AV8 Harrier to give it digital communications and the like. We have recently used the JFIIT to go out and certify the Australian joint ground Forward Air Controllers (FACs) in Australia, and they're working with a Canadian joint ground FACs school to certify them as well. Much of this is a result of some of the fratricide incidents that have occurred elsewhere. But they are actively engaged in trying to make sure that the systems that we bring to the battlefield are able to talk to one another, that we can move information rapidly, and that the tactics, techniques, and procedures are standardized.

Senator PRYOR. Just one follow-up on that, if I may, Mr. Chairman, is what you've learned there and what you're doing there, does that transfer to interoperability with regard to DHS here in this country, and homeland security?

General SMITH. At JFCOM, I don't know that there is really a relationship between JFIIT and——

Senator PRYOR. I understand that there are things that you're doing there that would benefit homeland security and local law enforcement to know about.

General SMITH. Probably less in the JFIIT realm than in our lessons learned area in the exercise and experimentation we do with NORTHCOM.

Senator PRYOR. Okay.

General SMITH. There's an active relationship between my staff, both on the integration and experimentation and exercise business and Admiral Keating's staff.

Senator PRYOR. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Pryor.

Senator Martinez.

Senator MARTINEZ. Thank you, Mr. Chairman.

Good morning to all of you and welcome to the committee.

Admiral Stavridis, I wanted to, first of all, tell you how happy we are to have you at SOUTHCOM in Florida, and we're proud of your service there, and appreciate all that you're doing, and I wanted to begin my questions by following up on the issue of Colombia. I took a break a moment ago and met outside with Foreign Minister Fernando Araujo who is here visiting, and I think leading to my question, I want to just touch on his life, a very courageous gentleman who spent 6 years kidnapped by the FARC. He was able to escape during a rescue attempt in the midst of battle, and has been now named the Foreign Minister of Colombia.

He's here, of course, promoting the Free Trade Agreement, which the President and I spoke about yesterday, I know you would agree is a very important component of what we're trying to do in the region to approve the Free Trade Agreement.

Foreign Minister Araujo was telling me that kidnappings have been reduced by 90 percent in a country where no one who holds public office has not been touched by violence, whether a kidnapping or a murder to a public official or a family member. The Vice-President of Colombia has been a victim of kidnapping, President Uribe's father was killed in the course of a kidnapping. But it has been reduced, and so I think what we're doing in Plan Colombia is working.

In addition to that, he also told me the flip side of that, which is economic growth, is now at 7 percent. Which is very encouraging and good news, and would be helped by the approval of a free trade agreement with Colombia—nothing more important, I think, for the region, including also Panama and Peru.

I guess I would ask you an obvious question, which is, would you agree that these free trade agreements would be important for the region and the opportunity for economic growth, jobs, and those kinds of things, which help security issues, as well?

Admiral STAVRIDIS. Yes, sir. Clearly, my lane, if you will, is how does it impact the security of the region? I will tell you that, within the region, if you look at the results of free trade agreements, and I would point to the Central American Free Trade Agreement, there is an underlying security improvement in countries where the economies improve. So, from a national security perspective, the free trade agreements in, both proposed free trade agreements in both Peru and Colombia are important in terms of overall security.

Senator MARTINEZ. Admiral, we've made a great investment in Colombia, our forces have been there, assisting training, providing support, intelligence, can you tell us an assessment of where the Colombian armed forces are today, and how well they're taking the fight to the insurgents, and what the status of that is?

Admiral STAVRIDIS. Yes, sir. The Colombian armed forces have increased in size and capacity over the last 5 years, that's been due not only to their own efforts, obviously, but also to the assistance provided by the United States. Their training is improving constantly. I want to particularly underline that they work very hard on human rights, they put in place a serious vetting process, they

are very receptive of the kinds of human rights training that we are able to provide to them, and I think, even as recently as the last year, you're starting to see significant military successes that you had not seen in the previous 5 years, including successful attacks on relatively high-value targets, relatively senior members of the FARC, second the demobilization of the AUC, one of the three insurgent groups distinct from the FARC, but that demobilization is a result of military pressure, as well as a negotiated settlement with the government.

The FARC's decrease in size and capabilities is directly reflective of the increased military pressure that the Colombian military has placed on them. They are making strong progress, and I'm pleased from my perspective as I look at it, to see that.

Senator MARTINEZ. Also, of course, they've made progress, the government has, in deactivating a lot of the paramilitaries, more than 30,000 have now been deactivated, so that's also a good sign.

Admiral STAVRIDIS. Yes, sir, that's the AUC group I was talking about.

Senator MARTINEZ. That's what you meant.

Admiral STAVRIDIS. Yes, sir.

Senator MARTINEZ. I'm sorry.

Venezuela is a concern, and their connection with Cuba, the two of them working in partnership, but one of the real concerns to me is the military buildup, the billions of dollars, instead of going to Venezuelan's poor, are now going to go to creating an armed environment in Venezuela. I wondered if you had any comment on that, and what your assessment of that situation might be?

Admiral STAVRIDIS. Whenever I speak of Venezuela, sir, I always like to start by reflecting that historically, the United States and Venezuela have enjoyed a very positive relationship. At the moment, with the current government in Venezuela, we see far less cooperation in areas of my responsibility—virtually no military-to-military cooperation, we see limited cooperation, if at all, in the narcotic front.

As you said, I'm particularly concerned by the increasing purchases of arms by the current government. To simply list a few, 24 SU–30 fighters, a very advanced Russian fighter, 50 advanced attack and transport helicopters, and in some ways, perhaps, most troubling, the purchase of 100,000 AK–103 rifles, this is the follow-on to the famous AK–47. With that 100,000 comes the purchase of a factory, and the capacity to build even more.

We worry, appropriately, in the United States about the proliferation of WMD. One hundred thousand AK–103s in Venezuela, I worry about the proliferation of weapons of micro destruction. That many rifles, they're going to be moving through that region, perhaps falling into the hands of fighters across the border, in Colombia, it's a very great concern.

There's also discussion by that government of perhaps purchasing diesel submarines. It is hard to understand what is the perceived threat in this hemisphere. It's just difficult to understand why the government of Venezuela would feel the need to purchase that level of arms, and I'm concerned about the destabilizing effect throughout the region of that.

Senator MARTINEZ. It certainly goes well beyond what defense needs Venezuela could possibly have.

Admiral STAVRIDIS. As I perceive them, that is correct.

Senator MARTINEZ. The issues of the physical site in Miami, I understand Senator Nelson covered, and I hope you know that if there's anything I can do to be of assistance, I'd be very happy to do that.

Admiral STAVRIDIS. Thank you, sir.

Senator MARTINEZ. We're so delighted that you're in our neighborhood, and particularly you personally, and we want to make sure that anything we can do to be of help in that situation that you would contact us, so I won't go back over those issues, since Senator Nelson covered them.

But thank you very much, and thank you, gentlemen.

Admiral STAVRIDIS. Thank you, sir.

Chairman LEVIN. Thank you, Senator Martinez.

Can we have a clarification of one aspect of the question by our colleague from Florida?

The new factory is to build the old 47? Or the newer version?

Admiral STAVRIDIS. Newer version, sir, that is my understanding.

Chairman LEVIN. Thank you.

Admiral STAVRIDIS. Yes, sir. Thank you.

Chairman LEVIN. Thank you, Senator Martinez.

Admiral, you were asked a question, I believe, about the Panama Canal.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Your indication is that it's being very well run?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. That the involvement of other countries, I believe, has not been an impediment to that?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. I want to ask you, specifically, since the issue was raised a number of years ago about a Chinese commercial presence, as to whether or not you view that as a problem.

Admiral STAVRIDIS. Sir, I do not, it's Hutchinson Whampoa Company, they're a globalized holding company, there is some Chinese ownership in that company, but we've watched that situation closely over the last few years, and we do not see any threat to the operations or security of the Canal as a result of that.

Chairman LEVIN. Thank you.

Admiral, I think in reference to the missile test you said that the test was not an end-to-end test, as you put it. What does that mean? What pieces were missing from end-to-end test?

Admiral KEATING. We were aware that there would be a target vehicle launch and we had a very good idea as to the azimuth of that launch through the flight profile of the launch, Senator. To a degree—not to belittle the technological success—it was an open-book test. We knew it was coming, and we knew about where it was going.

For my role in defending the Homeland, we would, of course, like to have that kind of information in advance. We're not likely to get it. So, in my view, an end-to-end test would be a launch that is not announced, from a location that is unspecified, on an azimuth that

is not pre-determined, and we would have to employ all aspects of our system—intelligence, C2, and the hardware, to intercept the inbound target.

Chairman LEVIN. Do you know when such a test is scheduled?

Admiral KEATING. I don't, I'll find out for you, sir.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. It may be classified, if it is just let us have the information in a classified session.

Last May, the President announced—and Admiral Keating, this is for you, also—6,000 National Guard troops were going to be deployed temporarily to the Southern Border to help the DHS's border patrol mission, and then apparently the DOD's recently been asked to consider the option of extending that mission beyond the 2 years originally announced.

Would you agree that border patrol is a mission that belongs to civilian agencies, and that it should be handled by civilian agencies?

Admiral KEATING. From my position as Commander of NORTHCOM, I would agree with that statement, sir.

Chairman LEVIN. Do you know what the cost is, off hand, to the DOD?

Admiral KEATING. I do not, sir, I'll find out.

[The information referred to follows:]

Border patrol missions are performed by National Guard forces in State (title 32) status, and have been funded by the Department of Defense through supplemental appropriations. The mission is estimated to cost approximately $1.2 billion for fiscal years 2006–2008.

Admiral KEATING. As I'm sure you're aware, those folks are not under the control of NORTHCOM, they were obtained under State authorities.

Chairman LEVIN. There is a cost, however, to the Defense Department.

Admiral KEATING. Okay.

Chairman LEVIN. Sometimes there's confusion between the term "Homeland Defense" and "Homeland Security". Do you want to give us your take on the difference?

Admiral KEATING. I'll do my best. It's a fine line, but there is a distinction. We, in the DOD—whatever capacity we are, Active-Duty, Reserve, National Guard—will probably take a more kinetic role, and we will try and do it as our National Security Strategy says, "In as timely a manner as possible, as far from our shores as possible." That would be defending our Homeland, the physical act of preventing attacks, deterring those attacks, and that someone would try to mount an attack, defeating the attack.

"Homeland Security" is a broader application of a concept that would deal with our success in defending the Homeland, through limited success, and it would also include actual disasters. So, it is a broader term, in my view, "Homeland Security," than the relatively narrow application of military power, and that being "Homeland Defense."

Chairman LEVIN. Thank you.

Admiral Stavridis, can we expect any additional military construction on Guantanamo for the detainee facilities, including tribunals for detainees?

Admiral STAVRIDIS. I think there will be some very minimal level of construction done, Senator. May I say also, there is some construction scheduled now, but that's for migrant operations, to be very minimal, prudent capability in case there is, for example, a mass migration of some kind.

I have no immediate tasking about a military construction project, that's a policy decision that will be made at the DOD, but the indications I get are that it will be very minimal, indeed.

Chairman LEVIN. Have all the 14 detainees that were recently transferred to Guantanamo received their enemy combatant status review tribunals, do you know? I should know the answer, I was just there.

Admiral STAVRIDIS. We were just there, and also was the first one asked today.

Yes, sir, I think they're not quite complete yet, but I need to submit that for the record.

Chairman LEVIN. All right.

[The information referred to follows:]

As of April 13, 2007, Combatant Status Review Tribunals (CSRTs) have been completed for 12 of the 14 detainees transferred to Guantanamo in September 2006. The CSRTs for the remaining two detainees have not been completed pending resolution of witness availability and other related evidentiary issues. I would defer any specific questions concerning the CSRTs to the Office for the Administrative Review of the Detention of Enemy Combatants, which manages the CSRT, and administrative review board processes.

Chairman LEVIN. Then, did you know if the plan is to release all of the transcripts? Do you know what that plan is? I know this is not your——

Admiral STAVRIDIS. No, sir, that would be an Office of the Secretary of Defense decision, sir.

Chairman LEVIN. Then, finally, General Smith, I want to ask you about the authority which Congress has granted the JFCOM for research on and procurement of equipment for C–2 activities to enhance the interoperability of joint forces, and otherwise facilitate the use of joint forces. We have extended that authority through your fiscal year 2008, recently. There's a departmental proposal to make that authority permanent and to expand it to include the sustainment of the command's products on the battlefield until a Service can take over the program.

The Government Accountability Office has indicated concerns that other parts of the DOD can handle those tasks more efficiently. Can you comment on both the need for an acquisition authority, whether or not you could work through existing DOD and Service acquisition efforts to manage the joint programs that you seek to establish, how big of an acquisition workforce would have to be established in order to operate a robust acquisition program at JFCOM, and if you can remember all of these questions—I probably ought to throw them at you one at a time, at least when you get to be my age, I appreciate that—and I'll be happy to repeat them. What resources would you require in order to make full use of the authority that Congress has given you?

General SMITH. Mr. Chairman, we have $10 million authority in research and development and experimentation. Then $50 million worth of procurement authority, neither of which comes with money.

As you mentioned, that authority is out there until 2008, I would like it made permanent. We'd make good use of the program, perhaps not as good use as we could have, but we are working to reenergize the innovation part of it.

But there's some great successes out there that we continue to work, our Joint Precision Airdrop System, for example, the ability to take a 2,000-pound pallet and drop it through the weather with reasonable precision—football field-length precision to somebody that's in the mountains of Afghanistan, for instance.

One of the things about a limited acquisition authority, to get 10 of those systems to Special Operations Command (SOCOM), and then ultimately 50 to CENTCOM.

We are currently working on a 10,000-pound model and a 20,000-pound model.

The sustainment case is that I can go out and get those, CENTCOM will go out and pay for those 50. The issue for us, and the sustainment piece is, it will become a program of record, probably, in the United States Air Force. But that's going to take a couple of years, and what, through having the limited acquisition authority, we are able to continue the work on that and continue to improve the process before we turn it over to the Service.

Another excellent example is the use of limited acquisition authority to tie the 7 Blue Force Trackers, the friendly force trackers, that showed up in Iraq, that couldn't talk to each other, so therefore didn't have, didn't share a common operating picture. So, the Army in one sector may not know exactly what the Marines are doing right next to them. We were able to use limited acquisition authority to take that information, bounce the information from each of the different systems through a U.S. Strategic Command facility in Colorado Springs, and back within 2 seconds to the common operating picture inside a Stryker, or in a command post or whatever, so they all share the same common operating picture.

We are now working to include the Iraqi military. The ability to be able to track, find out, and maintain where they are. That, also, will ultimately become a program of record for somebody. But that requires sustainment.

I don't mind going out and asking the Services for money or combatant command money, though I've never asked at this stage for money in the research, development, test, and evaluation or the procurement. I'm satisfied with just the authority. So, the only request I would have for money is some small amount of money to be able to work that bridging time period, while we're trying to get these systems into the program of record.

We could use other systems like the Rapid Acquisition Program, or so. Certainly there are other avenues that we could do this within the acquisition business. Would it be as flexible, as agile, or give me the ability to respond rapidly to a combatant commander's need? Probably not as rapidly, and it would take away some of my flexibility to be able to supply the combatant commander with what he would like. The amount of money we're talking about, in my

view, is not such that we really need to go into that massive acquisition piece.

I have never asked for complete acquisition authority down there at JFCOM, although we've considered it, along the lines of SOCOM. I don't know exactly what the numbers are, but they're pretty significant in the acquisition authority, and I'm satisfied to use the existing service acquisition people and contractors.

Chairman LEVIN. Thank you.

Senator Warner, let me ask you—I should have asked you this privately—I'm going to have to leave now, would you be able to close up?

Senator WARNER. Yes, to make a quick reference, we have four votes in a few minutes.

Chairman LEVIN. Thank you. We do, and I thank you for that, and let me thank our witnesses before I run along.

Senator WARNER. We have had a very good hearing.

Chairman LEVIN. Thank you for your testimony, and we really appreciate your presence, your testimony, and indeed it has been a really good hearing. Thank you.

Admiral STAVRIDIS. Thank you, sir.

Senator WARNER. General Smith, I keep coming back to the concern I have about the certification process. Your responsibility is to draw on the Army, the Navy, and the Air Force for components to put together in one unit to meet the requirement of a commander in chief in various areas of the globe.

If that one link does not measure up in readiness, it could imperil the components of the other two who presumably are up to complete readiness. So, it seems to me that perhaps we should revisit whether or not you should get more deeply involved into the certification process, because in a sense, your stamp of approval on that and moving the package of the three component Joint Services forward, could have a flaw in it that would impinge on the ability of the other two.

General SMITH. Senator Warner, it really depends on the construct we're talking about. I am absolutely satisfied that a BCT that's an Army BCT is, never leaves the Forces Command arena without being certified within their own organization. I mean, maybe not with a piece of paper, but that the Brigade Commander——

Senator WARNER. All right.

General SMITH. Senator, there is another piece out there that we are responsible for. They do that with a title 10 train, organize, and equip role. They're given to me.

Now, it's different with the Joint Task Force headquarters. In that case, we do indeed train the individuals in the joint environment, we are responsible for helping to equip, in that case, for instance of both Admiral Keating and Admiral Stavridis with deployable joint command and control systems. Then we train through mission rehearsal exercises and the like, and other exercises, the Joint Staff and ultimately, in one way or another, certify that staff.

Now, in the case of people going into Baghdad, for instance, General Odierno went in to take over Multi-National Forces for Iraq—we had a whole series of training programs that culminated in a

mission rehearsal exercise that tied his entire staff together, and he, as the Corps commander, is the one that certified the readiness and the capability of his joint task force headquarters to go over there, and I validated that with him.

Senator WARNER. Right. All right. I'll leave that.

Admiral Keating, could you put into the record in reply to this question, an update on the Cheyenne Mountain situation? What your intentions are there?

Admiral KEATING. Yes, sir.

[The information referred to follows:]

We are consolidating day-to-day operations within the North American Aerospace Defense Command (NORAD) and U.S. Northern Command (USNORTHCOM) Command Center on Peterson Air Force Base, Colorado. The transfer of functions from Cheyenne Mountain to the NORAD and USNORTHCOM Command Center will result in greater operational efficiency and effectiveness through enhanced unity of effort. Plans, policies, and procedures are being developed to ensure a smooth and efficient transition of functions. Modifications to the NORAD and USNORTHCOM Command Center will begin early this summer with completion by the end of December 2007. Full operational capability is planned for May 2008.

We will maintain Cheyenne Mountain as an Alternate Command Center. In addition, Cheyenne Mountain will serve as a fully functional training facility to allow crew members to qualify in a shorter period of time and at a much higher standard than is currently possible.

Senator WARNER. Admiral Stavridis, would you also place into the record your current assessment of the International Military Education and Training (IMET) program? It has been a very successful one throughout history. Congress took certain steps to put limitations because of legitimate concerns, what is the status of that? What initiatives could Congress take to help improve it? I think IMET is one of the most successful programs this government has ever devised to strengthen our relations between countries all over the world.

Admiral STAVRIDIS. Senator, I will put it in the record, and I want to say thank you to this committee and to the entire Congress for correcting what was not the right situation with IMET. It's a huge success, it's taken off again in my part of the world and around, and I will put it in the record.

[The information referred to follows:]

I agree that the International Military Education and Training (IMET) program is one of the most successful and important programs available to U.S. Southern Command. IMET gives us the opportunity to bring partner nations' military personnel into our schools, provide relevant training, build friendships, and expose them to strong democratic institutions and civilian leadership of the military. Eliminating American Servicemembers Protection Act sanctions on IMET allowed us to renew positive, partnership-strengthening activities with military personnel from previously sanctioned countries.

Continuing congressional support to level fund the IMET program in fiscal year 2008 and beyond will send a strong message to our partner nations that we remain committed to assisting in establishing and maintaining professional security forces. Continued support to one of our premier training institutions, the Western Hemisphere Institute for Security Cooperation, also will benefit us by allowing greater access for Latin American Armed Forces personnel to professional courses conducted in Spanish.

Senator WARNER. You're satisfied now?

Admiral STAVRIDIS. I'm satisfied now with what Congress has provided in IMET, yes, sir.

Senator WARNER. All right.

Lastly, Admiral, the Detainee Treatment Act. In response to my questions of how you and your staff at SOUTHCOM conduct oversight of the interrogation operations at Guantanamo, it's something that's of great interest to Congress.

Admiral STAVRIDIS. I'll be glad to, sir.

[The information referred to follows:]

Prior to my assumption of command of U.S. Southern Command, the provisions of the Detainee Treatment Act of 2005 had already been implemented at Joint Task Force-Guantanamo (JTF–GTMO). Specifically, I have been advised that, on 1 January 2006, General John Craddock (former Commander, U.S. Southern Command) directed compliance with the Detainee Treatment Act of 2005 and that Major General Jay Hood (former Commander, JTF–GTMO) confirmed, on 2 January 2006, that JTF–GTMO was in compliance with the Detainee Treatment Act.

Additionally, on 22 January 2007, I issued specific instructions to JTF–GTMO concerning the implementation of DOD Directive 2310.01E, the Department of Defense Detainee Program, and Field Manual (FM) 2–22.3, Human Intelligence Collector Operations. This guidance repeated the provision of the Detainee Treatment Act that mandates the only interrogation approaches and techniques authorized for use at JTF–GTMO are those authorized by and listed in FM 2–22.3. Rear Admiral Harry Harris (current Commander, JTF–GTMO) confirmed, on 27 January 2007, that JTF–GTMO remains in compliance with U.S. law, including the Detainee Treatment Act. Rear Admiral Harris issued a policy memorandum to remind all personnel assigned to JTF–GTMO that they must be knowledgeable of and at all times in compliance with U.S. law and applicable DOD policies.

In exercising oversight of detention and interrogation operations, I have, since assuming command 6 months ago in October 2006, personally visited Guantanamo three times. During those visits, I have been briefed extensively by JTF–GTMO personnel on both detention and intelligence matters. Additionally, I exercise oversight and maintain awareness of camp operations through the receipt of daily situation reports from JTF–GTMO, weekly communications with the Rear Admiral Harris, and through a multi-disciplined U.S. Southern Command Detainee Coordination Team, which interacts daily with JTF–GTMO.

Senator WARNER. I join Senator Levin, we've had an excellent hearing. We wish you well, gentlemen, thank you very much.

Admiral STAVRIDIS. Thank you, sir.

Senator WARNER. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

NUCLEAR WARHEADS

1. Senator AKAKA. Admiral Keating, the administration recently selected a design for a new generation of nuclear warheads, which if built, would be the first new U.S. nuclear weapon since the end of the Cold War. I understand that the new warhead design is intended to replace those in our existing arsenal. However, some have criticized the United States as sending the wrong signal to the world at a time when we are striving to deter nuclear weapon development in North Korea and Iran. In your opinion, what is the current health of our North American nuclear arsenal?

Admiral KEATING. I defer to the Commander, U.S. Strategic Command (STRATCOM) regarding the health of our Nation's nuclear arsenal. The Services have an excellent record of safely storing and maintaining our Nation's nuclear weapons. U.S. Northern Command (NORTHCOM) has a response plan in place for consequence management in the unlikely event of an accident involving nuclear weapons.

2. Senator AKAKA. Admiral Keating, are there issues with our arsenal that make it desirable to replace our warheads?

Admiral KEATING. I defer to the Commander, U.S. STRATCOM, regarding the need to replace our Nation's nuclear warheads.

3. Senator AKAKA. Admiral Keating, do we really need to build replacement warheads?

Admiral KEATING. Without first-hand knowledge of the life cycle issues involved, I defer to Commander, U.S. STRATCOM on the need to build replacement warheads.

HOMELAND DEFENSE

4. Senator AKAKA. Admiral Keating, your statement discusses the continual improvement cycle that U.S. NORTHCOM and North American Aerospace Defense Command (NORAD) undergo each year, participating in and reviewing the lessons from numerous exercises, such as Ardent Sentry and Vigilant Shield, as well as smaller regional, State, and local exercises. In addition, you state that you factor in lessons learned from real-world events, such as Hurricane Katrina. Corrective actions are then initiated, as appropriate, based on the lessons learned. Please elaborate on some of the improvements made to your response plans since Hurricane Katrina.

Admiral KEATING. Since Hurricane Katrina, U.S. NORTHCOM has taken significant actions to improve the effectiveness of our response plans. For instance, the Command assigned a full-time Defense Coordinating Officer to each Federal Emergency Management Agency (FEMA) region to build relationships with our interagency partners. As a result, U.S. NORTHCOM is able to obtain situational awareness more quickly to speed our response time. U.S. NORTHCOM also operates under a standing execute order that enables us to better prepare and more rapidly respond when called upon by President or Secretary of Defense. In coordination with the Department of Homeland Security (DHS), we have developed 25 pre-scripted mission assignments to reduce the staffing time required to process military support requests during crises. Furthermore, we have engaged with our National Guard and interagency partners to enhance unity of effort. U.S. NORTHCOM and the National Guard have worked together in table-top exercises and conferences, most recently the National Hurricane Conference. U.S. NORTHCOM and the DHS have also exchanged a dedicated on-site representative to improve planning and exercise efforts.

5. Senator AKAKA. Admiral Keating, has NORTHCOM developed metrics by which it can measure its performance in disaster response?

Admiral KEATING. Yes. U.S. NORTHCOM's plans contain metrics that measure the command's performance in disaster response. Our plans have stated objectives, which reflect the desired end state for each operation. Also, each objective has a set of tasks that support the objective. These supporting tasks all have measures of performance and measures of effectiveness. These metrics give us a structured approach to evaluate whether our objectives and end states are accomplished.

GROUND-BASED MIDCOURSE DEFENSE

6. Senator AKAKA. Admiral Keating, in your statement, you said that the Ground-Based Midcourse Defense system achieved ''limited defensive operations capability in October 2004.'' You then follow that up by stating that it was ''placed in an operational status in June 2006, and is available when needed to defend the United States' and its allies' infrastructure and population centers.'' It appears from your statement that this system was placed into operational service with only a limited defensive operations capability. Is that correct?

If this is correct, what threats is this system capable of defending against?

Admiral KEATING. [Deleted.]

7. Senator AKAKA. Admiral Keating, what is the cost to the taxpayer of deploying this system with limited capabilities?

Admiral KEATING. U.S. NORTHCOM does not have cost data for the Ground-based Midcourse Defense System. This information resides with the Missile Defense Agency.

8. Senator AKAKA. Admiral Keating, would it not be better to utilize taxpayer dollars on other high priority needs than to deploy a limited capability system?

Admiral KEATING. No. In my view, our ability to defend and deter attacks against the United States, its population centers and critical infrastructure is vital to our security. The Ground-Based Midcourse Defense system provides a defense against rogue nations from attempting to hold the United States hostage, both militarily and politically.

9. Senator AKAKA. Admiral Keating, what is the status of developing the full operational capabilities of the system?

Admiral KEATING. [Deleted.]

NATIONAL GUARD READINESS

10. Senator AKAKA. Admiral Keating, multiple deployments to Iraq and Afghanistan have significantly impacted the readiness of our National Guard units. In particular, much of their equipment has been left in theater. In your conduct of homeland defense exercises and disaster planning efforts, have you considered the current readiness state of our National Guard units and their lack of adequate equipment?

Admiral KEATING. Yes, we consider the readiness status for all Department of Defense (DOD) forces in our plans and exercises. The sum total of available DOD and National Guard resources gives me confidence in our ability to provide assistance to civil authorities in response to an event of national significance as directed by the President or Secretary of Defense.

11. Senator AKAKA. Admiral Keating, how are you compensating the reduction in National Guard readiness until such time as the resets catch up?

Admiral KEATING. We are continuously engaged with our designated force providers (U.S. Joint Forces Command, the Services, and Defense Agencies) to identify specific capabilities required to accomplish our missions. Often, Active Duty and National Guard capabilities are complementary and overlapping, particularly with the defense support of civil authorities mission. Where we identify gaps in capabilities, we work with our force providers to find trained and ready forces to fill the requirement.

BORDER PATROL FUNDING

12. Senator AKAKA. Admiral Keating, you describe in your statement the expanded operations that NORTHCOM has been undertaking in support of law enforcement to protect our borders. While I applaud the efforts of our military to assist our law enforcement agencies in interdiction of transnational threats, I believe that we need to keep an eye on the impacts of expanded roles for our military to ensure that they do not erode readiness. How are we paying for this expansion of military mission into the law enforcement arena?

Admiral KEATING. Joint Task Force North (JTF-North) employs military capabilities to support law enforcement agencies by employing title 10 and title 32 volunteer units. JTF-North supports law enforcement agencies with unique military capabilities and the volunteer units benefit from training that prepares them for missions in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Because of the training opportunities inherent in these missions, there is no negative impact to unit readiness.

To fund these operations, JTF-North operates an annual budget of approximately $9 million funded through the DOD counterdrug program. For fiscal year 2006 operational missions, no additional funds were requested or required to perform missions in support of law enforcement agencies.

13. Senator AKAKA. Admiral Keating, were additional resources budgeted to allow for this expanded mission?

Admiral KEATING. For fiscal year 2006, no additional funds were requested or required for mission in support of law enforcement agencies. The expanded mission referenced in the statement refers to JTF-North's support to coastal border operations along the Texas and Florida coastal areas. These missions were performed at the request, and in support of the lead law enforcement agency (U.S. Border Patrol) with no additional funding or resources required.

THEATER EFFECTS BASED OPERATIONS

14. Senator AKAKA. General Smith, I understand that Theater Effects Based Operations (TEBO) is the wave of the future for joint military operations, and that Joint Forces Command (JFCOM) will roll out a set of tools for combatant commanders to use by 2009. It strikes me that this concept of operations would have been extremely useful to use in Iraq prior to our attack, and may have reduced the severity of the situation we are currently facing. How well does TEBO integrate

with other military operational doctrine and tactics, such as the Army's counterinsurgency operations doctrine?

General SMITH. We believe that well-planned joint campaigns and operations rely upon an effects-based approach to joint operations. TEBO is an Advanced Concept Technology Demonstration (ACTD) sponsored by the U.S. Army in conjunction with JFCOM, U.S. Forces Korea, and other partners to enhance the implementation and use of an effects-based approach to joint operations. The TEBO ACTD focuses on the development of tools, applications, and techniques that facilitate the analysis, planning, and assessment of military operations by U.S. joint forces.

Two other tools being evaluated are:

Conflict Modeling, Planning, and Outcomes Exploration

Formerly known as Integrated Battle Command Conflict Modeling, Planning, and Outcomes Exploration (COMPOEX) is a suite of tools being developed in partnership with the Defense Advanced Research Projects Agency in a user-in-the-loop methodology to provide Joint Force Commanders with the ability to develop plans employing all diplomatic, informational, military, and economic actions across political, military, economic, social, infrastructure, and information (PMESII) domains.

Synthetic Environment for Analysis and Simulation

The Synthetic Environment for Analysis and Simulation (SEAS) tool is an agent-based simulation configured to assess and predict culturally- and situationally-accurate PMESII effects that are beyond the capabilities of a human subject matter expert.

JFCOM will soon conduct a "flyoff" among all known effects-based tools (including TEBO, COMPOEX, SEAS, the Global Synchronization Tool, experimental North Atlantic Treaty Organization (NATO) tools, and others) in mid-2007 to determine the best technical and operational aspects of each one and to further determine to what extent they may be combined.

As with other technology enhancements, the fielding of proven TEBO capabilities prior to beginning operations in Iraq might have enhanced the military's ability to perform these process-related tasks. However, the current situation in Iraq has evolved over time based on a combination of many military, political, economic, and other factors. So it is difficult to determine, even in retrospect, how TEBO capabilities might have affected the course of events. Independent of the TEBO ACTD, U.S. forces have selectively used related processes and techniques in both Afghanistan and Iraq to improve their understanding of the complex operational environment and determine effective courses of action for different situations. These processes and techniques generally met with mixed success, but provided valuable insights for follow-on improvements.

TEBO technologies and techniques can enhance planning, intelligence, and assessment, but TEBO capabilities do not replace current proven processes or constitute new ways of conducting joint military operations. TEBO is part of a more extensive effort that uses "effects" and a "systems perspective" to help commanders and staff clarify their objectives, achieve a better understanding of the operational environment, promote unity of effort with agency and coalition partners, and assess progress toward mission accomplishment. These new ideas are now being incorporated in joint doctrine, training, and joint professional military education. These ideas are relevant not only to planning and conducting large-scale combat, such as initial operations in Iraq, but also to planning and assessing other types of operations such as counterinsurgency and humanitarian assistance. Since these are process improvements and related technology enhancements rather than process replacement, these new ideas can be integrated readily in existing joint and Service doctrine as appropriate.

15. Senator AKAKA. General Smith, has the JFCOM tested the concept in any current real world situations, such as Afghanistan, and if so, what are the results?

General SMITH. The TEBO ACTD and its associated tools have been used in several exercises/events within the Korean area of operations (AOR) (Combined Forces Command-Korea). In addition, in December 2006 General McNeill, the incoming Commander of NATO's International Security Assistance Force in Afghanistan (ISAF–X), requested U.S. JFCOM to provide enhancements for a coalition staff conducting effects-based planning and assessment at the operational level. U.S. JFCOM is currently conducting a field experiment with ISAF–X staff which will provide an ideal opportunity to assess the utility of U.S. JFCOM developed capabilities in an operational environment. ISAF will use the JFCOM-provided SEAS (see above), which will enable the staff to assess potential kinetic and non-kinetic Senate Armed

Services Committee courses of action against the effects on population attitudes towards the coalition, the government, and the insurgency. The tools, and the processes they enable, support synchronized interagency planning and execution and can help ISAF coordinate application of all elements of national and coalition power in Afghanistan.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

HOMELAND SECURITY AND THE NATIONAL GUARD

16. Senator CLINTON. Admiral Keating, the National Guard plays a critical role in our homeland defense. New York has more Air National Guard bases than any other State and is home to the 42d Infantry Division, the first National Guard Division headquarters to deploy into combat since the Korean War. In fact, one of the 42d's brigade combat teams will deploy to Afghanistan next year, potentially limiting the National Guard's capability to respond to homeland defense disaster relief support.

On March 1, the congressionally-appointed Commission on the National Guard and Reserves released its second report to Congress. The years of repeated and prolonged deployments and inadequate budgets have left the National Guard and Reserves so short of equipment, training, and personnel that 88 percent of the Army National Guard units and 44 percent of Air National Guard units in the United States are not ready to be deployed. They are not prepared for overseas deployments and in some cases cannot respond to homeland security threats or emergencies. The chairman reported, "We can't sustain the [National Guard and Reserves] on the course we're on."

Does NORTHCOM have sufficient National Guard and Reserve units and personnel, with the appropriate equipment and training, to respond to homeland threats and respond to emergencies?

Admiral KEATING. Although National Guard and Reserve Forces are not assigned to U.S. NORTHCOM until mobilized into title 10 status, we have an ongoing dialogue with our force providers (U.S. JFCOM, the Services, and Defense Agencies) to identify specific capabilities from the Total Force required to accomplish our homeland defense and civil support missions. When we identify shortfalls in capabilities, we work with our force providers to find trained and ready forces (Active Duty, National Guard, or Reserve) to fill the requirement.

BORDER SECURITY

17. Senator CLINTON. Admiral Keating, NORTHCOM plays an important role in securing New York's northern border with Canada. Can you describe any progress over the past year NORTHCOM has made to coordinate with other U.S. Government agencies to secure our northern border?

Admiral KEATING. U.S. NORTHCOM and its subordinate commands participate in the bi-national, multi-agency Project North Star. Project North Star gathers law enforcement experts from the United States and Canada to exchange information and plan operations to counter transnational threats (to include counterdrug) along the northern border.

U.S. NORTHCOM's subordinate, JTF-North, conducts operations to support U.S. Customs and Border Protection along the northern U.S. border. Cooperative law enforcement operations with Canada are coordinated by U.S. Customs and Border Protection and the Canadian Royal Canadian Mounted Police through the International Border Enforcement Team.

In addition, U.S. NORTHCOM recently coordinated with U.S. Customs and Border Protection on a strategic-level presentation concerning pandemic influenza and its potential impact on U.S. and Canadian law enforcement agencies.

PREPAREDNESS

18. Senator CLINTON. Admiral Keating, the 2-year anniversary of Hurricane Katrina will be September 2007. In the aftermath of the response to Hurricane Katrina, questions were raised about whether the military, both National Guard and Active-Duty, could have responded further. What lessons learned from Katrina have been incorporated into NORTHCOM planning?

Admiral KEATING. Lessons learned from Hurricane Katrina have been incorporated into U.S. NORTHCOM planning. First, to address the need to reduce Federal response time, in coordination with the DHS, U.S. NORTHCOM developed 25

prescripted mission assignments as required by the Post-Katrina Emergency Management Reform Act of 2006. These mission assignments were designed to reduce the staffing time required to respond.

U.S. NORTHCOM has also applied lessons learned in consequence management by developing a functional plan for catastrophic natural disasters, which formalizes an accelerated force provider process to support planned responses. With this plan, we have developed four robust response packages that cover land, air, and sea domains. We also developed alert levels to posture the force and tailor our response.

U.S. NORTHCOM implemented Katrina lessons learned during Exercise Ardent Sentry 2006. This exercise rehearsed DOD response to a Category 3 hurricane striking New Orleans resulting in flooding and significant damage. Specifically, the exercise focused on the following key tasks:

- Maintaining pre-drafted orders and planning templates in preparation of the event
- Participating in U.S. JFCOM sourcing conferences to expedite the sourcing process
- Conducting bi-weekly video teleconferences with the FEMA Headquarters
- Conducting weekly video conferences with Service components
- Developing hurricane execution checklists
- Developing and rehearsing incident awareness and assessment capabilities
- Developing a DOD catastrophic hurricane response concept of operations
- Developing catastrophic hurricane response force packages

19. Senator CLINTON. Admiral Keating, if we were faced with a disaster of the magnitude of Hurricane Katrina somewhere else in the United States, are you satisfied that NORTHCOM's response would be adequate?

Admiral KEATING. Yes. Strategic and operational planners at U.S. NORTHCOM and its components have led the DOD planning efforts for hurricane responses. We have coordinated with FEMA to ensure that we understand projected needs for military assistance in response to a hurricane. This coordination has resulted in prescripted mission assignments that articulate the military capabilities needed to respond quickly to a catastrophic hurricane. We also have been engaged with the rewrite and coordination of the National Response Plan and the Catastrophic Incident Supplement. U.S. NORTHCOM has developed plans to employ a similar-sized title 10 force that was employed during the response to Hurricane Katrina. The NORAD and U.S. NORTHCOM Exercise Program includes several table-top exercises that are directly related to how we support the overall Federal response to disasters. In addition, our national-level, semi-annual exercises include hurricane scenarios. These exercises require collaboration, coordination, and interaction with our interagency partners.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

DEFENSE READINESS REPORTING

20. Senator MCCAIN. General Smith, JFCOM is currently developing an automated system to monitor force availability, location, readiness, assignment, and to be able to track the status of units through the entire pre-deployment, deployment, redeployment, and reconstitution cycle for both the Active-Duty and Reserve components, down to the individual. When do you project that you will have this automated capability that tracks down to the individual?

General SMITH. We have made good progress with our focused efforts to include development of the Defense Readiness Reporting System, the Joint Event Scheduling System, the Joint Force Projection Advanced Capability Technology Demonstration, and the Global Force Management Data Improvement Initiative.

JFCOM currently utilizes a multitude of systems, applications, and data sources to monitor and analyze availability, location, readiness, assignment, and unit status in support of our role as the global looking Joint Force Provider. JFCOM has achieved some success in automating parts of this process, specifically in the area of Force Rotation. We are also experimenting with technology in our joint futures lab to automate and streamline force deployment and logistics visibility. However, the ultimate desire is to develop a web-enabled, service-oriented architecture that allows the free exchange of data from multiple sources that can then be manipulated by user defined applications and tools.

These architectural models, as well as the suite of capabilities to meet user-defined requirements, constitute part of an overarching systems approach to Com-

mand and Control, including Force monitoring, called the Net Enabled Command Capability (NECC). This initiative has been validated through the Joint Readiness Oversight Council, and is part of a future capability package that we hope to begin phasing into place within the next 2–3 years. It is envisioned that NECC will replace many of the legacy systems currently in existence, and will fully support Joint Global Force Management.

Due to the complexity associated with this effort, the number of systems and stakeholders involved, and the varied and often unique requirements Senate Armed Services Committee generated by the multitude of users, a "quick" solution is not feasible. However, the phased approach we are taking with this will ensure that the user can receive capabilities when they are available vice waiting for the entire suite of capabilities to be fielded. It is too early in the NECC development process to be able to say with certainty at what point we will be able to track down to the individual level.

21. Senator MCCAIN. General Smith, will this capability allow for the earlier notification of forces who are to be deployed?

General SMITH. Once the capabilities supporting that part of the command and control construct are implemented in NECC, the answer is yes.

INTEROPERABLE JOINT COMMAND AND CONTROL

22. Senator MCCAIN. General Smith, the lack of interoperability in command and control, and other challenges in interoperable communications, hampers the effectiveness of our warfighters. What does JFCOM currently have underway or under development to advance the interoperability of our forces?

General SMITH. In the area of Joint Command and Control (JC2), we are currently executing, in concert with the Office of the Secretary of Defense (OSD), a capabilities-based portfolio management approach to better coordinate and integrate JC2 across the three DOD processes (Requirements, Acquisition and Planning, Programming, and Budgeting Execution) in order to deliver integrated JC2 capabilities, improve interoperability, identify and capture efficiencies where possible (unnecessary duplicative efforts) and close capability gaps.

On September 14, 2006, the Deputy Secretary of Defense designated JFCOM as the "JC2 Capability Portfolio Manager" (JC2 CPM) and gave us the responsibility to ensure the JC2 portfolio is aligned with strategic objectives and that the capability mix is optimized to meet warfighters' needs. Part of this responsibility involves identifying and assessing risk in the portfolio to assist DOD in balancing joint-warfighting demands against resource constraints.

As the JC2 CPM, we are currently working with CENTCOM to assist them in sorting through the many C2 systems they currently use in Iraq to determine the "Best of Breed" among those systems for the near-term. We are also working with OSD (PA&E and USD(C)) to review C2 R&D and procurement investments to ensure alignment with DOD strategic direction and emergent warfighting requirements and we are looking into potential duplicative efforts among the Services in developing deployable/mobile C2 capabilities. It is a significant challenge to Senate Armed Services Committee determine which capabilities are duplicative, when you consider the scope and complexity of Service-unique and Joint C2 requirements ranging from the tactical to the strategic level, across multiple domains (air, land, sea) that include fixed, deployable, and "mobile" or "on the move" systems. Individually, these C2 systems meet the operational requirements for which they were intended, but collectively they pose joint interoperability issues. The JC2 CPM is an important step in approaching this challenge as we balance operational effectiveness and risk and migrate toward future "joint solutions."

For the long-term, JFCOM has in its JC2 CPM portfolio the "flagship" program for future joint C2 capabilities, the Net-Enabled Command Capability or NECC program. As DOD's operational sponsor for NECC, JFCOM has established a Joint Combat Capability Developer (JCCD) team to ensure the warfighter's operational requirements are accurately described and provided to the Defense Information Systems Agency, who is responsible for developing the material solution. Through the NECC JCCD, we expect to achieve continuous warfighter engagement from concept development through fielding and sustainment and completely integrate material with the doctrine, organizational design, training plans, personnel and facilities requirements, and policy changes (DOT—LPF–P) necessary to support the warfighter. This continuous engagement by the CPM and JCCD will provide the requisite checks and balances to ensure development of integrated and interoperable ("Born Joint") capabilities with holistic DOT—LPF–P support.

23. Senator MCCAIN. General Smith, what effort is JFCOM devoting to the goal of reducing the danger of fratricide when directing close air support (CAS) fires?

General SMITH. JFCOM is engaged in efforts to reduce the danger of fratricide and improve combat effectiveness during CAS operations. JFCOM has identified key problems in joint CAS terminal control capabilities through live assessments and evaluations:

- Talking a pilot's eyes onto a target takes time and is not conclusive
- Pilots have a limited capability to independently verify target ID
- Errors occur when copying and entering target coordinates manually
- Automated system features without checks can lead to errors
- Accurate visual assessment of the aim point of a strike aircraft from the ground is difficult even under ideal conditions

Most CAS fratricides occur because standard procedures are not followed or the intended target is misidentified.

To address the issue of standardization, the JFCOM-chaired Joint Close Air Support (JCAS) Executive Steering Committee led the development of the Joint Terminal Attack Controller (JTAC) and Forward Air Controller (Airborne) Memoranda of Agreement, which established training and certification standards for all DOD terminal attack controllers. To enforce these standards, a JFCOM-led JTAC Standardization Team conducts initial accreditation and biennial course reviews of all JTAC schoolhouses for compliance.

To aid in the proper identification of targets, JFCOM provided essential support in fielding the Digital Precision Strike Suite, coordinated software integration into JTAC equipment, and published new procedures to improve laser range finder and satellite navigation system target location accuracies. JFCOM was a primary promoter of the use of the Remotely Operated Video Enhanced Receiver) III, which provides real-time, full motion video for situational awareness and targeting. JFCOM led the effort to develop and field the Rapid Attack Information Dissemination Execution Relay system which will provide digital Blue Force situational awareness data to terminal attack controllers.

JFCOM is continuing the efforts to reduce fratricide potential by spearheading the establishment of a JCAS digital data exchange standard which will enable the seamless exchange of critical target and friendly location information between the JTAC, weapon delivery platforms, and command and control agencies.

24. Senator MCCAIN. General Smith, has JFCOM evaluated the military utility of specific anti-fratricide technologies, and if so, what were the results?

General SMITH. The JFCOM-sponsored Coalition Combat Identification Advanced Concept Technology Demonstration (CCID ACTD) has been a catalyst for not only assessing fratricide prevention technologies, but also moving proven solutions into the acquisition process.

A notable CCID ACTD milestone was a large-scale field exercise demonstration during September-October 2005 in the United Kingdom. The United States and eight other nations provided ground and air forces employing the ACTD's technologies in scenarios representative of coalition operations. The participating coalition warfighters and analysts determined that two technologies, Battlefield Target Identification Device and Radio Based Combat Identification, provided a useful, complementary capability to quickly and accurately identify friendly ground forces and minimize fratricide from either direct or supporting fires (artillery, mortars, CAS). Joint Combat Identification Marking System provided a discriminating infrared signature and radio frequency tags demonstrated potential, but more development is necessary to achieve a useful discrimination capability in the cockpit.

During March 2006, JFCOM and Service program representatives presented these results to senior Army and Marine Corps resource sponsors who decided jointly to pursue an acquisition strategy for both technologies during POM 08–13. This joint approach, reflecting an investment of approximately $450 million, was endorsed by the Joint Requirements Oversight Council during December 2006, which provides clear leadership and guidance to coalition partners sponsoring parallel, interoperable programs.

Building upon this momentum and in partnership with the U.S. Air Force, we extended the CCID ACTD through 2008 in order to assess other CID technologies employed by fixed wing aircrew in attacking ground targets. Two additional nations have joined the original CCID ACTD group in this extended phase.

CCID ACTD Extension, Bold Quest, will assess the military utility of a Synthetic Aperture Radar/Aided Target Recognition on JSTARS and the Laser Target Imaging Program on the Litening Advanced Targeting Pod in a coalition operational environment. This will also validate U.S. strike aircraft capability to exchange digital tar-

geting data with U.S. JTAC digital suites including the U.S. Air Force Tactical Air Control Party Close-Air Support System, USMC Target Locator Designator Handoff System (TLDHS)/StrikeLink, and the Special Operations Command Battlefield Air Operations Kit. In addition, the CCID ACTD extension will assess the ability of the CAS aircraft to exchange digital targeting data with U.S. JTAC digital suites will be assessed.

Besides the CCID ACTD, JFCOM findings and recommendations from OIF Major Combat Operations induced the Army to make a positive ID capability a requirement in the Patriot weapon system. JFCOM also supported the development of the Recognition of Combat Vehicles training system, which is a principal catalyst for developing Joint Service combat identification training requirements and solutions.

INTERAGENCY COORDINATION AND EFFECTIVE DISASTER RESPONSE

25. Senator MCCAIN. General Smith, JFCOM is working to develop a more coherent interagency planning process and tools to coordinate the diverse capabilities that the military, civilian agencies, and even nongovernmental groups can bring to bear in the event of a natural disaster or some other crisis. Your testimony discusses something called the "Whole of Government Approach." What work does JFCOM currently have underway, and what is planned, under the broad heading of improving our national response capabilities?

General SMITH. On a daily basis JFCOM seeks to enable conditions that result in whole of government interdependent capabilities that promote success in complex contingency operations both at home and abroad. JFCOM is in a unique position to assist both sides of the interagency equation in relation to prioritizing and coordinating Combatant Command (COCOM)-U.S. Government interagency training, operational planning, lessons learned, experiment, and other participation and interactions with regard to national response capabilities. We are hard at work with our COCOM/JTF partners as well as other Federal departments, State and local governments, and nongovernmental organizations in support of National Security Presidential Directive 44, DODD 3000.05 (Military Support to Stabilization, Security, Transition and Reconstruction Operations), and other key policy and strategy guidance and directives that drive our command.

In the here and now, JFCOM is striving to stimulate improved interagency interaction and integration into the Joint Training Enterprise on behalf of COCOMs/JTFs. Beginning with federating interagency injects into modeling and simulations, we are developing deeper mutual understanding. We are also developing an understanding of the challenges to unlimited participation in joint training events. We hope to enable joint and interagency partners in scoping the magnitude of the problem, setting criteria for working together, and highlighting the biggest mutual bang for the buck. A highlight of this effort will be an interagency syllabus of joint training opportunities—easily read and understood by all. Effects will include increased value, not necessarily participation, as we seek to find out what interagency partners expect to gain from integrating events. We are also leveraging existing interagency training/education programs to synergize these efforts. Our Joint Knowledge Online enterprise will bring free and available interagency education opportunities to military communities and vice versa.

We have emerged, at the operational level, as a key node in the Interagency Lessons Learned Crossroads. Our Joint Center for Operational Analysis mission is to lead and accelerate transformation of the joint force by producing compelling recommendations to change—a byproduct of this mission has been better coordination and collaboration with our interagency partners. Improving two-way U.S. Government information sharing on lessons learned can eliminate redundant U.S. Government operational-level missteps in the future. Our efforts in examining Hurricane Katrina, OEF, OIF, and other whole of government enterprises has resulted in a groundswell of information that is now integrated into an integrated joint lessons learned database connected to Service databases—interagency partner lessons learned sharing is being encouraged to better support our COCOM/JTF partners.

We are also forging ahead as a leader in solving joint force and interagency information sharing challenges at the operational level. Our JC2 Portfolio Management platform and our HARMONIE.org vehicle (an online unclassified website available to broad variety of interagency partners to enhance information sharing and unclassified planning) are just two instances where we are developing and offering information sharing and collaboration capability development tools to a variety of willing partners. As we strive to develop a fully-networked joint force, fluent in U.S. Government information sharing, information sharing will remain paramount to exe-

cuting integrated actions that solve complex contingencies in the United States and elsewhere.

Lastly, we are developing concepts and experimenting in a variety of areas that will help bring the interagency planning and execution community closer together.

First, we are working with the Department of State (DOS) Coordinator for Reconstruction and Stabilization to address interagency planning process shortfalls through a series of activities called Unified Action 07. Through this effort we plan to jointly deliver a baseline study on U.S. Government planning process, a Rule of Law Handbook for Ungoverned Spaces, a comprehensive approach to security sector reform, an Ungoverned Space Strategy, and an overall final report capturing all other learning points along the way. Unified Action 07 is designed to test the integrated planning and implementation of processes, structures, authorizations, and tools associated with development of U.S. Government strategic policy and plans.

Second, we are working with allies, interagency, and NGOs in preparation for Multinational Experiment 5 (MNE 5) through which we intend to deliver a Coalition Handbook of Best Practices, an Implementation Planning Management and Evaluation Guide, a Multinational Logistics concept of operations, as well as contributing to products under development by our partner nations that will benefit everyone. The central theme for MNE 5 will be exploration of a multinational, interagency, comprehensive engagement strategy, which incorporates government, non-government, and private organizations, using all national and international elements of power, to influence a stable international environment.

Third, we are integrating operations, planning, and intelligence functions through the Joint Intelligence Operations Center-Transformation concept. This concept is being shared with and recommended to our interagency partners as a means to close the gaps in our collective planning, execution, and intelligence functions.

Fourth, we are bringing a special focus to the homeland defense problem set through a series of experiments called Noble Resolve. In this effort, we are partnering with U.S. NORTHCOM, DHS, Federal, State, and local governments, and NGOs to work out best practices for collectively coping with large-scale disasters, both natural and man-made.

Finally, through our Military Support to Stabilization, Security, Transition, and Reconstruction (SSTR) Operations and Military Support to Shaping Operations Joint Operating Concepts (JOCs) we are helping set the foundation for future civ-mil coordination and collaboration in our future doctrine, plans, et cetera. The SSTR JOC proposes means to effectively combine the efforts of the U.S. and coalition militaries with those of U.S. Government agencies and multi-national partners to provide direct assistance and build self-sufficient host nation capability and capacity in several key areas. The proposed definition of shaping is the set of continuous, long-term integrated, comprehensive actions with a broad spectrum of government, non-governmental and international partners that maintains or enhances stability, prevents or mitigates crises, and enables other operations when crises occur.

We continue to set trends in current training, lessons learned, information sharing, capabilities development, and futures/experimentation as we seek to improve our COCOM/JTF/U.S. Government interagency partners and our own "Whole of Government Approach" to complex contingencies both at home and abroad.

PROVISIONAL RECONSTRUCTION TEAMS

26. Senator MCCAIN. General Smith, JFCOM is currently coordinating with the National Defense University, the Army, and the NATO School to support joint training requirements for the Provincial Reconstruction Teams (PRTs) prior to the deployments of these teams to Afghanistan and Iraq. Are there any unique challenges posed by the development or delivery of training for these specialized civil-military units? If so, what innovations or solutions has JFCOM developed to address these challenges?

General SMITH. The main challenge in development and delivery of training is gathering the teams together to participate in training opportunities. Excellent and ever-improving training venues have been developed through the efforts of the organizations listed above, and it is important to afford the personnel who will deploy access to these opportunities.

JFCOM personnel have worked with DOS and USAID personnel who are leading the effort to train PRTs for Iraq to develop the Iraq PRT training program. DOS and DOD signed a Memorandum of Agreement (MOA) on 22 February 07 that specifies operational requirements, authorities, and responsibilities shared between the U.S. Mission-Iraq and the Multi-National Forces-Iraq or successor organizations for PRTs. The PRT program is a priority joint DOS-DOD initiative to bolster moderates,

support U.S. counterinsurgency strategy, promote reconciliation and shape the political environment, support economic development, and build the capacity of Iraqi provincial governments to hasten the transition to Iraqi self-sufficiency. JFCOM will team with DOS/USAID personnel conducting the initial Iraq PRT training courses being conducted at the Foreign Service Institute this month for an initial group of 40 personnel who will form the core of 10 additional PRTs and deploy to theater by the end of March 2007. We will continue to engage with DOS/USAID and other DOD agencies as the Iraq PRT program matures.

With regard to Afghanistan PRT training, JFCOM has partnered with Allied Command for Transformation to effect cross pollination between NATO led and U.S. led PRT training venues. NATO and U.S. PRT curricula have been shared; instructors from the U.S. PRT course have attended the NATO course and vice versa. The exchange with NATO of PRT expertise for training and integration is in addition to the interagency partnerships described above, and together they will further enhance the depth and quality of training given to PRT members prior to deployment.

HOMELAND DEFENSE AND SUPPORT TO CIVIL AUTHORITIES

27. Senator MCCAIN. Admiral Keating, the Commander of NORTHCOM has two missions: 1) defend the homeland against land, maritime, and air threats; and 2) when directed by the President or Secretary of Defense, provide support to civil authorities, including consequence management operations. The Army National Guard and Army Reserve have both reported equipment and personnel shortages. As a command without assigned forces, NORTHCOM may be particularly dependent on the National Guard and Reserve and consequently impacted by these shortages:

- According to a Government Accountability Office (GAO) report in September 2006, continued deployments have depleted the National Guard's inventories of many items that would be useful for domestic missions, while nondeployed Active-Duty Forces have also experienced decreased equipment levels.
- The March 1, 2007 Report to Congress by the Commission on the National Guard and Reserves notes that "the equipment readiness of the Army National Guard is unacceptable and has reduced the capability of the United States to respond to current and additional major contingencies, foreign and domestic."

Do these reports give you cause for concern?

Admiral KEATING. We considered this issue carefully and remain confident in our ability to provide military support to civil authorities as directed by the President or the Secretary of Defense. We work closely with our force providers—U.S. JFCOM, the Services, and Defense Agencies—to ensure trained and ready forces from the Active and Reserve components are available to execute our missions.

28. Senator MCCAIN. Admiral Keating, what should NORTHCOM's role be in ensuring joint readiness to perform the homeland defense mission given the current and prospective depleted state of National Guard and Reserve resources and personnel?

Admiral KEATING. Our role is to clearly identify and articulate specific U.S. NORTHCOM requirements to our force providers (U.S. JFCOM, the Services, and Defense Agencies). Our force providers must ensure those required capabilities are sourced with ready and trained forces. Once sourced, we monitor the readiness of those forces and provide feedback to the force providers where shortfalls exist.

29. Senator MCCAIN. Admiral Keating, as the Commander of NORTHCOM, what steps will you take to ensure that these equipment deficiencies at home do not leave NORTHCOM under-prepared to perform homeland defense missions?

Admiral KEATING. U.S. NORTHCOM has identified specific, mission-focused requirements (in forces, training, equipment, et cetera) to our force providers. We continually monitor overall force readiness from the perspective of our assigned missions and consult regularly with force providers to identify and correct gaps in required capabilities. When a critical capabilities gap arises that might potentially jeopardize mission accomplishment, we take that issue immediately to the national leadership for resolution.

INTERAGENCY COORDINATION

30. Senator MCCAIN. Admiral Keating, in May 2006, as part of the GAO's body of ongoing work that covers the Federal Government's preparedness and response

to Hurricane Katrina, they reported that DOD's emergency response plan for providing military assistance to civil authorities during disasters lacked adequate detail. The DOD Inspector General also found that "NORTHCOM did not coordinate with FEMA on using military assets according to their capabilities . . . and did not coordinate deploying and integrating title 10 forces with National Guard forces." What steps does NORTHCOM need to take to improve interagency coordination to better integrate military with local, State, and other Federal responders?

Admiral KEATING. Since Hurricane Katrina, U.S. NORTHCOM has taken numerous steps to improve interagency coordination to better integrate military with local, State, and other Federal responders. For instance, U.S. NORTHCOM recognized the need to work more efficiently with FEMA during a Federal response to a crisis. To that end, we established full-time Defense Coordinating Officers within each FEMA region. This action improved relationships with our interagency partners, and resulted in a much quicker response and better situational awareness during an incident. We have also taken steps to engage more with the National Guard and the DHS in order to improve unity of effort. Our engagement with these interagency partners includes extensive participation in conferences and exercises. Nevertheless, exercising still remains a challenge. We need more practice working with our interagency partners and to train the way we intend to respond.

31. Senator MCCAIN. Admiral Keating, what can be done to improve NORTHCOM's planning process for both homeland defense and support to civil authorities plans?

Admiral KEATING. Exercising is the best way to improve our planning process. Robust exercises allow us to test our plans and implement lessons learned. We need to train the way we intend to respond, and we need to make the cost and time involved to conduct this training priorities.

NATIONAL GUARD WEAPONS OF MASS DESTRUCTION-CIVIL SUPPORT TEAMS

32. Senator MCCAIN. Admiral Keating, in recent years, legislation has been enacted to establish 55 Weapons of Mass Destruction (WMD)-Civil Support Teams (CST) to ensure that each State and territory of the United States has such a team at the disposal of the Governor. To date, 47 of these WMD–CST have been certified by DOD to be mission capable. States will also depend on the National Guard chemical, biological, radioactive, and nuclear explosive (CBRNE) Enhanced Response Force Package (CERFP) teams, available in each FEMA area, for consequence management in the event of a chemical, biological, or nuclear incident. How confident are you that these teams are fully equipped and ready to perform their important mission in the event of multiple CBRNE events?

Admiral KEATING. I have high confidence in the WMD–CSTs. Every 18 months, Army North, a component of U.S. NORTHCOM, performs evaluation exercises to determine continued certification of the WMD–CSTs. Army North reports the results of the exercises to U.S. NORTHCOM. This is the basis for our level of confidence. Currently, there is no certification program for the CBRNE CERFPs. The National Guard Bureau and U.S. NORTHCOM are coordinating the homeland defense and civil support training and exercise program and related MOA. This program would assign U.S. NORTHCOM the mission for "Collective standardized CBRNE training and exercise for CERFPs and CSTs." Once this process is in place, U.S. NORTHCOM will have better visibility into the readiness of each CERFP.

33. Senator MCCAIN. Admiral Keating, with strains being placed on the National Guard for its overseas warfighting mission, how can we be assured that these important units will be available for their critical homeland defense and civil support missions?

Admiral KEATING. DOD works closely with U.S. JFCOM and the National Guard Bureau on a domestic response concept that fully integrates the capabilities of title 10 and title 32 forces. This concept maximizes the capabilities each entity provides by ensuring full interoperability, unambiguous lines of authority, and training and operational relationships.

RESTRICTIONS ON MILITARY-TO-MILITARY RELATIONS IN THE SOUTHERN COMMAND AREA OF RESPONSIBILITY

34. Senator MCCAIN. Admiral Stavridis, last year, your predecessor General Craddock (and other regional combatant commanders) testified before this committee that there were unintended negative consequences for U.S. interests as a re-

sult of the restrictions in the American Servicemembers Protection Act on providing military assistance to countries that have not signed Article 98 agreements with the United States. Many of us were persuaded by that powerful testimony and, as a result, we included in the National Defense Authorization Act for Fiscal Year 2007 a repeal of the restriction in the American Servicemembers Protection Act on providing international military education and training (IMET) funds to countries that haven't signed Article 98 agreements. Has the United States initiated or resumed IMET programs with countries in the U.S. Southern Command (SOUTHCOM) area of responsibility (AOR) as a consequence of this change in law? If so, how do you expect the United States to benefit from these military-to-military contacts?

Admiral STAVRIDIS. Yes, we have initiated and resumed IMET programs to countries previously sanctioned by the American Servicemembers Protection Act.

The United States will benefit from these military-to-military contacts through continued professionalization of Latin American Armed Forces personnel in courses like the senior service schools, basic officer and career courses, NCO development, and even a few masters level courses. Special emphasis will focus on rebuilding a broad range of long-neglected technical skills such as medical training, aircraft maintenance, helicopter mechanics, electrician training, joint operations, and instructor training.

35. Senator MCCAIN. Admiral Stavridis, do you believe it would be beneficial for United States' interests were Congress to similarly repeal the restriction in the American Servicemembers Protection Act on the provision of Foreign Military Financing (FMF) to countries that may not have signed Article 98 agreements with the United States?

Admiral STAVRIDIS. Yes, in my personal opinion, I believe that a repeal would help advance U.S. objectives in the region. The threats of transnational crime, narcotics trafficking, and potential establishment of terrorist safe havens continue to challenge democratic governance in the region. A robust partnership with countries willing to address these security threats requires some assistance from the United States Repeal of FMF and Excess Defense Articles restrictions will restore an important tool that assists the U.S. SOUTHCOM in forging regional and bilateral partnerships, building partner nation capability, and contributing to the homeland defense.

CENTER FOR EXCELLENCE IN HUMAN RIGHTS

36. Senator MCCAIN. Admiral Stavridis, I understand that you propose an initiative for a Center for Excellence in Human Rights that would allow SOUTHCOM to intensify its support to partner governments in their efforts to eliminate human rights violations. Eliminating human rights violations is an essential step towards strengthening democracy in any country. What will this Center allow you to do now, that you cannot do now or is not being done at the Western Hemispheric Institute for Security Cooperation (WHINSEC)?

Admiral STAVRIDIS. The Center will allow us to expand and accelerate the Human Rights Initiative, an engagement program that U.S. SOUTHCOM began in 1997 dedicated to assisting partner nation military forces in institutionalizing a culture of respect for human rights within their organizations. The Center will enable us to collaborate with organizations in the private sector such as non-governmental organizations, academic institutions, foundations, and private enterprise. As a result, we will be able to sponsor a wider variety of activities to execute highly tailored country-specific programs.

WHINSEC provides human rights education and training in a classroom setting within the broader context of education and training on security competencies. WHINSEC's instruction is "one size fits all" for students from throughout the region. The Center will perform a very different function. The Center will assist partner nations through a strategic planning process to develop national human rights implementation plans. The Center will additionally have an operational mission with experts to support and facilitate the actual implementation of these plans. The Center will be 100 percent dedicated to promoting human rights. It will assist partner nation military and security forces to provide security to their citizens in a manner consistent with respect for human rights and international humanitarian law. Moreover, the Center will be able to design processes and plans tailored to the specific human rights histories and realities of each of our partner nations.

37. Senator MCCAIN. Admiral Stavridis, where will this Center be located and how much money is needed to start this program and sustain it?

Admiral STAVRIDIS. The Center will be located within the SOUTHCOM Headquarters in Miami, staffed by personnel from our existing Human Rights Division. Overall, we anticipate minimal resource requirements to establish the Center. The proposal authorizes the Center to accept private contributions to further critical human rights work. The Center will allow us to aggressively promote and implement the Human Rights Initiative and identify emerging needs through consultations with our partner nations. At the same time, we will dedicate our efforts to establishing partnerships with private organizations that share our interest in promoting a culture of respect for human rights in the region. We will sustain and grow the program though these relationships.

ENDURING FRIENDSHIP AND MARITIME STRATEGY

38. Senator MCCAIN. Admiral Stavridis, Enduring Friendship (EF) is a regional multi-year initiative that provides maritime security assistance to select countries in the region. The first phase of EF focused on the Dominican Republic, Panama, Jamaica, and the Bahamas. Phase two will include Belize, Honduras, Guatemala, and Nicaragua. How does implementing a regional maritime strategy focused on South and Central America and the Caribbean enhance our maritime homeland security?

Admiral STAVRIDIS. EF is a Theater Security Cooperation initiative that:

1. Promotes information sharing about possible threats affecting the region;
2. Enhances our partner nations ability to patrol their sovereign waters in accordance with international and domestic laws; and
3. Provides a mechanism for collective action should a threat arise.

The National Strategic Plan for the war on terrorism states that the strategic aims of the National Strategy are to create a "global environment inhospitable to violent extremists." The ungoverned spaces of the maritime domain are a key enabler to terrorist networks. The maritime domain offers anonymity not available on land or in the air and it provides vast resources via illicit trafficking activities. Maritime security is a top U.S. national security priority. The United States eastern coastline contains major population centers and critical infrastructure that are in close proximity to ports or are accessible by waterways. EF will deny the southern approaches of the United States to trans-national terrorists by establishing a networked "defense in depth" with our partner nations to detect, deter, disrupt, and defeat illicit activity and terrorists within the Caribbean and Central America region.

39. Senator MCCAIN. Admiral Stavridis, are partner nations and allies willingly cooperating in our regional maritime security initiative?

Admiral STAVRIDIS. Yes. U.S. SOUTHCOM has conducted numerous partner nation requirements coordination assessments and visits to EF countries. Senior leaders from partner nations with whom we have met view EF as a positive initiative to enhance regional security and promote a common maritime defense strategy.

40. Senator MCCAIN. Admiral Stavridis, are training and equipment funds used for this initiative?

Admiral STAVRIDIS. Yes. EF uses both traditional multi-year FMF and single-year section 1206 resources.

U.S. SOUTHERN COMMAND COUNTERNARCOTIC OPERATIONS IN MANTA, EQUADOR

41. Senator MCCAIN. Admiral Stavridis, in your written statement, you note that SOUTHCOM uses a U.S. forward operating location at Manta, Equador to launch U.S. counternarcotic missions and is "a cornerstone of our ability to operate in the SOUTHCOM region." Per a 10-year lease agreement, we currently have over 220 U.S. service personnel stationed at Manta on a rotational basis supporting A–3 Airborne Warning and System Control and P–3 Orion aircraft operations. We also invested over $60 million in military construction funds to build new facilities and to repair the runway at Manta, which we share with the Ecuadorian Air Force. Recent press reports have quoted the new President of Ecuador, Rafael Correa, as rejecting a continued U.S. military presence in Ecuador: "We've said clearly that in 2009 the agreement will not be renewed." How will U.S. counternarcotic operations be affected by the loss of Manta as a forward operating location?

Admiral STAVRIDIS. [Deleted.]

42. Senator MCCAIN. Admiral Stavridis, what options is SOUTHCOM pursuing to compensate for potential loss of Manta in 2009?

Admiral STAVRIDIS. SOUTHCOM continues to work closely with partner nations to increase their capability to interdict and disrupt illegal drug trafficking. We are also examining options for operating from other nations to mitigate the potential loss of Manta.

43. Senator MCCAIN. Admiral Stavridis, if so, what are the costs and benefits of these options?

Admiral STAVRIDIS. Other than the benefit of continued disruption of trafficking operations, we have only recently begun to examine other options and have not yet assessed the associated costs and potential derived benefits.

44. Senator MCCAIN. Admiral Stavridis, does the DOD budget request for fiscal year 2008 contain any funding to establish and operate alternate forward locations?

Admiral STAVRIDIS. I am not aware of any.

MISSION OF JOINT TASK FORCE BRAVO

45. Senator MCCAIN. Admiral Stavridis, in your written testimony you state that JTF-Bravo operating out of Soto Cano, Honduras, represents the only permanently deployed U.S. forces in the region. This task force ''is a first responder to crises in the region and routinely conducts humanitarian assistance, disaster relief, search and rescue, personnel recovery, and non-combatant medical evacuations.'' JTF-Bravo was originally established in 1984 as a base for U.S. support of regional military operations. We still have over 550 U.S. service personnel stationed in Honduras and the budget request for fiscal year 2008 includes military construction funds for a new dining facility at Soto Cano Air Base. Also, I cannot recall any other location or task force that we employ U.S. military forces on a permanent basis primarily to support potential humanitarian and disaster relief operations. Is it time once again to reassess the relative value JTF-Bravo provides you in the SOUTHCOM AOR or are you sure that the investments in resources and personnel are paying off in the region?

Admiral STAVRIDIS. JTF-Bravo personnel and resources directly support the National Security Strategy and the National Strategy for Combating Terrorism. In addition to the relationships that are strengthened through humanitarian efforts, JTF-Bravo supports regional legal and economic stability by enhancing the professionalism of Latin American military and police forces. The combined efforts of task force components play a pivotal role in defeating terrorists, denying them support and sanctuary in the region, diminishing the conditions they try to exploit, and defending U.S. citizens abroad.

JTF-Bravo delivers a great return on relatively small investment for the United States. It is a forward deployed force capable of a range of theater support activities, including disaster relief and humanitarian assistance, counterdrug operations, and command and control for joint coalition exercises.

During the recent flooding in Panama, JTF-Bravo deployed personnel and equipment within 18 hours of notification and ultimately provided over 130,000 pounds of critically needed food, water, clothing, and medical supplies to the affected area. The familiarity of JTF-Bravo personnel with the topography, communications systems, and movement corridors were instrumental in the success of this mission.

JTF-Bravo also conducts counterdrug missions, transporting host nation law enforcement forces for interdiction and eradication of illicit drugs. The task force supported counterdrug operations in the past year that resulted in the seizure of 2,700 KG of cocaine, valued at over $50 million.

Command and control for many joint coalition exercises in Central America is conducted out of JTF-Bravo, allowing for training of our own and partner nation forces. This training directly contributes to the defense of our homeland.

46. Senator MCCAIN. Admiral Stavridis, in lieu of the potential loss of Manta in Ecuador, what type of agreement do we have with the Government of Honduras related to our presence there?

Admiral STAVRIDIS. The 1954 Bilateral Military Assistance Treaty is the basis for military cooperation and assistance between the United States and Honduras. The treaty is a broad agreement between the United States and Honduras to provide military equipment, services, and assistance to each other. A 1982 Annex to the 1954 Bilateral Military Assistance Treaty authorizes the United States to make use of Honduran aerial ports at Soto Cano, Goloson, and La Mesa for ''fueling or refuel-

ing of aircraft, maintenance of aircraft and equipment, accommodation of personnel, communications, supply, storage and other such activities.'' The United States agreed to bear the cost of supplies and services which it requests and receives from Honduran sources. The annex and the treaty do not have termination dates.

47. Senator MCCAIN. Admiral Stavridis, are we faced with the risk of being asked to leave after sinking investment in facilities and infrastructure?

Admiral STAVRIDIS. I believe there is a very low risk of the Government of Honduras, with whom we have a close and strong relationship, asking us to leave.

INTERAGENCY COORDINATION

48. Senator MCCAIN. Admiral Stavridis, in your prepared statement you wrote ''Within SOUTHCOM, we are striving to transform into a true interagency organization. To facilitate this, we recently established a new directorate for interagency partnering, with support from the Office of the Secretary of Defense and the DOS.'' I fully endorse this effort. Will you produce a study or report describing your efforts and results, and make it available to the Departments of Defense and State, and your fellow combatant commanders?

Admiral STAVRIDIS. Yes, we will produce a report describing the efforts and results of our interagency partnering initiative. The new directorate is documenting all of the efforts and capturing vital information regarding the processes and the impact on both the command and the interagency. We are coordinating our efforts with studies and lessons learned that JFCOM is developing. We will publish a comprehensive and thorough report that will serve as a basis for future development in the field of interagency partnering.

49. Senator MCCAIN. Admiral Stavridis, are you coordinating your work on this with JFCOM?

Admiral STAVRIDIS. Yes. In addition to supporting SOUTHCOM on the development of a study/report to document the transformation efforts, JFCOM J9 Experimentation Division as part of their Unified Action (UA) Initiative will provide support and insights in a number of other transformation and interagency initiatives. During the Unified Action DOD Objectives Conference on 4–5 April 07, SOUTHCOM provided a number of interagency transformation initiatives/objectives that JFCOM will provide assistance including:

a. Development of an interagency data base that will contain U.S. Government agencies security cooperation activities. Purpose of the database is to identify partnering opportunities between DOD and other U.S. Government agencies.

b. Provide support and insights in the development of public/private cooperation opportunities.

c. Assist in the development and coordination of interagency coordination and planning opportunities at the COCOM level. Purpose is to synchronize existing plans and operations between DOD and U.S. Government agencies.

d. Identify training and career progression opportunities for interagency personnel that are assigned to other agencies. Desire is to make it career enhancing for individuals that are assigned as representatives or liaison officers to another agency of the Federal Government. For example when a military officer is assigned to DOS, this should be a career enhancing opportunity.

e. Provide assistance and insights to SOUTHCOM J9 and staff in the transition of the command to an interagency organization.

UNITED STATES NAVAL SHIP *COMFORT*

50. Senator MCCAIN. Admiral Stavridis, on March 5, 2007, President Bush said he would deploy one of the Navy's medical ships, the U.S.N.S. *Comfort*, to the SOUTHCOM AOR. The U.S.N.S. *Comfort* will make port calls in 12 countries—Belize, Guatemala, Panama, Nicaragua, El Salvador, Peru, Ecuador, Colombia, Haiti, Trinidad and Tobago, Guyana, and Suriname. President Bush said, ''the *Comfort*'s doctors and nurses and health care professionals expect to treat 85,000 patients and conduct up to 15,000 surgeries.'' This is an important effort. How long will the deployment last and would you assess the potential impact?

Admiral STAVRIDIS. The U.S.N.S. *Comfort* deployment will last 4 months. The ship will make humanitarian assistance stops in 12 cities in 12 countries. The distance the ship will travel is equivalent to a deployment to the Persian Gulf and

back. This mission is all about caring through partnership. The *Comfort*'s medical staff will partner with NGOs, international military and civilian medical professionals, and U.S. Government interagency health care providers. This deployment will build trust and cooperation with host nations and is a demonstration of the U.S. support and commitment to the entire SOUTHCOM AOR. The ship will provide life-changing care to thousands of people, which will make a lasting impression to all of those touched by the improved quality of life as a result of the *Comfort*'s efforts. Additionally, U.S. personnel will gain valuable training in conducting humanitarian assistance; and through the relationships and experience gained will be postured to conduct future disaster relief missions.

CHINA'S INFLUENCE

51. Senator MCCAIN. Admiral Stavridis, an increasing presence of the People's Republic of China (PRC) in the region is an emerging dynamic that must not be ignored. How would you assess the PRC's growing economic interest and influence in the region and how concerned are you about it?

Admiral STAVRIDIS. PRC influence in Latin America is growing, mostly in the economic sphere. However, I am concerned long-term (20 or more years out) about the strategic implications if the current trends continue.

AMERICAN HOSTAGES IN COLOMBIA

52. Senator MCCAIN. Admiral Stavridis, I appreciate that in your statement you recognized that a top priority in Colombia is the safe return of the three American hostages who have been held captive by the Revolutionary Armed Forces of Colombia (FARC) for over 4 years. I would like an update on that situation.

Admiral STAVRIDIS. SOUTHCOM continues to work closely with the interagency and the Government of Colombia to safely recover the three American hostages being held by the FARC based on information available—Tom Howes, Keith Stansell, and Marc Gonsalvez. We are happy to provide an update at a classified level.

COLOMBIA

53. Senator MCCAIN. Admiral Stavridis, the United States has made a significant commitment of funds and material support to help Colombia and the Andean region fight drug trafficking since the development of Plan Colombia in 1999. In 2003, Colombia developed Plan Patriota, a multi-year, broadbased plan focused on military operations and social development. Can you assess inroads Colombia has made with regard to the eradication of illicit drug crops and improved security conditions?

Admiral STAVRIDIS. Our strategic partnership with Colombia remains a key priority. With our assistance, President Uribe has achieved tremendous success in helping to consolidate Colombia's democracy and to confront the country's drug traffickers and terrorists, but much remains to be done.

The United States has no international partner more firmly committed to the elimination of drug crops and narcotics trafficking than the Government of Colombia (GOC). The GOC aerial eradication program has exceeded its goals in every one of the last 6 years. The Colombian manual eradication program was responsible for the elimination of 43,000 hectares of coca and poppy in 2006. Sustained eradication has reduced Colombian opium poppy cultivation by 68 percent since 2001, from 6,540 hectares to 2,100 hectares.

Military and law enforcement presence has dramatically improved the security conditions in Colombia. In 2002, many municipalities lacked a public security presence. Today, all 1,098 municipalities in the country are covered. During Uribe's administration, kidnappings have decreased more than 80 percent, homicides by 40 percent, acts of terrorism by 63 percent and poverty rates fell 11 percent. Homicides in 2006 were the lowest in 20 years. Colombia has supervised over 30,000 terrorist demobilizations and 11,000 desertions from all subversive groups. Over 30,000 judges, investigators, public prosecutors, and defenders have received training in the implementation of the new accusatory system implemented to protect human rights, erase impunity, and bring criminals to justice.

54. Senator MCCAIN. Admiral Stavridis, are we providing the Colombian military with the capacity they require to combat the FARC and other narcoterrorist organizations?

Admiral STAVRIDIS. Yes, we are providing the Colombian military with the capacity they require to combat the FARC and other narco-terrorist organizations. SOUTHCOM enhances the joint capabilities of the Colombian military through a balanced approach that includes training, nonlethal equipping, and infrastructure. Examples of this type of support include $41 million provided this fiscal year of counternarcotics (CN) and counternarcoterrorism training (CNT), NCO development, medical training, riverine tactics and operations training, special operations training, and the aviation program being supported in Melgar by a technical assistance field team. We are also providing operational and logistic support worth $53 million. This included planning assistance, communications, information operations, contract support, fuel, contract airlift, aviation parts, medical equipment, and logistics and operations integration including infrastructure support. With our support, the Colombian military is achieving strategic success against the FARC and other narco-terrorist organizations. The FARC remains in an overall defensive posture as a result of aggressive Colombian military actions.

55. Senator MCCAIN. Admiral Stavridis, what is the current level of support that SOUTHCOM provides to Plan Patriota and Plan Colombia?

Admiral STAVRIDIS. Our current level of support to the Government of Colombia and Colombian military is close to 80 percent of the total CN funds we receive every year to improve partner nation capabilities. U.S. SOUTHCOM directly supported the Colombian efforts in the form of operations, logistics, command and control, and infrastructure capabilities throughout the 6-year Plan Colombia and the 4-year Plan Patriota, and we continue to do so as the Colombian military executes its follow-on 4-year military campaign, Plan Consolidación. Translating into numbers, U.S. SOUTHCOM support is close to $130 million out of the $170 million we dedicate for theater security cooperation in our AOR and a total of 267 military personnel and 119 contractors providing CN/CNT training and maintenance and logistics support.

56. Senator MCCAIN. Admiral Stavridis, what can you tell us in open session about the activities of the FARC today?

Admiral STAVRIDIS. The FARC is a significantly weakened terrorist organization in comparison to what it was just a few short years ago. Since the implementation of President Uribe's Democratic Security Strategy, the group's ability to project power, terrorize citizens, and traffic narcotics has been greatly diminished.

While 5 years ago the FARC enjoyed a safe haven the size of Switzerland in the center of Colombia, and saw its ranks swell to more 17,000 terrorists under arms, today the group's entire leadership is on the run, under Colombian and U.S. indictment, and fields fewer than 12,000 armed members. The conditions FARC members face worsen every day and since 2002 more than 6,400 FARC members have entered into the Government of Colombia's demobilization program. In order to stem the tide of desertions, the FARC has increasingly relied on the recruitment of children to fill the group's ranks.

Though the FARC's offensive capability has been greatly diminished and the group can no longer directly challenge the Colombian military as it has in the past, the FARC maintains a capability to conduct small-scale, effective attacks against vulnerable Colombian military units, and bombings against Government of Colombia infrastructure.

VENEZUELA

57. Senator MCCAIN. Admiral Stavridis, in testimony before this committee last March, General Craddock described his concern with Venezuela's influence in the region. In October 2006, General Craddock said that President Chavez has become a "destabilizing" force in the region. In February 7, 2007, testimony before the House Foreign Affairs Committee, Secretary of State Rice stated that she believes "there's an assault on democracy in Venezuela" and that "the president of Venezuela is really destroying his own country economically, politically." How would you characterize Chavez's influence now?

Admiral STAVRIDIS. President Chavez continues to assert his personal dominion over all instruments of national power in Venezuela. In some countries, he has great influence; in others, he is tolerated. He has been using money and oil to generate greater influence. As an example of Chavez's increasing authoritarianism, on January 29, 2007, the Chavez-dominated Venezuelan National Assembly passed "The Enabling Law." This Enabling Law transferred legislative power from the National

Assembly directly to President Chavez and granted him special powers to issue executive decrees.

58. Senator MCCAIN. Admiral Stavridis, what are his goals and ambitions in the region?

Admiral STAVRIDIS. President Chavez openly proclaims his intent is to lead a self-described "Bolivarian" revolution, with a strong anti-U.S. component.

59. Senator MCCAIN. Admiral Stavridis, Venezuelan ties with Iranian leaders have become increasingly active. Are these ties exaggerated and where will these ties to Iran go next?

Admiral STAVRIDIS. I know that there have been at least 12 senior level visits between these countries, clearly showing a tie. The Venezuelan and Iranian presidents find a common voice in proselytizing against the United States. Both countries would like to lead an international anti-U.S. alignment.

60. Senator MCCAIN. Admiral Stavridis, according to the DOS's April 2006 terrorism report, Venezuela has virtually ceased its cooperation in the global war on terror. Colombian terrorist groups use Venezuelan territory for safe-haven, although it is unclear whether and to what extent the government of President Chavez provides material support to these terrorist groups and at what level. To what extent do you believe terrorist groups find safehaven in Venezuela?

Admiral STAVRIDIS. Pervasive corruption probably provides a degree of safe haven in Venezuela for terrorist groups. There have been several documented cases of FARC members, including high level FARC members, in Venezuela. In fact, one high-level FARC member, Rodrigo Granda, was captured in Venezuela in December 2004 where he apparently had lived openly.

CENTRAL AMERICAN GANGS

61. Senator MCCAIN. Admiral Stavridis and Admiral Keating, especially troublesome is the growth of gangs and drug-related crimes across Central America, portions of the Caribbean, and in some cities in Brazil. The level of sophistication and brutality of these gangs is without precedent. How do you assess the threat of transnational gangs to U.S. national interests in the region?

Admiral STAVRIDIS and Admiral KEATING.

a. El Salvador, Honduras, and Guatemala continue to bear the brunt of gang activity. Central American gangs impact security in the United States as gangs increasingly engage in drug trafficking activities. Gangs pose a critical criminal threat to U.S. persons visiting Central America especially in San Salvador, Guatemala City, and Tegucigalpa. Brazilian gangs do not pose a direct threat to U.S. national interests; however, they do pose a critical criminal threat to U.S. persons visiting Brazil especially in Rio de Janeiro and Sao Paulo.

b. The threat posed by Mexican transnational gangs to U.S. national interests primarily stems from violent crime and drug-related activity throughout North America. These gangs focus on protecting their territory, mostly in urban areas, and building up power and money. Major Mara gangs in Mexico are Mara Salvatrucha (MS 13) and Mara 18. They are involved in kidnapping, extortion, drugs, and human trafficking. In October 2005, Secretariat of Public Security Eduardo Medina Mora Icaza stated there were 5,000 MS 13 members and up to 15,000 Mara 18 members in Mexico.

62. Senator MCCAIN. Admiral Stavridis and Admiral Keating, are contacts between gang members in Central America and the United States increasing?

Admiral STAVRIDIS and Admiral KEATING.

a. Contacts between Central American gang members and U.S. gang members have always existed. In fact, the Central American gangs Mara Salvatrucha (MS–13) or Mara-18 first began in the United States Anecdotal information indicates movement between the United States and Central America may be increasing with gangs using their own smuggling routes to move their members to the United States.

b. We have no specific information on this issue. Monitoring criminal gang activity within the United States is exclusively a civilian law enforcement responsibility unless it indicates a direct threat to DOD personnel or operations.

63. Senator MCCAIN. Admiral Stavridis and Admiral Keating, how do you assess contacts between Islamic extremists and Central American gangs?

Admiral STAVRIDIS. [Deleted.]

Admiral KEATING. [Deleted.]

TRI-BORDER AREA

64. Senator MCCAIN. Admiral Stavridis, in recent years, U.S. concerns have increased over activities of the radical Lebanon-based Islamic group Hezbollah (Party of God) and the Sunni Muslim Palestinian group Hamas (Islamic Resistance Movement) in the tri-border area of Argentina, Brazil, and Paraguay, which has a large Muslim population. This area has long been used for arms and drug trafficking, contraband smuggling, document and currency fraud, money laundering, and the manufacture and movement of pirated goods. How active is Hezbollah and Hamas in raising funds among the sizable Muslim communities in the tri-border region?

Admiral STAVRIDIS. The triborder area (TBA) is perhaps South America's busiest and certainly most infamous smuggling and contraband center, however, it is just one of several areas in the region exploited by these groups. Nevertheless, there are numerous illicit activities taking place in the TBA that generate millions of dollars for a number of criminal and transnational organizations. Lebanese Hizballah (and to a lesser extent Hamas) have members and affiliates in the region actively engaged in leveraging legal and illegal economic mechanisms to fund their parent organizations.

65. Senator MCCAIN. Admiral Stavridis, do these groups have an operational presence in the TBA?

Admiral STAVRIDIS. Hizballah, with support from its network(s) in the TBA, is suspected of having conducted terrorist attacks in Buenos Aires first in 1992 and then in 1994. Some of the people in the TBA that allegedly helped facilitate these attacks are still present, and could be used again in that capacity.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

JOINT FORCES COMMAND HEADQUARTERS

66. Senator WARNER. General Smith, it is my understanding that your headquarters and staff are currently located in multiple buildings and that the condition of one specific building, a World War II era facility currently used as part of your headquarters, is in very poor condition. Based on the importance of JFCOM contributions to the warfighters, coupled with its four mission areas which include joint innovation and experimentation, joint training, joint capabilities development, and serving as the joint force provider, what impact does your current facility have on your ability to effectively execute these missions?

General SMITH. The JFCOM headquarters staff in Norfolk operates out of 16 buildings on two separate Navy installations. Ten of the buildings are World War II era structures, eight of which were originally constructed as a naval hospital complex and are now well beyond their useful life. These buildings suffer from routine electrical irregularities, plumbing problems, leaking during inclement weather, mold and mildew problems, lead paint, asbestos, and an overall dilapidated condition. Anti-terrorism/force protection standoff requirements for vehicular traffic cannot be met. Of the six newer buildings, two are modular (temporary) structures accommodating about 60 people and costing $150,000 per year to lease. Because no additional suitable office space exists on either Navy installation, most of the staff are assigned work spaces that are substantially smaller than the applicable DOD standard for their rank or staff function.

The frequent requirement for maintenance and repair of these old structures is a constant drain on the Navy's budget. Recently we investigated the feasibility of renovating one of these buildings to make it minimally functional and determined that it would cost approximately $5.2 million to renovate roughly 33,000 square feet of office space ($158/SF). This includes removal of asbestos and lead paint. By comparison, the office and administrative space portion of the proposed JFCOM headquarters MILCON project will cost approximately $6.9 million for new construction of approximately 40,000 square feet ($173/SF), and the new building systems and exterior finishes will last for many years to come. Under the renovation scenario, we would continue to occupy space configured to support a World War II medical mission. With new construction, we would occupy space deliberately designed and built to support our mission.

The current condition and configuration of our headquarters facilities does not prevent us from accomplishing any single aspect of our mission, but it obviously impedes our overall effectiveness in each of the mission areas. For instance, our J8 Directorate, whose primary responsibility is the development of joint capabilities, has a staff of 208 people located in 7 separate buildings at the Naval Support Activity, Norfolk. The effect of having such a scattered arrangement is that the cohesiveness of the staff is strained daily, inhibiting effective communication and reducing the synergistic effects of physically working within the same office space. In addition, a significant amount of time is wasted daily simply in transit from building to building.

67. Senator WARNER. General Smith, what is the impact of the conditions of these facilities on the quality of life of the servicemembers and civilians who work there?

General SMITH. The condition of the facilities also has an effect on the morale of the staff. Although the actual extent of the effect of lower morale on work output cannot be measured without considerable research, the fact that there is a negative effect is self-evident. Our staff is highly capable intellectually and technically, and the work ethic at JFCOM remains excellent. Even so, having to accomplish a future-focused, complex, and important mission in less-than-adequate facilities can be frustrating and discouraging, even for the best in the business.

68. Senator WARNER. General Smith, can you provide us your assessment regarding the priority you place on the construction of a new headquarters facility and what direct impact such a facility would have on your mission?

General SMITH. The provision of a new headquarters facility would give us full capability to accomplish our mission. It would allow us to consolidate the Norfolk-based staff into a single facility, improving the cohesiveness of the staff and significantly improving the corporate climate and morale. A new headquarters facility would allow JFCOM to shed the lease cost of its modular facilities and the Navy to relieve itself of the massive investment cost to continually renovate 65-year-old decaying buildings. I therefore consider the JFCOM headquarters a high priority.

INTERROGATION OPERATIONS

69. Senator WARNER. Admiral Stavridis, the Detainee Treatment Act which states that "no person in the custody or under the effective control of the DOD or under detention in a DOD facility shall be subject to any treatment or technique of interrogation not authorized by and listed in the United States Army Field Manual on Intelligence Interrogation." How do you and staff at SOUTHCOM conduct oversight of interrogation operations at Guantanamo to ensure compliance with the requirements of?

Admiral STAVRIDIS. Prior to my assumption of command of U.S. SOUTHCOM, the provisions of the Detainee Treatment Act of 2005 had already been implemented at JTF-Guantanamo (JTF–GTMO). Specifically, I have been Senate Armed Services Committee advised that, on 1 January 2006, General John Craddock (former Commander, U.S. SOUTHCOM) directed compliance with the Detainee Treatment Act of 2005 and that Major General Jay Hood (former Commander, JTF–GTMO) confirmed, on 2 January 2006, that JTF–GTMO was in compliance with the Detainee Treatment Act.

Additionally, on 22 January 2007, I issued specific instructions to JTF–GTMO concerning the implementation of DOD Directive 2310.01E, The DOD Detainee Program, and Field Manual (FM) 2–22.3, Human Intelligence Collector Operations. This guidance repeated the provision of the Detainee Treatment Act that mandates the only interrogation approaches and techniques authorized for use at JTF–GTMO are those authorized by and listed in FM 2–22.3. Rear Admiral Harry Harris (current Commander, JTF–GTMO) confirmed, on 27 January 2007, that JTF–GTMO remains in compliance with U.S. law, including the Detainee Treatment Act. Rear Admiral Harris issued a policy memorandum to remind all personnel assigned to JTF–GTMO that they must be knowledgeable of and at all times in compliance with U.S. law and applicable DOD policies.

In exercising oversight of detention and interrogation operations, I have, since assuming command 6 months ago in October 2006, personally visited Guantanamo three times. During those visits, I have been briefed extensively by JTF–GTMO personnel on both detention and intelligence matters. Additionally, I exercise oversight and maintain awareness of camp operations through the receipt of daily situation reports from JTF–GTMO, weekly communications with the Rear Admiral Harris,

and through a multi-disciplined U.S. SOUTHCOM Detainee Coordination Team, which interacts daily with JTF–GTMO.

70. Senator WARNER. Admiral Stavridis, do you believe that the Services and other elements of the DOD are proving you with interrogators that clearly understand the requirements of the Detainee Treatment Act?

Admiral STAVRIDIS. Yes, from my constant interactions with Rear Admiral Harris, my personal observations from my visits to Guantanamo, and reports from my staff, I firmly believe that all interrogators at JTF–GTMO, both military and civilian, understand the requirements of and comply with the Detainee Treatment Act and other applicable laws and policies.

FUTURE OF CHEYENNE MOUNTAIN

71. Senator WARNER. Admiral Keating, as I reviewed your written statement, I did not see any mention of your plans related to the Cheyenne Mountain Complex near your headquarters in Colorado Springs, CO. Cheyenne Mountain is the original home of NORAD and serves us today as the center for a worldwide system of satellites, radars, and sensors providing early warnings of missile or space threat to North America. I am aware that you are studying the continued operation and cost to run Cheyenne Mountain with the potential to either shut it down or reduce operations. Can you provide this committee an update on the status of your review?

Admiral KEATING. [Deleted.]

72. Senator WARNER. Admiral Keating, what are the costs and benefits to continuing to operate this huge underground complex?

Admiral KEATING. [Deleted.]

73. Senator WARNER. Admiral Keating, what will you gain by shutting it down?

Admiral KEATING. Cheyenne Mountain Air Force Station (CMAFS) will not shut down. Currently NORAD and U.S. NORTHCOM's Cheyenne Mountain Directorate consists of approximately 20 percent of the total number of people assigned to CMAFS; the rest of the people assigned to Cheyenne Mountain belong to other commands such as U.S. STRATCOM and Air Force Space Command.

Cheyenne Mountain will continue to operate as an Alternate Command Center for NORAD and U.S. NORTHCOM, a training facility for Initial Qualification Training and a facility for many other operations not associated with NORAD and U.S. NORTHCOM.

74. Senator WARNER. Admiral Stavridis, how will shutting Cheyenne Mountain down or reducing operations affect NORAD's ability to continue to guard the skies and to provide an early warning of potential air and space threats?

Admiral STAVRIDIS. The impetus for moving Cheyenne Mountain Directorate missions and people to the NORAD and U.S. NORTHCOM Command Center at Peterson Air Force Base, CO, is to gain operational efficiencies and improve unity of effort between the two commands. The integration of NORAD and U.S. NORTHCOM Command Center functions will result in improved worldwide situational awareness and enhanced mission planning and execution through a single integrated command center charged with responding to the full spectrum of security threats to North America.

QUESTION SUBMITTED BY SENATOR SAXBY CHAMBLISS

WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION

75. Senator CHAMBLISS. Admiral Stavridis, WHINSEC is a critical member of the U.S. community of military education and training institutions. WHINSEC provides invaluable opportunities and instruction to military, civilians, and police from the countries within the Western Hemisphere to solve regional problems. I commend your efforts to strengthen the peace and security of the continent, as they are critical to the national security of the United States. As a member of the WHINSEC Board of Visitors, I take very seriously my role in oversight of WHINSEC's programs and activities. Please discuss the role WHINSEC plays in the promotion of democracy and human rights in Central and South America, and elaborate on the education and training provided by the school.

Admiral STAVRIDIS. The institute's Democracy and Human Rights Program is ambitious and effective. It is a vital educational experience for a new generation of se-

curity forces throughout the Western Hemisphere security forces committed to the rule of law and respect for democratic values and international human rights rules. WHINSEC provides civilians, military, and law enforcement officers, and U.S. military officers, professional education which supports the democratic principles of our hemisphere.

On a daily basis, WHINSEC-trained officials are making significant contributions to stability and security operations in the hemisphere and throughout the world. WHINSEC training programs are first rate: effectively and efficiently building partner nation security capacity on an indispensable foundation of support to democratic governance, subordination to civil authority, and respect for human rights. The institute is also indispensable to fostering regional relationships essential to hemispheric security cooperation. WHINSEC's programs—which train almost 1,000 Latin American officials annually—include a wide variety of courses ranging from peace and counterdrug operations, democratic sustainment, medical assistance, leadership development, and civil-military operations, to name just a few.

[Whereupon, at 11:24 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, MARCH 29, 2007

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

POSTURE OF THE UNITED STATES NAVY

The committee met, pursuant to notice, at 9:50 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, E. Benjamin Nelson, Webb, McCain, Warner, Inhofe, Collins, and Martinez.

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

Majority staff members present: Creighton Greene, professional staff member; Thomas K. McConnell, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Pablo E. Carrillo, minority investigative counsel; Gregory T. Kiley, professional staff member; David M. Morriss, minority counsel; Christopher J. Paul, professional staff member; Sean G. Stackley, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: David G. Collins, Kevin A. Cronin, and Micah H. Harris.

Committee members' assistants present: Joseph Axelrad, assistant to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Gordon I. Peterson, assistant to Senator Webb; Sandra Luff and Samuel Zega, assistants to Senator Warner; Jeremy Shull, assistant to Senator Inhofe; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; Stuart C. Mallory, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. We will come to order and quickly adjourn because of up to five more votes in the Senate. I had hoped to be able to announce that right at 9:30 a.m., but I was looking for the ranking member while the ranking member was looking for me. So we

will adjourn to the call of the chair, but I expect that that will be some time around 10:45 a.m. So you have all been around here long enough to know that the Senate operates that way. We do not have a Rules Committee, which means we are sometimes unruly, and so we will stand adjourned to the call of the chair. Thank you for your patience. [Recess from 9:51 a.m. to 10:48 a.m.]

Good morning again, everybody. We welcome Secretary Winter, Admiral Mullen, and General Conway back to the committee this morning. We are most appreciative of the patience that you have all shown because of the operation of the Senate this morning and we are, more importantly, grateful to you for your service to the Nation, for the valorous and truly professional men and women that you command.

You are faced with a number of critical issues that confront the Department of the Navy in balancing your modernization needs against the costs of supporting ongoing operations in Iraq and Afghanistan. Some of those challenges center on acquisition programs. Within the Navy, we have concerns about the Littoral Combat Ship (LCS) program. This was intended to be a ship that the Navy could acquire relatively inexpensively and relatively quickly. As it turns out, it looks like the LCS program may fill neither bill. Once again, we are presented with a program with significant cost growth, which at least in part is driven by the Service's changing requirements after the design and construction contract was signed.

In the Marine Corps programs, we have seen significant cost growth on the Expeditionary Fighting Vehicle (EFV) program. So we will need to understand what has caused the cost problems there and what steps are being taken to correct them.

In the case of the Mine-Resistant Ambush-Protected (MRAP) Vehicle program, we have concerns about how aggressively the Marine Corps and the Army are acquiring these vehicles that have the potential to provide greater protection to our forces deployed in Iraq and Afghanistan, and we just, on the floor of the Senate, took action that hopefully will expedite that.

With the LCS and the EFV acquisition situations, there are significant questions about acquisition management. In the case of the LCS in particular, why were not the Navy and the contractor teams better able to see the problems sooner, how could we have gotten to the point that the program was just months away from running out of money when no alarms had been sounded up the acquisition chain of command? We would also be interested in hearing from Secretary Winter about what actions he believes the Department should take to strengthen acquisition oversight and restore confidence in the Navy's ability to manage major acquisition programs.

On the LCS issue, we are disappointed that many of the revelations came to the committee via the press. The Navy should be taking extra care to ensure transparency with the congressional oversight committees about the acquisition process and we can only deal effectively with one another if the environment of prompt and open information exchange prevails.

Another concern surrounds future force levels. We are facing the prospect that the current Department of the Navy program will

lead to potentially large gaps between the forces that the Chief of Naval Operations (CNO) has said he needs and the forces that will be available to his successors. In one case, the CNO has said that the Navy needs to have 48 attack submarines to meet combatant commander requirements, but we are faced with the risk of falling well short of that goal for more than 10 years starting during the next decade.

In another case, under current plans for tactical aircraft acquisition we are facing a shortfall of as many as 150 tactical fighters needed to outfit our 10 aircraft carrier air wings. With shortfalls that large, we could be faced with drastically reducing the number of aircraft available on short notice to the combatant commanders, either because we have deployed understrength air wings or because we did not deploy the carrier at all because of these aircraft shortages.

On a more positive note, we very much appreciate the fact that our witnesses provided their prepared testimony within the requested time frame. This is a very important development. It is always helpful for the members to have adequate time to read these statements before the hearing.

Again, we thank you all for your service to this Nation. We know you face a number of very difficult challenges and we look forward to your testimony and to the questions that may be asked of you this morning.

Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and I join you in welcoming our distinguished witnesses. General Conway, Admiral Mullen, and Secretary Winter, I thank you for your service and for appearing for this very important hearing.

Obviously, defending our Nation against its enemies is the primary responsibility of the government and resourcing our military to defend the Nation requires an appropriate working relationship between industry, the Department of Defense (DOD), and Congress with an eye toward faithful and efficient expenditure of every taxpayer dollar. For the Navy and Marine Corps, this comes down to ships and aircraft, ordnance and armor, and a trained force of sailors and marines.

In reviewing the budget request for fiscal year 2008, including the 2007 supplemental funding request and the 2008 request for the global war on terror, I am encouraged by the Navy's and Marine Corps's efforts to accurately determine and fund force reset, to fully fund readiness and manpower requirements, and to invest in the development of future capabilities.

I commend the CNO and the Commandant of the Marine Corps for maintaining the integrity of the unfunded priority lists (UPLs) by keeping them at an appropriate size. Not all the Services were as responsible and in the case of the CNO, I commend you for including in the Navy's unfunded priorities those equipment and readiness requirements of the Navy Reserve. I particularly appreciate the Marine Corps commitment to increasing its end strength and I'm interested in your assessment of the plan to grow the force to 202,000 marines over the next 4 years.

I look forward to hearing from the Commandant about current efforts to surge two additional combat battalions to Iraq and to meet the Corps' most urgent requirements for force protection and armored vehicles, most notably the MRAP Vehicles.

Additionally, we are approaching a major milestone in Marine Corps aviation, with initial deployment of the MV–22 Osprey planned for the fall. I am confident you will ensure that the safety and reliability of this aircraft will meet the aviation community's high standards of readiness prior to assignment for combat operations.

I am also encouraged by the significant strides that the Navy has made in addressing steaming days and flying hour requirements. In addition, I am pleased that the Navy has submitted a shipbuilding request that substantially increases the Navy's investment in shipbuilding for 2008. However, I am troubled by the continuing downward trends in the size of our fleet and naval air force, trends that must be broken lest the freedom of the seas which we so enjoy today will slip loose.

I understand that the Navy has proposed legislation to reduce the number of aircraft carriers from 11 to 10. I am opposed to such a reduction and look forward to hearing from you on this considerable change to our national maritime strategy.

In considering this budget request, we must come to grips with approaching shortfalls in our numbers of aircraft carriers, strike fighter aircraft, submarines, and amphibious lift. Shipbuilding in particular appears locked into a spiral of increasing costs, evidenced most recently by the LCS program. This affordability dilemma or, more correctly, the affordability crisis, cannot be resolved by merely raising the budgets for shipbuilding. Simply put, last year you brought us a requirement to build to a fleet of 313 ships to meet the potentials that we see beginning to emerge today. Last year we were 281 ships strong. This year we are 276 ships, and the Congressional Budget Office (CBO) estimates the cost of building the 313-ship Navy may be as high as $20 billion per year. That estimate greatly exceeds the Navy's estimate of $15 billion per year and, unfortunately, our confidence in Navy estimates has suffered a setback.

Secretary Winter, I greatly appreciate your focused efforts to right the ship, so to speak, of the Navy and Marine Corps major programs that have threatened to founder over the past year. Recent developments on the LCS program and the EFV point to serious acquisition failures in both Services. But your immediate steps to stop work, hold responsible acquisition officials accountable, and seek fixed price agreements on the LCS program, and your restructuring of the failing EFV program serve as examples of leadership in an acquisition process that is in desperate need for reform.

I have long called for an examination of the whole procurement process as it works today in DOD. Accordingly, I am interested in your thoughts on how we can work together in striking a course in acquisition that brings the Navy's affordability imperatives into line with its mission requirements.

I look forward to hearing from today's witnesses. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Secretary Winter.

STATEMENT OF HON. DONALD C. WINTER, SECRETARY OF THE NAVY

Secretary WINTER. Thank you very much, Chairman Levin, Senator McCain, and members of the committee. Thank you for the opportunity to appear before this committee this morning.

Today I am joined by Admiral Mullen and General Conway, two outstanding leaders whose dedication to the Navy and Marine Corps is apparent to all who have had the pleasure of working with them. Each of us has prepared a statement for the record, which we respectfully submit.

Chairman LEVIN. They will be made part of the record.

Secretary WINTER. Thank you, sir.

These documents outline in detail this Department's priorities, the strategic thinking behind them, and the funding requests that are necessary to support them. Our priorities presented in the fiscal year 2008 budget and the global war on terror request encompass both long-term and short-term requirements. The short-term imperatives include supporting marines and sailors in the field, funding the urgent requirements, such as the MRAP Vehicle program, and making up for the losses of vehicles, equipment, and aircraft that have been incurred in combat operations.

At the same time, we must provide for the critical needs of the Navy and the Marine Corps of the future. To that end, the Department of the Navy is pursuing an unprecedented modernization program across the full spectrum of our weapons platforms in both the Navy and Marine Corps. This drive to transform the force is necessary and vital to our national security.

The current transformation entails a shift from a blue water centric fleet to one with greater capability in brown and green water operations. This shift in focus reflects a greater demand for expeditionary capability, a capability that will allow us to operate in the littorals. The broad transformation now under way includes a new generation of ships, submarines, and aircraft, with programs in development, production, or already in operation with the fleet.

Some of the Department of the Navy's new programs have encountered significant challenges. The Navy's LCS program and the Marine Corps' EFV program are both innovative weapons platforms incorporating new technologies. We are working on solving the problems that have arisen so that we can deliver vitally needed capabilities to our warfighters. Both of these programs represent the kind of capabilities that the future Navy and Marine Corps will need to fight and win the wars of tomorrow.

Faced with a dangerous, uncertain world, with terrorist enemies, states that actively support or condone them, and rising powers with intentions and capabilities that lack transparency, we have no choice but to improve our own capabilities.

Mr. Chairman, the Department of the Navy's fiscal year 2008 budget request is critical to both the short-term and long-term national security of the United States. We thank you for your continued support for our efforts to meet our constitutional obligations to provide for the common defense of the American people. I look forward to answering your questions.

Thank you very much.
[The prepared statement of Secretary Winter follows:]

PREPARED STATEMENT BY HON. DONALD C. WINTER

I. INTRODUCTION

Mr. Chairman, Mr. Ranking Member, and members of the committee, it is an honor to appear before you representing the brave men and women of the United States Navy and the United States Marine Corps—Active, Reserve, and civilian over 800,000 strong.

Over the past year, I have had many opportunities to meet with sailors and marines who are stationed both within the continental United States and abroad. I have traveled three times to the Central Command Area of Responsibility including Iraq. During my visits I have had countless conversations with our young sailors and marines. I am continually amazed at how dedicated and committed they are to carrying out their duties—without question, without complaint. Our sailors and marines recognize the significance of their mission. They remain determined to win the current war and are committed to defending our Nation against future threats. They are the very best and they deserve the very best from their leadership in the Pentagon and on Capitol Hill.

Today, I am here to present the Department of the Navy's plan to support our sailors and marines in their mission to fight the global war on terror and to defend our Nation against future challenges. I believe the President's fiscal year 2008 budget request for the Navy and Marine Corps provides them what they need and I ask that you support this request—submitted to Congress on February 5, 2007.

The Department of the Navy's budget signifies a vital investment in our Navy and Marine Corps. In its totality, this budget represents $160 billion in requested funding for fiscal year 2008, including the estimated costs of the global war on terror.[1]

These funds are essential in enabling the Department of the Navy to maintain current readiness, sustain the operational tempo in the global war on terror, support the quality of life of our sailors, marines, and their families, while preparing for a future of uncertainty. Our priorities for fiscal year 2008 are simply stated:

We will:

1. Fight the global war on terror by investing in the present needs of our Navy and Marine Corps, while we
2. Prepare for future challenges by investing in our people, facilities, and capabilities.

The development of this budget has not been easy—tough decisions have been made and continue to be made throughout the Department to balance risk and to be responsible stewards of the tax dollars entrusted to us. Yet, we believe that this budget is appropriately structured and is a necessary investment to successfully meet both our present and future challenges.

The difficulty of preparing for future challenges has been striking the proper balance between building capabilities to support traditional and irregular warfare demands while transforming a blue water navy into one that can operate, fight, and win in blue, green, and brown waters, and expanding the lethality and reach of the Marine Corps.

Justification of every program is important for Congress to understand the Department's intent and rationale, and we will do so. For the sake of brevity in this statement I will not go into detail on each program. Instead, I will call attention to areas crucial to our budget submission and I ask that the "Highlights of the Department of the Navy's Fiscal Year 2008 Budget" book be submitted for the record as part of my statement.

II. INVESTING IN THE PRESENT

Fighting the Global War on Terror

As we come before you today, I do not have to remind you that we are a Nation in our 6th year of a long, irregular, and global war. Your naval forces—sailors, marines, and civilians—are engaged at home and around the world today in a full spectrum of operations in support of this war. They have answered the call to defend the Nation and they are carrying out their duties superbly. Yet while focusing on the present needs of the global war on terror, we must also keep a keen eye on an ever evolving strategic environment around the globe. The pace of change in today's

[1] "Highlights of the Department of the Navy's fiscal year 2008 budget," p. 1–15.

world is very rapid. We have witnessed events—such as North Korea's nuclear test last October and China's test of an anti-satellite weapon this past January—that can change our strategic calculations overnight. Even as these changes occur, our sailors and marines continue to stand guard across the world.

As I speak to you today, there are over 50,000 sailors and marines serving in the Central Command Area of Responsibility. Of those, over 21,000 marines and 12,000 sailors are serving on the ground in Iraq and Afghanistan. It also includes over 8,000 sailors deployed as Individual Augmentees (IA) and 4,500 performing "in-lieu-of" missions often serving in nontraditional capacities but adding to the warfighting capability of our military forces with their expertise. Additionally, over 700 sailors and marines are in the Horn of Africa. Finally, on any given day, approximately 30 percent of our ships and submarines and over 45,000 of our sailors are deployed worldwide serving in, on, or over the world's oceans.

We are also key players in executing the President's new strategy in Iraq. The strategy requires increased coalition military and civilian resources to include an additional two battalions of marines to strengthen control of the Al Anbar Province. Approximately 4,000 additional sailors and marines will be part of this effort.

This ongoing pace of operations in fighting the global war on terror has had a financial impact on the Department of the Navy. Approximately 40–50 percent of the fleet continues to be at sea. This, coupled with the increased deployment of marines across the globe, has placed a strain on our resources. The 2008 global war on terror request represents a critical investment in providing the adequate resources necessary to prosecute and win the global war on terror. The Department of the Navy is seeking approximately $20 billion to directly support prosecution of the global war on terror and to reset the force.

Safeguarding our Forces in Harms Way

Before we deploy our brave men and women in harm's way we must do everything in our power to invest in their protection. Therefore, we are investing in measures to counter and protect our men and women from Improvised Explosive Devices (IED) with such platforms as the Mine Resistant Ambush Protected (MRAP) Vehicle. We are transitioning to a newly designed Modular Tactical Vest and are committed to providing the best head protection to our warfighters. We are also investing in measures I am personally involved with seeking improved acquisition processes which will accelerate fielding of these new technologies.

Unavoidably, with war comes the tragedy of loss of life and injury to our young men and women. We are committed to providing the best medical care on and off the battlefield. The treatment of patients has been greatly enhanced by improvements in medical capabilities at the personal, unit,and organizational levels—yet we must never be satisfied with where we are. We will continue to seek advancements in medical care. Care for our wounded does not end at the field hospital. We continue to aggressively monitor post-deployment mental health screenings as well as, suicides, domestic violence, and divorce rates and to assure the quality long-term physical and psychological welfare of our sailors and marines.

Resetting the Force

While we endeavor to provide what is needed, we also recognize that war is a costly business, and this one is no different. Our sailors and marines will always do what it takes, but there is a significant price—not only in their personal sacrifices—but also in the financial cost of operations and on the equipment that we provide them. We must continue to invest in the present needs of our warfighters.

The ongoing intense combat operations and high operational tempo have had a significant impact on the quality, operability, and service life of Navy and Marine Corps equipment—it is imperative that we support our brave men and women by replacing our rapidly aging equipment. In many cases it makes no sense to replace aging legacy equipment with more of the same. In the case where it makes smart financial or operational sense, we are purchasing next generation equipment and platforms to replace combat losses. Resetting the Navy and Marine Corps is essential, and we are investing significant resources to restore our combat capability and readiness. The fiscal year 2008 global war on terror request includes $3.8 billion—$2.1 billion for the Navy, $1.7 billion for the Marine Corps—toward reset requirements. These funds will refurbish or replace equipment damaged or lost during combat operations and restore the capability and readiness of the Navy and Marine Corps for future threats and operations. It should be noted that the reset requirement is dynamic and changes as conditions change.[2]

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[2] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget," p. 2–10.

III. INVESTING IN THE FUTURE

As we fight the global war on terrorism, we cannot forget that the security challenges of the 21st century are complex and varied. They range from the irregular, asymmetric threats of terrorists, and rogue states, to the sophisticated military technology of future peer competitors. The Department has also been called upon to conduct disaster relief and humanitarian assistance missions—often being the first to respond to natural disasters around the world as in the case of the 2005 Indian Ocean tsunami, the earthquake in Pakistan and Hurricane Katrina in the Gulf Coast. Naval forces are uniquely balanced to address these diverse strategic challenges with the capability and capacity to rapidly project power anywhere in the world. We must continue to invest in this capability. We cannot allow ourselves to be fixated on one threat alone.

Preparing for an uncertain future demands that the seas of the world remain safe for all nations. The Department of the Navy strongly supports U.S. accession to the Law of the Sea Convention. Joining the Convention, with the declarations and understandings reflected in Executive Report 108–10 (Senate Foreign Relations Committee), will enable the United States to exercise a leadership role in the future development of oceans law and policy. As a non-party, the United States does not have access to the Convention's formal processes in which over 150 nations participate in influencing future law of the sea developments, and is therefore less able to promote and protect our security and commercial interests. Additionally, by providing legal certainty and stability for the world's largest maneuver space, the Convention furthers a core goal of our National Security Strategy to promote the rule of law around the world.

This is also a time of unprecedented change in the Department of the Navy. We are executing a major transformation of the force at the same time that we are executing an array of operations in the global war on terror. This transformation is about people as much as it is about equipment.

Investing in our People

The development and retention of quality people are vital to our continued success. America's naval forces are combat-ready due to the dedication and motivation of individual sailors, marines, civilians, and their families. The Department is committed to taking care of them by sustaining our quality-of-service/quality-of-life programs, including training, compensation, and promotion opportunities, health care, housing, and reasonable operational and personnel tempo. The cost of manpower is the single greatest factor in the fiscal year 2008 budget, but it is money well spent. We must continue to recruit, retain, and provide for our sailors and marines.

Recruiting and Retention

We continue to invest in programs to recruit the right people, retain the right people, and achieve targeted attrition. The fiscal year 2008 budget requests a 3-percent raise in military base pay. This investment along with increased enlistment and reenlistment bonuses, is necessary if we are to continue to man our forces with the highest levels of ability and character. These citizens are in high demand everywhere; since we ask so much of them, we owe them proper compensation. The Navy and Marine Corps are currently meeting recruiting and retention goals for most ratings and designators in the Active and Reserve components. In fiscal year 2006, Navy achieved 100 percent of its overall active component enlisted recruiting goal and the Marine Corps also achieved over 100 percent of its accession goal.

Navy and Marine Corps End Strength

To avoid an adverse toll on our sailors, marines, and their families, and to prevent a decrease in readiness, the Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all Active component forces. Our goal for the Marine Corps is to achieve that 1:2 deployment-to-dwell ratio for Active component units and 1:5 for Reserve units. Currently, the deployment length for Marine units in Iraq is 7 months.

While our recruiting remains at impressive levels, it is important to focus on sizing the Department to achieve its overall objectives. As we develop and build more efficient and automated ships, aircraft, and combat systems, personnel reductions are inevitable; yet the skill level and specialization requirements increase. The Navy has reduced its end strength by approximately 40,000 over the last 5 years, and as we look ahead to more capable ships entering service in the next few years, we anticipate a stabilization of that trend at an end strength of about 320,000–325,000.

For the Marine Corps the proposed increase to our Active component end strength to 202,000 marines, by 2011, is an investment in reducing the strain on the indi-

vidual marines and the institution of the Marine Corps while ensuring the Marine Corps can provide trained forces in support of other contingencies. Our first task will be to build three new infantry battalions and their supporting structure—approximately 4,000 marines. We will then systematically build the additional units and individuals on a schedule of approximately 5,000 marines per year.

National Security Personnel System

It is important to note that while a considerable investment is taking place in the uniformed workforce, we are also placing emphasis on creating a proficient civilian workforce, whose pay and promotions are performance-based. Deployment of the National Security Personnel System began in fiscal year 2006 and continued through fiscal year 2007. A significant portion, over 50,000 employees, are scheduled to transition at the start of fiscal year 2008.

Safety

Fundamental to taking care of our sailors, marines, and DON civilian employees is establishing a culture and environment where safety is an intrinsic and critical component of all decisionmaking, both on- and off-duty. Safety directly affects the readiness of our fighting forces and significant Mishap Reductions remains a key department-wide objective in fiscal year 2008. We are refining our concept of Operational Risk Management, which calls for assessing risks prior to an evolution and then implementing mitigating actions during the evolution, to ensure it is more widely accepted and employed by our younger sailors and marines when making decisions off duty. We have placed great emphasis on reducing Private Motor Vehicle (PMV) mishap rates through new policy changes we believe will help reduce needless PMV-related injuries and fatalities. Other safety initiatives are aimed at the reduction of aviation mishaps and improving safety in the workplace.

Investing in Our Facilities

Essential to recruiting and retaining the right people is maintaining their quality of life and service. The Department of the Navy continues to invest in our sailors and marines by sustaining our quality-of-life/quality-of-service programs and by ensuring quality housing and facilities in which to live, work, and train. We are developing Global Infrastructure Plans to analyze bottom line facility requirements. The Department of the Navy has been aggressively eliminating excess facilities and is on track to its footprint of 23.9 million square feet by 2013.

Military Construction

The fiscal year 2008 budget invests over $2.1 billion toward 64 military construction projects for our active Navy and Marine Corps and 10 projects for our Reserve Forces.

Base Realignment and Closure

The fiscal year 2008 budget continues to fund Base Realignment and Closure (BRAC) initiatives. We are requesting $733.7 million in the fiscal year 2008 budget submission to continue implementation of the 2005 BRAC Commission recommendations. The fiscal year 2008 request invests in construction (including planning and design), operational movements at key closure and realignment locations, and the necessary environmental studies at receiving locations to fulfill National Environmental Policy Act requirements.

Carrier Homeporting

Consistent with the 2006 Quadrennial Defense Review, the Navy plans to adjust its force posture to base at least six "operationally available" carriers in the Pacific while maintaining the flexibility to respond to threats around the world.[4] The Navy will achieve the six Pacific carrier posture in fiscal year 2010 when the U.S.S. *Carl Vinson* (CVN–70) is homeported to the Pacific.

Realignment of our Forces in the Western Pacific

As part of the Defense Policy Review Initiative (DPRI), a change in the U.S.-Japan alliance to the security environment, the United States and the Government of Japan signed an agreement for the relocation of some marines from Okinawa to Guam. This realignment requires a commitment to investment in our Western Pacific area of operations. The fiscal year 2008 budget invests $28 million for planning and continuation of the Environmental Impact Analysis.

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[4] "2006 Quadrennial Defense Review," p. 47.

Investment in Capabilities

To meet the demands of the global war on terror and the uncertain threats of the future, the Department of the Navy must also invest in new generation capabilities and to transform the force. We must continue an acquisition program which seeks to build a fleet that is both affordable and meets the national security challenges of the 21st century. It must cover all facets of the surface, subsurface, and aviation requirements. We must also invest in our expeditionary forces providing them with the capabilities to remain always ready and always capable of forcible entry. Our fiscal year 2008 baseline budget invests almost $46 billion for procurement programs.

As we invest in our naval force it is critical that we pursue a program of stable transformation. The core products that the Navy and Marine Corps buy face a significant time constraint—we go into battle with assets that are built many years in advance; and a stable transformation can only be achieved if the Department of the Navy, in conjunction with Congress, follow a long-term path of program stability.

Building a Fleet for the Future

We have initiated an aggressive investment strategy to build an affordable 313-ship fleet tailored to support the National Defense Strategy and the 2006 Quadrennial Defense Review. The Department plans to procure seven ships[5] in fiscal year 2008 for the United States Navy, and we are serving as the executive agent for one Joint High-Speed Vessel for the United States Army—an investment of over $14.2 billion toward shipbuilding and conversion.[6] As required by Congress, the Department of the Navy recently submitted its 30-year shipbuilding plan which reinforces the 313-ship fleet introduced last year.[7] The fiscal year 2008 30-year shipbuilding plan, unchanged from the fiscal year 2007 plan, represents the Departments commitment to creating programs of stability and predictability which in turn minimizes disruption in shipbuilding and creates efficiency and effectiveness in our industrial base.

The fiscal year 2008 budget continues investment in the shift to next generation warships. The surface ships and submarines which make up the fleet of the future will be more capable than ever to respond to enhanced threats across the globe. Several critical shipbuilding programs in support of the 30-year shipbuilding plan include:

- The lead ship of the CVN–21 Program—*Gerald R. Ford* (CVN–78) with expected delivery in 2015—will replace U.S.S. *Enterprise* (CVN–65). Program funding is requested over 2 years with 40 percent, approximately $2.7 billion, in fiscal year 2008 and the remaining 60 percent in fiscal year 2009.
- The DDG–1000 program, formerly known as the DDX, is the next generation of multi-mission surface combatants. Under the dual lead ship strategy, a lead ship will be constructed at both Northrop Grumman Ship Systems and General Dynamics Bath Iron Works. Contracts for detail design were awarded to the shipbuilders in August 2006. Construction contracts of the dual lead ships are expected to be awarded in fiscal year 2007. The fiscal year 2008 budget provides the second increment of funding, approximately $2.8 billion, required to complete the two fiscal year 2007 lead ships.
- The Littoral Combat Ship (LCS) will be a fast, agile, and networked surface combatant with capabilities optimized to assure naval and joint force access into contested littoral regions. The Navy has awarded contracts for construction of the first four LCS sea frames. LCS–1 was launched in September 2006. The Navy intends to continue with a plan to procure a reduced number of ships in fiscal 2008 and 2009 within existing budget resources. LCS is needed now to fill critical, urgent warfighting requirements gaps that exist today. Operational experience and analyses indicate that potential adversaries will employ asymmetric capabilities to deny U.S. and allied forces access in critical coastal regions to include strategic choke points and vital economic sea lanes.
- In the past year the second and third *Virginia* Class fast attack submarines joined the fleet. Construction of the *Virginia* Class continues to be performed under a teaming arrangement between General Dynamics Electric Boat Corporation and Northrop Grumman Newport News Shipbuilding. Six *Virginia* Class submarines are under construction. The fiscal year 2008

[5] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget," P. 3–5.
[6] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", P. 1–15.
[7] Department of the Navy 30-year Shipbuilding Plan, submitted to Congress on Feb. 5, 2007.

budget invests approximately $1.8 billion in the 10th *Virginia* Class submarine and is the fifth of five *Virginia* class submarines covered under a multiyear procurement contract.

A number of congressional authorities are necessary in order to maintain the stability of the 30-year shipbuilding plan. Key to achieving cost reductions in our *Virginia* Class program is the ability to enter into multiyear ship contracts. We are asking Congress to continue Multiyear Procurement Authority for *Virginia* Class Submarines. As we modernize our carrier force to the new *Gerald R. Ford* Class (CVN–78), we will drop below our carrier requirement by one ship during a 2-year period. Through adjustments to refueling availabilities and by carefully managing our *Nimitz* Class service life, we will be able to mitigate the impact of this drop in the short-term and long-term. We are asking Congress to authorize a temporary waiver of the carrier requirement from eleven to ten ships.

Enhancing Expeditionary Warfare Capabilities

The 2006 Quadrennial Defense Review describes the reorientation of joint ground forces from dependence on large, permanent overseas garrisons toward expeditionary operations. This includes a focus on greater capability to conduct irregular warfare. Naval forces are inherently prepared for this role through our ability to project power ashore. Amphibious warships and Marine Air-Ground Task Force (MAGTF) capability are essential to the Navy-Marine Corps ability to conduct forcible entry. The Department of the Navy will invest in several key procurement programs to enhance our expeditionary warfare capability.

- The *San Antonio* (LPD–17) Class of amphibious warfare ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet. The rapid off-load capability of the *San Antonio* Class will enable our naval force to operate across the spectrum of warfare. The fiscal year 2008 budget invests $1.4 billion to fully fund the construction of the ninth ship in the *San Antonio* Class.
- The Marine Expeditionary Fighting Vehicle (EFV) is the Marine Corps' largest ground combat system acquisition program. It will replace the aging Assault Amphibious Vehicle that has been in service since 1972. The fiscal year 2008 budget invests $288 million from the Research, Development, Test and Evaluation account toward EFV development to ensure that EFV meets all requirements for performance and reliability before entering into production.
- The MRAP Vehicle is playing an increased role in protecting our sailors and marines in harm's way. MRAPs are employed to protect against the three primary kill mechanisms of mines and IEDs—fragmentation, blast overpressure, and acceleration. These vehicles provide the best available protection against IEDs. The fiscal year 2008 globar war on terror request procures over 255 MRAP vehicles for the Navy and Marine Corps team. We continue to assess this need as is necessary.

Recapitalizing Aviation Capacity

The Department of the Navy requires a robust aviation capacity including attack, utility, and lift capabilities. The Department is in the midst of an extensive, long-term consolidation and recapitalization of all aircraft in the naval inventory in order to develop the optimum balance between requirements and usage. We are increasing our investment in our aviation programs. In fiscal year 2008 we plan to procure 188 aircraft for the Navy and Marine Corps team.[8] Particularly critical programs include the Joint Strike Fighter (JSF), the F/A–18E/F Super Hornet, the EA–18G Growler, the P–8A Multi-Mission Maritime Aircraft (MMA), the MV–22, and helicopter programs. The Department also serves as the executive agent for the modernization of the fleet of Presidential Helicopters which will be replaced by the VH–71.

- The JSF (STOVL, CV, CTOL) is the next-generation strike fighter weapons system designed to counter the threats of 2010 and beyond. Low rate initial production (LRIP) long lead funding for initial Conventional Takeoff and Landing (CTOL) aircraft was awarded in March 2006. A significant upcoming milestone for JSF is the Defense Acquisition Board in spring 2007 for approval of LRIP 1 full funding and LRIP 2 long lead contract awards.
- The F/A–18E/F Super Hornet is the Navy's multi-mission strike fighter. Currently in its 8th year of full production, 65 percent of the total procure-

[8] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", P. 3–15.

ment objective has been delivered (298/460). The fiscal year 2008 budget requests funding for 24 F/A–18E/F Super Hornets. An additional 12 F/A–18E/F Super Hornets are requested in the fiscal year 2008 globar war on terror request to bridge the projected shortfalls due to excessive operational use which will shorten ESL.

- The EA–18G Growler is the Navy's replacement for the legacy EA–6B and will assume the role for Airborne Electronic Attack. First flight for the Growler occurred in August 2006. EA–18G aircraft are being procured as part of the F/A–18E/F Multi-Year Procurement II contract. The fiscal year 2008 budget invests $1.3 billion which procures 18 E/A–18G aircraft.
- The P–8A MMA replaces the Navy's P–3C Orion and fills Combatant Commander requirements for long-endurance naval aircraft in fulfillment of many missions in major combat operations, globar war on terror, and homeland defense. The program, now in detailed design phase, will achieve Initial Operational Capability in fiscal year 2013—initial production buys will begin in fiscal year 2010.
- The MV–22 Osprey Tilt Rotor aircraft will supplement and replace the CH–46 with enhanced mission capabilities. The CH–46E is over 40 years old, with limited lift and mission capabilities to support the MAGTF and the globar war on terror. MV–22 Initial Operational Capability is scheduled for fall 2007 with a continued transition of two CH–46E squadrons per year thereafter. The fiscal year 2008 budget includes a request for 21 MV–22 aircraft.
- Helicopters continue to provide essential lift capability to the Navy and Marine Corps. Critical to this capability are the MH–60R/S and the UH–1 programs. The MH–60R will replace the aging SH–60B and SH–60F helicopters with the primary mission of undersea and surface warfare. The MH–60S will support the CSG and ESG combat logistics, search and rescue, vertical replenishment, anti-surface warfare, airborne mine countermeasures, combat search and rescue, and naval special warfare mission area. The fiscal year 2008 budget invests in 27 MH–60R and 18 MH–60S helicopters. The UH–1 continues to fulfill the Marine Corps utility helicopter missions. The fiscal year 2008 budget supports the UH–1Y new build strategy and procures 20 UH–1Y helicopters.

Research and Development

As we look to transform our force with new generation platforms, we must also actively seek out new innovations and niche technology. Our fiscal year 2008 budget continues investment in the Research and Development, Science and Technology (S&T), and the Research, Development, Test, and Evaluation (RDT&E) management support accounts. In fiscal year 2008, the RDT&E account decreases by over 8 percent, reflecting technology maturation and the transition to production of programs previously in RDT&E. Funding for S&T is kept relatively constant to enhance capabilities for the naval forces of today, tomorrow, and the future. To maximize our return on S&T funding, we have developed a newly integrated Naval S&T Strategic Plan focused on areas where the Department of the Navy needs to be a world leader and an early adopter of technologies. RDT&E accounts also support the transition of technologies and the development of critical new weapon systems. Critical shipbuilding programs include CVN–21, SSN–774 *Virginia* Class Submarine, DDG–1000, LCS, LPD–17, T–AKE, and Joint High Speed Vessel. Critical manned aviation programs include the F–35, VH–71, P–8A, CH–53K, E–2D, and EA–18G. As a final part of the RDT&E account, our Test and Evaluation communities are ensuring that technologies will perform as required in the field.

Cultivating a Stable Acquisition Environment

While our investment strategy is forward-leaning—so must our procurement process be. It is clear that we must better define our programs early in the acquisition process. A key emphasis must be to properly incentivize contractors to bid in a responsible manner and then to diligently execute to the accepted proposal. I intend to focus a significant part of my remaining time as Secretary of the Navy in getting this right. This year we are focusing our efforts to take on the challenges of: (1) revising and reinstituting our policy on contractor performance assessment, (2) controlling cost growth and reducing program volatility, and (3) building rapid acquisition processes. We have established acquisition guidelines concerning urgent warfighting needs, addressing schedule priority, source selection criteria and contract performance. Specific acquisition policies emphasize rapid deployment capability, rapid acquisition processing, controlling cost growth, and contractor performance assessments. An acquisition reengineering effort addressing: (1) an open sys-

tems business model, (2) accountability and portfolio assessment, (3) human capital planning, and (4) program formulation and capability planning has been initiated. These four threads are aimed at making the acquisition process more responsive and delivering the agreed-upon warfighting capability within the agreed-upon cost and schedule.

In addition to acquisition reform, we are investing in methods to increase efficiency and maximize the return on our investments. Though still maturing, the Navy is developing the Navy Enterprise Framework which will better leverage the value streams consisting of people, dollars, and materiel needed to deliver warfighting readiness to Navy component and combatant commanders. The Department is also seeking to use "best practices" of the private sector through the deployment of Lean Six-Sigma (LSS). LSS is being implemented throughout the Department to increase quality of work life, safety levels, speed of decisions and transactions, and to decrease total cost of ownership. The vision is to create a critical mass of leaders and personnel who routinely apply LSS methodologies for continuous process improvement.

The Department will continue to seek ways to transform the way we do business resulting in improved efficiency, better decisionmaking, and an organizational culture that is performance-based.

IV. CONCLUSION

Investing in our present needs and fighting the global war on terror are on the forefront of our priorities—but we must not forget that the world is an ever evolving environment. We must be prepared to respond to emerging threats of an uncertain future. To accomplish these goals we must continue to invest in our national defense.

Thanks to the continuous support of Congress, our naval forces are superior to all others. But developing and maintaining capable naval forces requires our Nation to take a long-term view. It requires time, constant strategic planning, and significant commitment of resources to develop and maintain the world's premier naval force. Together, we have made tough decisions and I believe that this budget submission is adequately structured to support the needs of the United States Navy and the United States Marine Corps.

Only through the collaborative efforts of Congress and the Department of the Navy and with the support of the American people can we provide the Nation the naval force it needs to fight the global war on terror and prepare for the challenges of the future.

Thank you.

[The book "Highlights of the Department of the Navy's Fiscal Year 2008 Budget" follows:]

Department of the Navy
FY 2008 Budget
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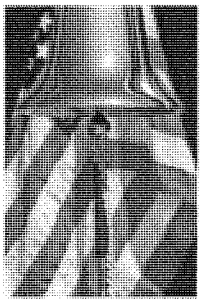
SECTION I - INTRODUCTION

OVERVIEW

The Department of the Navy Fiscal Year 2008 budget is structured to meet the needs of the United States in the 21st century. The U. S. is threatened by terrorists, weapons proliferators, organized crime affiliates, drug traffickers, and cyber outlaws. While the enemies of yesterday were predictable, homogenous, hierarchical, and resistant to change, today's enemies are unpredictable, diverse, networked, and dynamic. These enemies do not operate on conventional battlefields, but thrive in the "gray area" where notions of crime and armed conflict overlap. Such changes in the strategic landscape result in more competitors for the United States and its friends, more complex contingencies for which the Joint Force must prepare, and a broader range of mission sets for the Department of the Navy (DON). The Navy and Marine Corps team will fight the Long War and prepare for future challenges.



Now in the fifth year of a long-term struggle against a committed ideological opponent, today's Navy and Marine Corps Team is focused on accomplishing its mission in the Global War on Terrorism (GWOT). The Long War demands patience, unshakeable resolve, U.S. interagency and international cooperation, and a mix of defensive and offensive capabilities. Like the Cold War, the Long War will be punctuated by spikes of intense activity. Additionally it will be conducted with the persistent threat of another 9/11-like terrorist attack against the United States. Yet, while maintaining a focus on defending our vital interests from asymmetric methods and capabilities, the United States must also maintain its dominance in conventional campaign capabilities needed to deter and defeat traditional threats from regional powers with robust conventional (and in some cases, nuclear) capabilities. It is against these overlapping challenges, current and future, that we have made decisions about where to develop new capabilities.

The Department of Defense (DOD) has promulgated three sets of guidance for the military departments in constructing FY 2008 budget submissions. The 2006 Quadrennial Defense Review (QDR), the Strategic Planning Guidance, and the GWOT Campaign Plan (CONPLAN 7500) delineated many consistent and clear requirements for the Joint force. The challenge of the FY 2008 budget has been balancing capabilities to support traditional and irregular warfare demands while

transforming a blue water Navy into one that can fight and win in the blue, green, and brown waters, and expanding the lethality of the Marine Corps.

QDR guidance and the resulting FY 2008 budget focused on two strategic imperatives. First, reorient to produce an integrated joint force more agile, rapidly deployable, and capable against a wider range of threats than today's challenges. This joint force requires increased irregular warfare capabilities and the ability to overmatch conventional threats. Second, the joint force must increase focus on shaping operations and building capability of international partners. Increasingly, our adversaries are capable of employing disruptive technology and sophisticated irregular warfare techniques against the U.S. and allied forces.

Figure 1 - Reorienting to Meet 21st Century Challenges

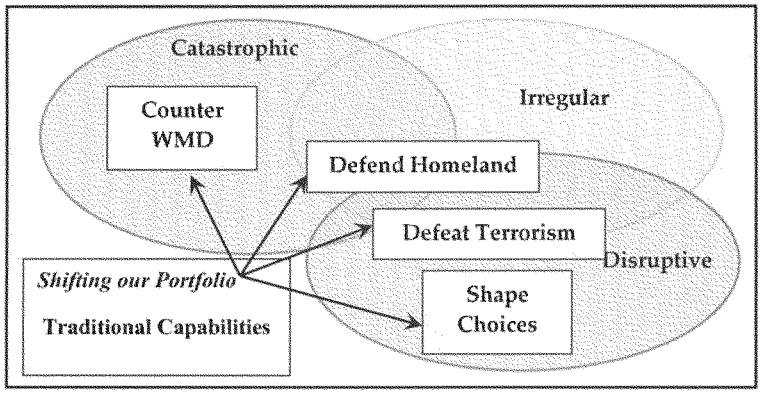
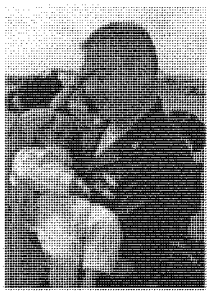


Figure 1 illustrates the four focus areas that have been delineated, as we transform from a traditional military force to a military capable of meeting 21st century security challenges: defeat terrorist extremism; defend the homeland in depth; shape the choices of countries at strategic crossroads; and prevent hostile states and non-state actors from acquiring or using weapons of mass destruction (WMD). This shift in focus challenges us to redefine our requirements and redistribute our limited resources. To accommodate these changes, we had to address and define acceptable levels of risk, and acknowledge certain trade-offs to achieve the overall goal.

Manpower adjustments were made to further align the DON's total force to mission objectives. Navy manpower is increased for the new Naval Expeditionary Combat Command (NECC) to meet growing GWOT requirements. This increase was more

than offset by a decrease in active manpower based on force structure reductions and civilian and/or contract labor substitutions, and we have pressurized the civilian and contractor service base. The Marine Corps' goal of a 1:2 deployment-to-dwell ratio leaves but two choices in terms of manpower: decrease the current requirements or increase the size of the Marine Corps. When analyzing the requirements on our force, we are acutely aware that we are in only the nascent stages of the Long War and current operations are the opening campaigns of a generational struggle. This assessment results in the undeniable requirement for additional forces. Implementing the 1:2 deployment-to-dwell ratio across the Marine Corps will entail a significant increase in personnel, units, equipment and the associated infrastructure, and will require a considerable increase in end strength/funding throughout the Future Years Defense Program (FYDP). As part of the President's plan, the Marine Corps will grow to 202,000 strength. This growth will occur in stages, the first of which will be building three new infantry battalions and elements of their supporting structure.



The men and women of the United States Navy and Marine Corps are deployed at sea and ashore around the globe. They are expected to fight and win the Long War on terror, remain prepared for large-scale conventional campaigns, help defend the homeland, and provide humanitarian assistance in the wake of natural disasters. We must give them—and their families—the best tools, systems, and weapons to ensure their success. As the 2006 QDR makes clear: "The complex strategic environment of the 21st Century demands greater integration of forces, organizations and processes, and closer synchronization of actions."

The DON budget reflects a commitment to properly price and fund readiness to meet the demands of the Combatant Commanders (COCOM) in the near term. Funding the Fleet Response Plan (FRP) to 6+1 meets essential COCOM readiness and surge requirements. Additionally, we have funded deployed steaming days at 45 days per quarter, and non-deployed at 22 days per quarter in FY 2008, sufficient to meet baseline readiness needs, while fully supporting the GWOT.

The NECC and its combination of existing and new capabilities, will allow the DON to train and operate with partner nations. A volunteer global maritime network, which ties together the collective capabilities of free nations, is an element of our vision to extend the peace through an interconnected international community of

nations working together. Only through cooperation with partner nations can this large, diverse fleet effectively help prosecute the Long War.

The FY 2008 budget submission funds procurement of 67 ships and 1295 aircraft over the FYDP. New capabilities such as the F-35 Joint Strike Fighter (JSF), the MV-22B Osprey Tilt-rotor, and the P-8A Multi-mission Maritime Aircraft (MMA) comprise an increasing percentage of the aircraft procurement budget, although they are being procured in limited quantities. Reflecting this transition to production, our research and development budget decreases accordingly.

Focused investments in Maritime Domain Awareness (MDA) capabilities such as Automated Information System (AIS) receivers will give us better knowledge of the maritime environment to detect and interdict potential threats before they reach our shores. Continued investments in advanced technology such as the SM-6 standard missile and its associated Naval Integrated Fire Control – Counter Air (NIFC-CA) capabilities, the next-generation maritime surveillance aircraft and weapons to attack moving targets (dual-mode Joint Direct Attack Munition (JDAM) and Hellfire) pace the threat to ensure our conventional warfare advantage. The DON took calculated risk in funding solutions for these challenges, primarily in traditional warfare areas. For example, we cancelled the Advanced Deployable System (ADS), maintaining our reliance on non-distributed Antisubmarine warfare sensors.

This budget delivers a proposal that rebalances, recapitalizes and sustains the force, stabilizes the long range shipbuilding plan, and continues to pursue aviation sustainment, recapitalization and modernization in anticipation of a new long range aviation procurement plan. In doing so we accepted risk by slowing transformation, aligning weapons procurement and inventory to minimum acceptable levels, and increasing reliance on joint interdependencies. The FY 2008 budget seeks a balance between the traditional, the irregular, and the transformational, while recapitalizing and building the force.

NAVAL POWER FOR A NEW ERA

The Department of the Navy plays key roles in the GWOT, in shaping and stability operations (SSO) in Afghanistan, Iraq, and elsewhere throughout the maritime domain, and in homeland defense. Given the emergence of these missions, the Department's Budget implements a strategy that balances the enduring requirements for traditional naval capabilities integral to the conduct of conventional campaigns with those needed to squarely confront and influence the highly dynamic security environment of the 21st Century. The DON continues to promote the principles outlined in *Sea Power 21* in accomplishing our mission goals. Further, the Department has designed investments to effectively and efficiently organize, train, and equip the Navy and Marine Corps in support of the Joint Force, Joint Force commanders, and Joint Force component commanders.

There are unique capabilities that the Joint Force must develop that fall outside the rubric of conventional warfighting capabilities. However, this does not preclude overlap of capabilities or requirements between mission areas. To be sure, many elements, capabilities, and requirements associated with one mission area will also be relevant in another mission area. For example, some of the capabilities associated with homeland defense will also contribute to prosecuting the GWOT, providing global and transnational (and perhaps regional) deterrence, and may also help with executing conventional campaigns. The challenge addressed in this budget has been to determine where there is commonality and exclusivity across the range of military operations, and where efficiencies can be realized.

Navy has implemented a capabilities-based approach as it examines its contributions to the Joint Force. The Navy's budget incorporates objectives to achieve the following desired effects:

- Operations across the full maritime spectrum—open ocean, littoral, coastal, and internal waters—and influences events ashore.
- Unique maritime capabilities to support the Joint Force and interdependent capabilities as required by the Joint Force.
- Persistent forward presence for proactive shaping, disrupting and attacking terror networks, and posturing to be ready to conduct conventional campaigns.
- Support of the Joint Force in dissuading and deterring potential adversarial nation-states, and transnational threats.

- Deepened cooperation with the maritime forces of our strategic partners as well as emerging partner nations to enhance those nations' capability to provide for their own maritime security.
- Aligned shore infrastructure to provide effective support to the Fleet.
- Personnel who are properly educated and trained to develop a "Best Value" total Force organized and deployed to relieve stress on the Joint Force.

Non-traditional missions such as counter-terrorism, humanitarian affairs, disaster relief, counter-piracy, peace-keeping, and peace enforcement, are now considered integral to the Navy's mission. Homeland defense, GWOT and irregular warfare, conventional campaigns and global, transnational, and regional deterrence are separate but overlapping mission sets with some unique capabilities and requirements. Naval forces are uniquely situated to provide key SSO contributions in each mission area. This budget addresses the right capabilities for the Navy to execute these missions. In identifying and utilizing our unique capability for particular missions, as well as capitalizing on Joint interdependencies, the Navy will continue to organize around *Sea Power 21* and its pillars.

THE MARINE CORPS – TODAY AND TOMORROW

America's Marines are fully engaged in the fight for freedom around the globe. The Commandant of the Marine Corps, in his recently released *Commandant's Planning Guidance*, has made it clear: *"Our Marines and Sailors in combat are our number one priority in all that we do. It is through their tremendous sacrifices and those of their fellow service men and women that we will ultimately prevail."* It is also clear that today's combat, of both arms and ideas, will be neither short nor unique. The Long War will be a multi-faceted, generational struggle that will not be won in one battle, in one country, or by one method. The FY 2008 budget submission is intended to help support those at war today, while ensuring Marines are ready to serve the Nation tomorrow.

To meet these multiple responsibilities, the Marine Corps must simultaneously train, maintain, reconstitute, and modernize its forces, and the Commandant has charged Marines and Sailors at every level to focus the resources available, including time and effort, on accomplishing a number of important objectives:

- **Achieving victory in the Long War.** An uncertain and dangerous strategic environment places a premium on multipurpose adaptability and the synergistic ability to easily integrate the efforts of diverse partners. Both tactically flexible and strategically agile, no other military formation is more prepared to execute a full range of tasks than is the Marine Air-Ground Task Force (MAGTF) — the fundamental Marine fighting organization. While today's fight takes place in particular places and under certain conditions, tomorrow's will almost certainly require that different capabilities be used in different environments. By ensuring it remains organized, trained and equipped to serve anywhere, at any time, the Marine Corps can meet its charter to "be the most ready when the Nation is least ready."

- **Right-sizing the Corps to achieve a 1:2 deployment-to-dwell ratio.** Among our most precious resources are our individual Marines, and our institutions must continue to look after their well-being. To posture forces for the Long War and relieve the strain on those superb Americans who have volunteered to fight the Nation's battles, personnel policies, organizational constructs, and training support must shift to a "sustained rate of fire." Upon completing a reexamination of the Marine Corps' structure and manning, the President has approved an increase in end strength to 202,000 over the next five years. This additional end strength will achieve the desired 1:2 deployment-to-dwell ratio required to support the Long War. This shift also requires a reconsideration of past patterns of investment in capabilities once expected to be in low demand. Finally, complete appreciation of our ongoing commitment includes resources for recruiters, trainers, infrastructure, materiel, and equipment to support manning at a 1:2 deployment-to-dwell ratio, while also training intensely across the spectrum of warfare.

- **Providing our Nation with a naval force that is fully prepared for employment across the spectrum of conflict.** The Navy and Marine Corps team helps ensure the joint force has access to denied areas from great distances, even in the face of determined enemies and despite increasing diplomatic, political, and cultural challenges. Maintaining this powerful capability also equips the nation with unique forward-deployed combat forces, equally able to routinely engage new partners or to rapidly respond to crises across the intersection between sea and shore. The "Arc of Instability" is sure to dominate our future and is substantially a maritime domain. By exploiting the Navy's command of the sea, we remain ready to perform both immediate and extended operations "without a permission slip," even in austere environments, and with forces designed to efficiently scale up or down in size whenever necessary. By continuing to invest

in the incomparable flexibility of our naval forces, we will continue to provide joint force commanders with unique options to project, protect, and sustain power and influence.

- **Resetting for today, while modernizing for tomorrow**. It remains our responsibility to prudently manage what the Congress has provided so rapidly and generously. As careful stewards of the nation's resources who must remain ready to fight and win future battles, the Marine Corps continues to make difficult decisions. While prudently seeking funds to "reset" equipment that has been worn far beyond peacetime rates and often damaged or destroyed in battle, Marines remain prepared to bypass simple but short-sighted replacements of past platforms for some future weapons, while in other areas modernizing by the continued adaptation of proven types of technology. This approach will continue as requirements for protective, fire support, and mobility equipment are carefully assessed.

- **Improving the quality of life for Marines and Marine families.** Marines take care of their own. New ideas and emphasis are being placed on the needs of families serving in the Long War, and of those scarred by it. Whether deployed or preparing to deploy, uniformed or family member, wounded in body or beyond, in the active ranks or serving as citizens, the Marine Corps will remain committed to those who have committed themselves to the defense of the Nation.

- **Living up to a legacy of discipline and selfless service**. The war will continue to demand the honor, courage and commitment of the individual Marine. From professional preparation to individual appearance, the Corps is remembering its most critical task: transforming young men and women into warriors able to inherit and advance America's expectations of Marines.

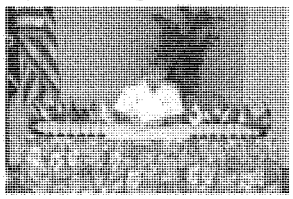
With careful attention to these policies and programs, the Marine Corps is adapting to the needs of the Long War, a new war that demands new thinking and action from all of America. It will remain faithful to its enduring mission — to be ready to win both first battles and enduring engagements. Today, in one of a dozen countries, there is a Marine in the fight. A generation from now, there will also be Marines performing difficult and dangerous missions, in a different place, but for the same reasons. Our test is to provide the tools and training needed.

FOSTERING GLOBAL MARITIME PARTNERSHIPS

Safety and security of the "global maritime commons" are being challenged by a host of new threats and enemies that are transnational in scope and complex in nature. Terrorism, environmental attack, smuggling, the movement of weapons of mass destruction and illegal immigration are all difficult problems to solve. Additionally there is a rapid expansion of world markets. The world's fleets carry 90 percent of global exports totaling nearly $9 trillion and help employ 2 million people. The threat of piracy is a global problem because of its deepening ties to international criminal networks and the disruption of vital commerce.

All maritime nations are affected by these challenges and all must bear a hand in taking them on. While our FY 2008 budget supports meeting the challenge, the future of maritime security depends more than ever on international cooperation and understanding. There is no one nation that can provide a solution alone. A global maritime partnership is required that unites maritime forces, port operators, commercial shippers, and international, governmental and nongovernmental agencies to address mutual concerns. Ongoing discussions of a "1,000-ship navy" continue. The name itself captures the scope of the effort. The concept is not actually about having 1,000 international ships at sea. Rather, it is more about capabilities, such as speed, agility and adaptability. Membership in this navy is purely voluntary and has no legal or encumbering ties. It is a free-form, self-organizing network of maritime partners – good neighbors interested in using the power of the sea to unite, rather than to divide.

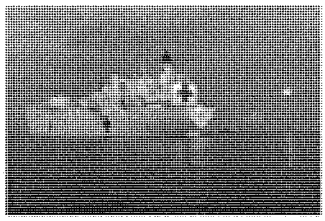
U. S. Pacific Fleet has taken a leadership role in fostering the concept of the 1,000-ship navy through hosting the Western Pacific Naval Symposium. It hosted the leaders of 18 Asia-Pacific navies in an open and collegial forum to discuss common issues and concerns, while sharing information and lessons learned. The symposium provided an opportunity to look for solutions to support the Asia-Pacific region, which accounts for a third of U. S. two-way trade. Additionally, half the world economy and nearly 60 percent of its population calls the Asia-Pacific region home.



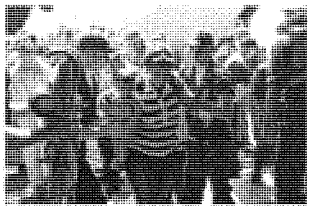
We saw this idea of a global maritime partnership in action during international relief efforts in our own country after Hurricane Katrina struck. We also saw it most recently in the eastern Mediterranean, where nearly 170 ships representing 17

nations came together to evacuate their citizens from Lebanon during the Israeli-Hezbollah war.

Navies that have working relationships are better able to respond to disasters, provide humanitarian assistance, deter transnational criminal activity and respond to contingencies. Historically the Navy and Marine Corps have conducted global humanitarian relief efforts and they continue to do so. During the past year, the Navy and Marine Corps team has responded rapidly to humanitarian crises around the globe, including the earthquake relief efforts in Pakistan, medical assistance to Western Pacific Island and Southeast Asia residents, and evacuation of American citizens from Lebanon.



The U.S. Naval hospital ship, USNS *Mercy*, departed its San Diego homeport in April 2006 in support of a five-month humanitarian assistance mission to the Western Pacific and Southeast Asia. *Mercy's* medical crew and international partners helped treat thousands of patients throughout the region whether aboard ship, ashore at the local hospital or at medical civil action projects in remote areas. USSOUTHCOM has requested a deployment of USNS *Comfort*, the Navy's other hospital ship, for a 100 day period in late spring-early summer of 2007. The deployments of USNS *Mercy* and USNS *Comfort* exemplify the United States' commitment to working together with our friends, partners, and the regional community, as well as providing training opportunities to prepare medical crews to respond in times of national or international disaster. Our FY 2008 budget continues support for this type of action.



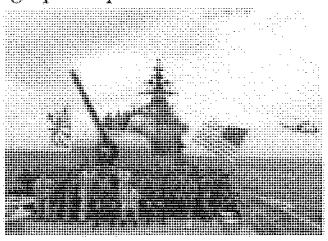
The U.S. Embassy in Lebanon requested military assistance to help American citizens wishing to depart Lebanon in a secure and safe manner. U.S. Naval Forces Central Command responded, and on July 16, Task Force 59 moved to Cyprus to direct military efforts to provide support to the Embassy. That day, CH-53 helicopters assigned to the 24 Marine Expeditionary Unit, deployed as part of the *Iwo Jima* Expeditionary Strike Group and operating from Cyprus, moved the first group of American citizens from the U.S. Embassy in Beirut to Cyprus.

Over the next week, more than 12,700 American citizens departed Lebanon with U.S. military assistance. USS *Nashville* arrived on station July 20, and USS *Iwo Jima*, USS *Trenton*, and USS *Whidbey Island* arrived the following day. Ships of the *Iwo Jima* Strike Group transported passengers from Lebanon to safe haven in either Cyprus or Turkey six times, moving a total of more than 7,000 people.

USS *Gonzalez* and USS *Barry* escorted MSC-contracted commercial vessels as they transported American citizens eight times, and also escorted several foreign-contracted vessels that were carrying American citizens. 540 citizens from 18 other countries were also provided assistance in departing Lebanon by U.S. military. More than 14,800 American citizens have been assisted in departing Lebanon. The effort has involved 10 U.S. Navy ships and more than 5,900 service members afloat and ashore.

Our FY 2008 budget supports a forward posture and readiness for agile response. It positions us to play an integral role in global maritime security and humanitarian efforts, alongside other federal and international agencies. We continuously train for humanitarian assistance missions in order to respond rapidly and efficiently to such large-scale disasters, so that we can rapidly reduce the further loss of life and human suffering.

Our Naval capabilities are often demonstrated through participation with allies and other foreign countries, through joint and combined exercises, port visits, and exchange programs. As an example, last summer seven Pacific Rim nations, including Australia, Canada, Chile, Peru, Japan and the Republic of Korea, along with the United Kingdom, participated in Rim of the Pacific (RIMPAC) 2006, a major maritime exercise conducted in the waters off Hawaii.



Worldwide operational activities include drug interdiction, joint maneuvers, multi-national training exercises, and humanitarian assistance. Operations may also include contingency operations, when called upon, such as in the Arabian Gulf, the Balkans, and Afghanistan/Northern Arabian Sea as part of Operation Enduring Freedom and Iraq as part of Operation Iraqi Freedom. On any given day, about one-third of our forces are deployed to locations around the world, ready to answer the Nation's call.

Figure 2 - Reflects Navy/Marine Corps operations as of 24 Janurary 2007.

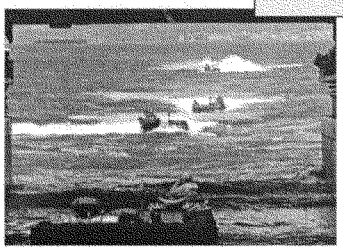
Figure 2

Status of Navy/Marine Corps Forces

Navy

- 85 ships deployed (31% of total)
  - STENNIS CSG – Pacific Ocean
  - EISENHOWER CSG – Indian Ocean
  - BATTAN ESG – Mediterranean Sea
  - BOXER ESG – Persian Gulf
- 104 ships underway (38% of total)
- 345,254 active strength
- 49,649 on deployment
- 5,007 activated reservists

Navy-Marine Corps Team
Forward deployed and ready



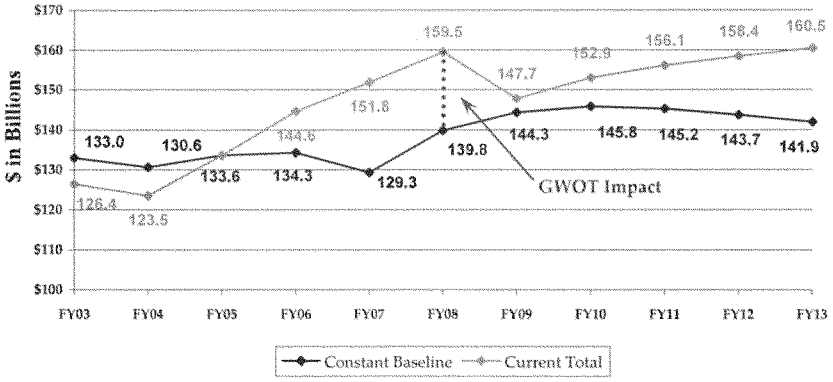
Marine Corps

- II MEF in the process of relieving I MEF
- 179,284 active strength
- 5,505 activated reservists
- 23,000 CENTCOM AOR

RESOURCE TRENDS

The FY 2008 budget reflects a balance between keeping today's force ready and transforming for the future.

Figure 3 - Department of the Navy Topline FY 2003 - FY 2013

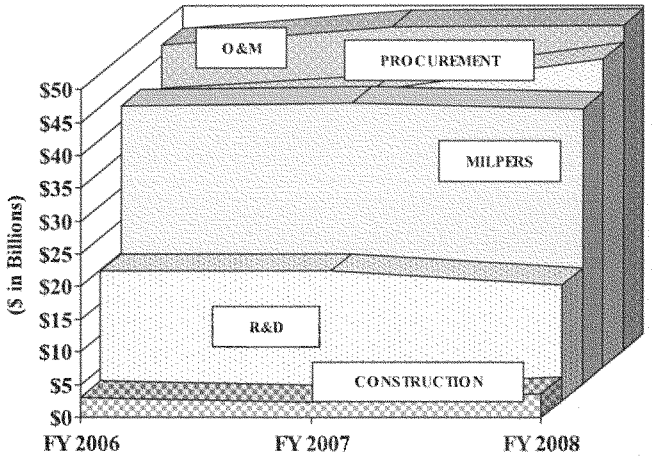


Note: Figure 3 reflects the current budget adjusted to facilitate year-to-year comparison. The red line reflects the budget in current year dollars (including supplemental/transfers/GWOT estimates through FY 2008), while the black line shows the baseline only (excluding GWOT and other emergency spending), with the effect of inflation eliminated between the years.

In total, the FY 2008 budget (including the FY 2008 GWOT estimate) increases by $8.0 billion (5.25%) over FY 2007. Discounting for inflation, this equates to a real growth of 2.9 percent. The baseline funding between FY 2003 and FY 2007 was augmented by significant supplementals to ensure that the Department could accomplish its mission in Afghanistan, Iraq, and around the world. This budget includes $20 billion to accommodate anticipated GWOT requirements in FY 2008. The baseline FY 2008 budget has been increased over FY 2007 baseline levels in order to support the Marine Corps' portion of the President's initiative to increase ground forces, continue to recapitalize our Department of the Navy, address depot maintenance requirements, and improve our facilities for the future. The budget will ensure the continued success of the all-volunteer force, support joint capabilities, and provide effective forces, ready for tasking. As we look beyond the current operations and to the future, the baseline budget reflects real growth through FY 2010, but then funding (in constant FY 2008 dollars) begins to decline in FY 2011-2013.

As shown in Figure 4, in constant dollars, Operation and Maintenance, Procurement, and Construction appropriations increase from FY 2007 to FY 2008. Procurement account increases reflect procurement of one LPD 17 and one CVN 21 and the procurement of one additional LCS, as well as an increase of 32 aircraft over FY 2007 levels. The Military Personnel appropriations and the Research, Development, Test, and Evaluation account decrease from FY 2007 to FY 2008. Decreases in Military Personnel are caused by Navy decreases in end strength, which offset increases in Marine Corps end strength levels. The R&D account decrease in FY 2008 reflects the maturation of major development programs, such as DDG-1000, as they transition into production.

Figure 4 - Trendlines FY 2006 - FY 2008



Note: Provided in FY 2008 constant dollars. Includes supplemental appropriations/transfers and FY 2008 GWOT Estimate.

Figure 5 displays individual Department of the Navy current dollar appropriation estimates for FY 2006 through FY 2008.

Figure 5

APPROPRIATION SUMMARY FY 2006 - FY 2008

(In Millions of Dollars)	FY 2006	FY 2007	FY 2008
Military Personnel, Navy	24,119	24,020	24,057
Military Personnel, Marine Corps	10,381	10,718	11,880
Reserve Personnel, Navy	1,794	1,833	1,868
Reserve Personnel, Marine Corps	527	554	610
Health Accrual, Navy	2,029	2,098	1,925
Health Accrual, Marine Corps	982	1,051	1,055
Health Accrual, Navy Reserve	292	287	266
Health Accrual, Marine Corps Reserve	137	145	142
Operation & Maintenance, Navy	35,445	38,279	38,761
Operation & Maintenance, Marine Corps	7,061	7,877	8,974
Operation & Maintenance, Navy Reserve	1,484	1,404	1,256
Operation & Maintenance, Marine Corps Reserve	322	270	277
Environmental Restoration, Navy	0	302	301
Aircraft Procurement, Navy	10,224	11,944	15,848
Weapons Procurement, Navy	2,800	2,905	3,336
Shipbuilding & Conversion, Navy	11,370	10,537	13,656
Other Procurement, Navy	5,837	6,071	6,264
Procurement, Marine Corps	5,452	7,595	5,461
Procurement of Ammunition, Navy & Marine Corps	1,185	1,052	1,351
Research, Development, Test & Evaluation, Navy	18,970	19,340	17,694
National Defense Sealift Fund	1,301	1,073	1,084
Military Construction, Navy & Marine Corps	1,499	1,568	2,262
Military Construction, Naval Reserve	141	36	59
Family Housing Construction, Navy & Marine Corps	197	42	310
Family Housing Operations, Navy & Marine Corps	676	500	371
Navy Working Capital Fund	118	116	14
Base Realignment and Closure V	252	161	734
TOTAL	**$144,596**	**$151,777**	**$159,815**

Notes: Totals may not add due to rounding.
Includes Baseline, Title IX, FY 2007 Supplemental, and FY 2008 GWOT request.

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SECTION II – PROSECUTING THE GLOBAL WAR ON TERRORISM

The Navy and Marine Corps team continues to answer our Nation's call, both in the Global War on Terrorism (GWOT) and in the establishment of stability and security in the world's trouble spots. From combat operations in Iraq and Afghanistan to humanitarian assistance and disaster relief throughout the world, the Department of the Navy has proven ready to meet any task and answer any challenge.

NAVY – GWOT ENGAGEMENT

Naval forces provide the bulk of the nation's worldwide rotational military presence and an increasing portion of the required support for ground units in Operations Enduring Freedom / Iraqi Freedom (OEF/OIF). These operations support our nation's interest by continuing deterrence intelligence, surveillance and reconnaissance missions, expanded maritime interception operations, and counter-piracy and counter-drug patrols. There are over 12,000 sailors ashore (including Individual Augmentees supporting ground forces in core mission areas and new capability areas) and 17,000 at sea in the U.S. Central Command region alone engaged in the GWOT.

In the past year, the Navy has taken command of the detainee mission in

Guantanamo Bay, Cuba and at Camp Bucca, a high-security prison in Iraq. Additionally, a Navy Admiral has taken command of the GWOT-related Combined Joint Task Force Horn of Africa (CJTF HOA) in Djibouti. Our presence in the Horn of Africa, which is an impoverished part of the world that struggles with disease, drug running, human trafficking, smuggling and pockets of extremism, is a key to ensuring that terrorism doesn't gain a foothold in the region. CJTF HOA was initially formed in November 2002 as a seafaring force aimed at blocking terrorists fleeing Afghanistan from establishing a new safe haven. Soon after, the task force moved ashore and its mission morphed

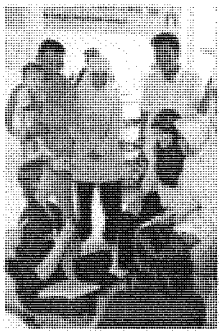
into a blend of military cooperation, military-to-military training and humanitarian assistance over a massive, eight-country region. The Navy is now engaged to help bring stability, security and hope to the region.

These missions are in addition to the on-going counter piracy operations off east Africa. The newly established Navy Expeditionary Combat Command (NECC) will help meet the irregular challenges of the 21st Century. It will serve as a functional command to organize, man, train, and equip forces that operate in an expeditionary environment. It will be the single advocate for all Navy Expeditionary Forces to include Explosive Ordnance Disposal (EOD), Naval Construction Force (NCF), Maritime Expeditionary Security Force (MESF, formerly Navy Coastal Warfare) and Navy Expeditionary Logistics Support Group (NAVELSG), and key new capabilities: Expeditionary Training Command (ETC), Expeditionary Combat Readiness Center (ECRC), Maritime Civil Affairs Group (MCAG) and Riverine Force. These forces will conduct Maritime Security Operations and Theater Security Cooperation and are capable of protecting critical infrastructure, securing the area for military operations or commerce, preventing the flow of contraband, enabling power projection operations, joint, bi-lateral or multi-lateral exercises, personnel exchanges, and humanitarian assistance. Whether extending a helping hand or finding, fixing, and finishing our enemies, we are redefining the limits and meaning of Sea Power in the 21st Century.

Our Navy continues to work in traditional and non-traditional ways with our global partners to preclude or forestall conflict. The Navy spearheads OEF by providing sovereign deck space from which to launch combat sorties into Afghanistan, continues to support ground operations in Iraq from the sea, in the air and on the land as part of OIF, and conducts deterrence operations in the Persian Gulf. The Navy also responds to humanitarian crisis, patrols for pirates and interacts with the developing navies around the world and supports counter-terrorism operations in the Philippines. Equally important as we fight the GWOT is that we maintain our strategic deterrence and global strike capabilities that remain vital to our nation's defense.

We continue to support the GWOT through naval combat forces that are capable and relevant to the missions assigned. Thousands of Marines and Navy personnel, both ground and shipboard, are engaged in the Central Command (CENTCOM) area of responsibility (AOR) supporting GWOT operations.

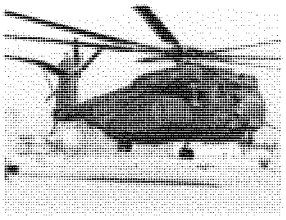
Marine Corps combat units have taken part in multiple combat operations and are now directly responsible for stability and security in Al Anbar province. Their expeditious and innovative pre-deployment combat skills training program, rapid modifications of combat equipment and their emphasis on cultural and language capabilities contributed to accomplishments in this region. Marines are currently executing multiple missions including: security, urban combat, nation building, counter-insurgency, command and control, and force protection. Hundreds of naval medical personnel are deployed to Iraq in support of Marine forces, as well as active and reserve Navy Seabees responsible for construction support. The Navy and Marine Corps continues to deploy forces into the CENTCOM AOR on a rotational basis. The DON is aggressively adapting our training, forces, and equipment to remain responsive to the changing threat.



As an example of non-traditional strategies, the Navy deployed USNS *Mercy* in 2006 for a five-month humanitarian mission in Southeast Asia. *Mercy* participated in theater security cooperation and medical assistance missions in partnership with non-governmental organizations, international military medical personnel and the host nations of the Philippines, Bangladesh, Indonesia and East Timor. During deployment, *Mercy* provided medical and dental services and conducted civic action programs that included a wide range of services including basic medical and dental evaluation, optometry screening and general surgery. *Mercy's* primary mission is to provide rapid, flexible and mobile acute medical and surgical services to support Marine Corps, Army and Air Force units deployed ashore and naval amphibious task forces and battle forces afloat. This mission had a demonstrable impact on public opinion in areas critical to the success of GWOT and led to the elimination of terrorist cells.

Under the National Security Presidential Directive (NSPD-41), we are continuing to cultivate relationships and develop capabilities to maximize the advantage that operating in the maritime domain brings to homeland security. Because more than 95 percent of the world's commerce moves by sea, protection of merchant shipping from potential terrorist networks is critical. United States naval forces are well trained to carry out the mission of deterring, delaying, and

disrupting the movement of terrorists and terrorist-related material at sea. However, the United States cannot accomplish this monumental task alone. We are broadening our relationship with the navies of international allies to prosecute the GWOT. We are expanding the Proliferation Security Initiative to other countries and working bilateral boarding initiatives in all hemispheres.



We are also integrating intelligence and command and control systems with other government agencies like the Department of Homeland Security to effectively evaluate the maritime environment and anything that could adversely influence the security, safety or economy of America and our allies. We continue to develop the Navy's role in the Maritime Domain Awareness concept, including ship tracking and surveillance, to identify threats as early and as distant from our borders as possible in order to determine the optimal course of action. We are working with the Department of Homeland Security to develop a comprehensive National Maritime Security Response Plan to address specific security threats and command and control relationships.

USMC – SUPPORTING THE LONG WAR

Our Marines and Sailors in combat are our number one priority. With this priority in mind, we will focus on the following over the next few years:

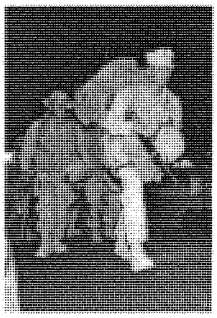
- Achieve victory in the Long War.
- Provide our Nation a naval force that is fully prepared for employment across the spectrum of conflict.
- Reset and modernize to "be most ready when the Nation is least ready."

America's Marines are fully engaged in the fight for freedom around the globe. Fundamental to this fight are our forward-deployed Marines and Sailors. It is through their tremendous sacrifices and those of their fellow servicemen and women that we will ultimately prevail.

Our commitment to the Long War is characterized by central campaigns in Iraq and Afghanistan as well as by diverse and sustained engagement around the globe. Though we fight overseas, make no mistake, this is a war in defense of

our homeland. It is a multifaceted, generational struggle that will not be won in one battle, in one country, or by one method.

Most recently, the resourcefulness and versatility of our Marines have enabled our forces in Iraq to successively conduct major combat operations, transition to counterinsurgency operations, and engage in stability and security operations. Marines continue to succeed across the spectrum of conflict, often within the same deployment, within the same battle, and, frequently, within the same day. This adaptability is a core competency and trademark of our Corps, and must remain so for generations to come.



As discussed in the introduction, the Marine Corps will grow to an end strength of 202,000 to achieve the desired 1:2 deployment-to-dwell ratio. The initial growth will be funded in the supplemental to support 3 infantry battalions and their corresponding enablers. The identified battalions are the 1st, 2nd and 3rd battalions of the 9th Marine regiment. They will be manned and equipped to the levels required to conduct current operations in the Central Command Area of Responsibility. While first producing an increased additional capability in theater, these three new battalions will eventually contribute to an increased deployment to dwell ratio which will relieve the operational tempo stress on Marines and their families. Funding to support these new battalions has been requested in the following areas:

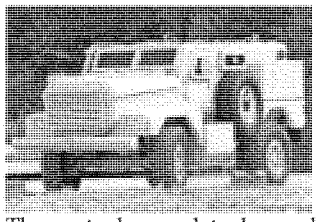
- Military Construction: Requested MILCON funding will support permanent barracks and operations centers on existing Marine Corps installations and facilities on the east and west coasts. Funds will also provide furnishings for those facilities.

- Military Personnel: Military Personnel funding will provide for the pay and allowances, incentive pays, combat pays, and bonuses of these Marines. In addition, this 4,000 Marine increase (to 184,000 by the end of FY 2007) will contribute to attaining USMC end strength of 202,000 by FY 2011.

- Operation and Maintenance: Funding will provide for the appropriate training and exercises to prepare these Marines to deploy, including basic qualifications, initial home station training and culminating in the Mojave Viper pre-deployment training. Funding will also provide for increased recruiting and advertising activity required to attract quality young people into the Marine Corps. It will provide for recruit training activities. Finally, funds will cover the base operating support requirements of the additional units.

- Investment: Procurement, Marine Corps and Procurement Ammunition, Navy and Marine Corps funding will be used to acquire the equipment and ammunition required to bring these units to their full operational capability, including ammunition used in training and in contingency operations. The Research, Development, Test and Evaluation funds will be utilized to address evolving threats and to rapidly field materiel solutions to ensure the Corps' ability to meet the demands of today and the threats of tomorrow.

To maintain readiness we must reset for today and modernize for tomorrow. To meet the demands of the Long War, we must properly reset the force in order to simultaneously fight, train, and sustain our Corps. We have experienced equipment usage rates as much as seven times greater than peacetime rates, tremendously decreasing the projected lifespan of our gear. To support our Marines in combat, we have routinely drawn additional equipment from strategic stocks. These stocks need to be replenished so as to remain responsive to emerging threats.



Our concept of reset comprises several basic principles. First, we must ensure our Marines have the tools required to carry out current and projected mission against a resourceful enemy. Second, we must provide our Marines with the very best force protection available and must continuously research and field upgrades that further enhance survivability. Third, we must provide as comprehensive and realistic training as possible to ensure the efficacy of our fighting force and incorporate essential lessons learned for future operations. Finally, we must continue to modernize the force to take advantage of emerging

technologies that will maintain our superiority against both current and future threats.

Examples of theater provided equipment include:

- Force Protection: Within the Counter-IED construct of Prevent/Predict, Detect, Neutralize, and Mitigate, equipment procured includes the Biometric Automated Toolset, the Family of Imaging Systems (Backscatter Van and Rapiscan), Man Transportable Robotic Systems, Counter Radio Controlled IED Electronic Warfare (CREW), up-armored vehicles, Mine Resistant Ambush Protected (MRAP) vehicles, and Enhanced Small Arms Protective Inserts.

- Intelligence: The adaptive, human-intensive counter-insurgency environment has generated the demand for a variety of specific tactical-level capabilities. These include Counterintelligence/Human Intelligence Equipment Program to enable "best practice" battlefield techniques developed by Commanders to address increasing requirements for CI/HUMINT operations, Tactical Concealed Video System to provide actionable intelligence for targeting and situational awareness, M22 BRITE to provide an encrypted, satellite communication system for use by deployed units in remote and austere locations, and the Communications Emitter Sensing and Attacking System to provide Marine Corps signal intelligence units a mobile platform with which to rapidly and cooperatively detect, disrupt, and deny threat communications.

- Logistics: The mission requirements of OIF and OEF require additional motor transport capabilities to ensure effective operations in the particular threat environment associated with the theater. These include new fire suppression systems, turret gunner restraint systems, vehicle intercom systems, a transparent armored gunner's shield, fuel fire protection, and systems to enable rapid debarkation for combat action. The environment also calls for additional engineering capabilities, to include bridge boat trailers, a mine roller system, ditch digging machines, a dust abatement system for landing zones, and additional generators for increased electrical power requirements. The Marine Corps has also procured additional medical capabilities for use in this environment, to include vehicle medical kits, hypothermia prevention systems (for helicopter

transport of wounded), panel-mounted first aid kits for aircraft, upgrades to medical stores, and additional training for medical personnel and Marines.

- Fire and Maneuver: The Marine Corps has developed a distributed operations capability to provide significantly enhanced combat power to the infantry units that are directly engaged with enemy forces on a daily basis in the OIF and OEF environments. Materiel capabilities procured to provide this enhanced capability comprise a suite of equipment for the individual rifleman that includes improved targeting, firepower, and personal protection. Capabilities procured for small units will provide additional crew served weapons, vehicles for enhanced mobility, and enhanced command and control equipment.

GWOT INVESTMENT

Ongoing Long War operations have had a significant impact on Navy and Marine Corps equipment. Expeditionary forces, including Seabees and Explosive Ordnance Disposal, and tactical aircraft are experiencing much higher than expected equipment wear-out. Resetting the force will refurbish or replace equipment which has been used more extensively than originally anticipated.

Past supplemental funding has mitigated some of the DON's costs, but it has been focused more on the "costs of war" (costs associated with personnel, personnel support, operations and transportation) vice resetting the force. Among the areas highlighted in the proceeding sections are some of the investment needs for the Navy and Marine Corps. Figure 6 shows the major acquisitions quantities that are funded thru GWOT:

Figure 6 - GWOT Funded - Major Acquisition Quantities

	FY 2007 Title IX	FY 2007 Supplemental	FY 2008 GWOT
Navy and Marine Corps Aircraft			
V-22	1	-	3
EA-18G	-	6	-
F/A-18E/F	-	-	12
AH-1Z/UH-1Y	3	-	6
MH-60S	-	-	3
MH-60R	-	-	6
KC-130J	1	-	7
Marine Corps Ground Equipment			
HMMWV	3,320	386	273
LW155	-	-	12
MRAP	805	244	2
HIMARS	10	-	-
Navy Ground Equipment			
MRAP	-	176	255
HMMWV	540	273	254

RESET

Funds are required to reconstitute Navy/Marine Corps forces to capability levels existing before GWOT operations. It includes that which is necessary to restore units to a desired level of combat capability commensurate with the unit's future mission. Reset encompasses maintenance and supply activities that restore and enhance combat capability to unit and pre-positioned equipment that was destroyed, damaged, stressed, or worn out beyond economic repair due to combat operations. These maintenance and supply activities involve Depot (Sustainment) repairs/overhauls centrally managed to specified standards. Without requested funding, efforts to continue the ongoing fight, and simultaneously address the postwar need to maintain future warfighting readiness will not be achieved.

Major elements of the request include:

- Naval Aircraft: Funds are requested to replace aircraft lost in the OIF/OEF Theater of Operations (TOO) and to replace airframes stressed due to excessive use in GWOT operations. Additionally, funds are requested for modifications/upgrades to ensure capability is preserved or new required capabilities meet operational commanders' GWOT requirements.
- Marine Corps Ground Equipment: The Marine Corps requires funds to restore Marine Corps unit capability to pre-war levels or upgrade to a future capability required for continued GWOT operations. Requested items include Expandable Capacity HMMWVs, Enterprise Land Mobile Radio networks, G-Boss large area surveillance systems, and Mine Resistant Ambush Protected (MRAP) vehicles.
- Navy Ground Equipment: Reset funds requested provide critical construction and force protection equipment for the Naval Expeditionary Combat Command (NECC). NECC provides task-organized combat support and combat service support forces with sufficient capability and capacity to meet the requirements for major combat operations, the Global War on Terrorism (GWOT) and homeland defense.
- Weapons/Ammunition: Funds are requested to replace weapons expended during OIF/OEF. Additionally, funds are requested to replace unserviceable small arms and weapons.
- Depot Maintenance: Reset funds are requested for Aircraft, Ships and Support Equipment for maintenance performed at the depot level facility, to include cost to overhaul, clean, inspect, and maintain organic equipment to the required condition at the conclusion of the contingency operation or unit deployment.

The Navy total reset requirement is $15.8 billion; the Marine Corps total reset requirement is $13.7 billion. The FY 2007 Supplemental request includes $2.2 billion of Navy reset requirements, and $5.2 billion of Marine Corps reset requirements. The FY 2008 GWOT request includes $2.1 billion of Navy reset

requirements and $1.7 billion of Marine Corps reset requirements. The remaining reset requirement after FY 2008 is $10.7 billion for Navy and $1.7 billion for Marine Corps. It should be noted that the reset requirement is dynamic and changes as conditions change.

FY 2007 DON SUPPLEMENTAL

The DON's FY 2007 Supplemental Submission supports the number one priority of the Department of Defense—prosecuting the GWOT. It builds upon our FY 2007 budget, which attempts to achieve the critical balance between maintaining current readiness, building a future Navy, and serving our people. The Navy remains first and foremost a warfighting, sea-going service and is deployed at the tip of the spear just as it has been for over 230 years. On a continual basis, approximately 40-50 percent of the fleet is conducting operations at sea and the pace of operations will not lessen in 2007. The aircraft carrier USS Stennis will soon join the USS Eisenhower in CENTCOM AOR to support and enhance the mission in Iraq and throughout the Middle East. The challenge for the Navy and Marine Corps today is to remain capable of conducting traditional naval missions while simultaneously enhancing our ability to conduct non-traditional missions in order to ensure that naval power and influence can be from the sea, across the littorals, and ashore, as required.

FY 2007 contingency operations include Operation Enduring Freedom (Afghanistan, the Horn of Africa, and related areas), and Operation Iraqi Freedom. In order to ensure adequate resources are available for GWOT operations early in the fiscal year, the Congress appropriated $10.8 billion for DON until a full year supplemental is approved. Other funds necessary to support GWOT operations during FY 2007 are included in an additional supplemental appropriation request. The following figure represents the FY 2007 full year request (including Title IX).

Figure 7 - FY 2007 Title IX and Supplemental

Dollars in millions	Title IX	Supp Request	DON Request
Military Personnel, Navy (MPN)	143	692	835
Reserve Personnel, Navy (RPN)	0	73	73
Operation and Maintenance, Navy (O&MN)	1,615	5,945	7,560
Operation and Maintenance, Navy Reserve (O&MNR)	10	111	121
Aircraft Procu.	487	1,106	1,593
Procurement Ammunition, Navy and Marine Corps (PANMC)	0	75	75
Other Procurement, Navy (OPN)	320	847	1,167
Weapons Procurement, Navy (WPN)	109	172	281
Research, Development, Test and Evaluation, Navy (RDT&EN)	231	228	459
National Defense Sealift Fund (NDSF)	0	5	5
Navy Working Capital Fund (NWCF)	0	32	32
Military Construction, Navy & Marine Corps (MCN)	0	413	413
USN Total Subtotal	**2,915**	**9,699**	**12,614**
Military Personnel, Marine Corps (MPMC)	146	1,387	1,533
Reserve Personnel, Marine Corps (RPMC)	15	0	15
Operation and Maintenance, Marine Corps (O&MMC)	2,689	1,402	4,091
Operation and Maintenance, Marine Corps Reserve (O&MMCR)	48	14	62
Procurement, Marine Corps (PMC)	4,898	1,806	6,704
Procurement Ammunition, Navy and Marine Corps (PANMC)	128	85	213
Research, Development, Test and Evaluation, Navy (RDT&EN)	0	232	232
USMC Subtotal	**7,924**	**4,926**	**12,850**
DON Total - Supplemental	**10,840**	**14,623**	**25,464**

Note: Totals may not add due to rounding.

FY 2008 GWOT REQUEST

While global contingencies are uncertain, the DON's FY 2008 GWOT request maintains the strategy of winning the GWOT. The challenge that remains for the Navy and Marine Corps is to remain capable of conducting traditional naval missions while simultaneously enhancing our ability to conduct non-traditional missions in order to ensure that naval power and influence can be from the sea, across the littorals, and ashore, as required.

FY 2008 contingency operations continue to include Operation Enduring Freedom (Afghanistan, the Horn of Africa, and related areas), and Operation Iraqi Freedom (with a reduced OPTEMPO from FY 2007). The following table represents funds requested for FY 2008 budget specifically for War Related Contingency Operations.

The following figure represents the FY 2008 full year request.

Figure 8 - FY 2008 GWOT Request

Dollars in Millions	FY08 Request
Military Personnel, Navy (MPN)	$752
Reserve Personnel, Navy (RPN)	$70
Operation and Maintenance, Navy (O&MN)	$5,427
Operation and Maintenance, Navy Reserve (O&MNR)	$68
Aircraft Procurement, Navy (APN)	$3,100
Procurement Ammunition, Navy and Marine Corps (PANMC)	$70
Other Procurement, Navy (OPN)	$793
Weapons Procurement, Navy (WPN)	$252
Research, Development, Test and Evaluation, Navy (RDT&EN)	$618
National Defense Sealift Fund (NDSF)	$5
Family Housing Operations (FHOPS)	$12
Military Construction, Navy & Marine Corps (MCN)	$157
USN Subtotal	**$11,324**
Military Personnel, Marine Corps (MPMC)	$1,602
Reserve Personnel, Marine Corps (RPMC)	$15
Operation and Maintenance, Marine Corps (O&MMC)	$4,013
Operation and Maintenance, Marine Corps Reserve (O&MMCR)	$68
Procurement, Marine Corps (PMC)	$2,462
Procurement Ammunition, Navy and Marine Corps (PANMC)	$522
USMC Subtotal	**$8,682**
GWOT Total	**$20,006**

Note: Totals may not add due to rounding.

SECTION III - BUILDING A FLEET FOR THE FUTURE

The Department of the Navy is dedicated to procuring a fleet that is both affordable and meets 21st century national security requirements, as outlined in the 2006 Quadrennial Defense Review. Force structure requirements were developed and validated through joint campaign and mission level analysis, optimized through innovative sourcing initiatives (Fleet Response Plan (FRP) and forward basing) that increase platform operational availability, and balanced with industrial base requirements.

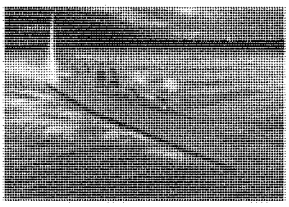
In the future our Naval forces will remain sea based, with global speed and persistence provided by forward deployed forces and supplemented by rapidly deployable forces through the FRP. To maximize return on investment, the Navy and Marine Corps that fights the GWOT and executes Maritime Security Operations will be complementary to the Navy required to fight and win in any Major Combat Operation (MCO). This capabilities-based, threat-oriented force can be disaggregated and distributed world wide to support Combatant Commander GWOT demands. The resulting distributed and netted force, working in conjunction with our joint and maritime partners, will provide both actionable intelligence through persistent Maritime Domain Awareness, and the ability to take action where and when the threat is identified. The same force can be rapidly aggregated to provide the strength needed to defeat any potential adversary in an MCO. The warships represented in the 313-ship shipbuilding plan will sustain operations in forward areas longer, be able to respond more quickly to emerging contingencies, and generate more sorties and simultaneous attacks against greater numbers of multiple targets and with greater effect than our current fleet.

SHIP PROGRAMS

Surface Programs

The Department's FY 2008 budget continues the shift to next generation warships and will provide the platforms needed to complete future mission objectives. The surface ships that make up tomorrow's Navy will be more capable than ever before to meet the multiple challenges the Navy faces.

The next generation of aircraft carrier, the *Ford* Class or CVN-21, will be the future centerpiece of the carrier strike group and a major contributor to the future Expeditionary Strike Group as envisioned in *Sea Power 21*. CVN-21 has a major role in Sea Shield, projecting Navy combat power anywhere in the world. The ship's command centers combine the power of FORCEnet and the flexible open systems architecture to support multiple missions, including special and joint warfare missions and integrated strike planning. Taking advantage of the *Nimitz* Class hull form, the *Ford* Class will feature an array of advanced technologies designed to improve warfighting capabilities and allow significant manpower reductions. It will have a new electrical generation and distribution system, an electromagnetic aircraft launching system, a new advanced arresting gear, a new/enlarged flight deck, weapons and material handling improvements, and a smaller crew and air wing (by at least 1000). The budget provides funding for construction of the lead ship, the *USS Gerald R. Ford* (CVN-78), in both FY 2008 and FY 2009 and advance procurement funding for CVN-79 in both years.



The DDG 1000 program, formerly the DD(X) program, is the next generation of multi-mission surface combatants tailored for land attack and littoral dominance, with capabilities designed to defeat current and projected threats. As a critical component of *Sea Power 21*, DDG 1000 will provide credible forward presence while operating independently or as an integral part of naval, joint, or combined expeditionary forces. Armed with an array of land attack weapons, DDG 1000 will provide offensive, distributed, and precision firepower at long ranges in support of forces ashore. The FY 2008 budget provides the second increment of funding required to complete the two FY 2007 lead ships.

Another critical component of Sea Power 21 is the Littoral Combat Ship (LCS). LCS is envisioned to be a fast, agile, stealthy, relatively small and affordable surface combatant capable of operating against anti-access, asymmetric threats in the littorals. LCS uses architectures and interfaces that permit tailoring tactical capabilities to various LCS missions. These mission module packages are easily interchangeable as operational conditions warrant. The primary mission areas of LCS are small boat prosecution, mine counter measures, shallow water anti-submarine warfare, intelligence, surveillance, and reconnaissance. Secondary missions include homeland defense, maritime interception, and special operation forces support. It will operate in environments where it is impractical to employ larger multi-mission ships. Construction of both LCS designs is in progress. The

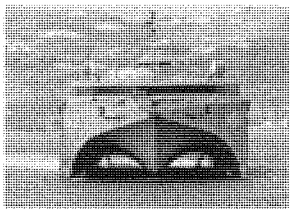
Department budgeted for three more LCSs in FY 2008. Procurement of two mission module packages is also planned in FY 2008.

The Guided Missile Cruiser (CG-47) modernization program (CG Mod) supports modernization of the AEGIS cruisers, commencing with the older Baseline 2 and 3 ships. The CG Mod program delivers rapid introduction of critical new warfighting capabilities by providing enhanced air dominance and C4I capabilities, an improved gun weapon system and force protection systems, and a commercial off-the-shelf (COTS) computing architecture. Hull, Mechanical and Electrical upgrades will also contribute to extending the mission service life of the cruisers to 35 years. The first CG Mod maintenance availability, CG 52, occurs in FY 2008. The FY 2008 budget also funds the procurement of the equipment for the FY 2010 modernizations.

The Guided Missile Destroyer (DDG-51) Modernization program is a significant, integrated advancement in class combat and HM&E Systems. This investment enables core modernization of DDG combat systems to pace the 2020 threat environment and extend the useful service life of the ships. Enhancements added to the program are included in the areas of air dominance, force protection, C4I, and mission life extension upgrades. The FY 2008 budget includes funding for the long lead-time procurements for the backfit modernization of two DDGs in FY 2010.

In FY 2008 the budget provides full funding for LPD-25, the ninth ship of the LPD-17 class. It also includes the second increment of funding needed to complete the Landing Helicopter Assault Replacement Ship (LHA(R)).

The budget provides for procurement of one Auxiliary Cargo and Ammunition Ship (T-AKE) in the National Defense Sealift Fund (NDSF). This will be the eleventh ship of the class dedicated to the Combat Logistics Force. The NDSF budget also continues funding for the development of future sea basing ships. The Maritime Prepositioning Force (Future) (MPF(F)) squadron of ships, a central part of the Sea Base operational concept, leverages current designs and production lines where possible, such as T-AKE variant ships, modified Large, Medium Speed Roll-On/Roll-Off (LMSR) ships and LHA(R) ships. MPF(F) new construction commences in FY 2009 and includes one T-AKE variant and one Mobile Landing Platform (MLP). MPF(F) ships will be interoperable with current and planned Landing Craft Air Cushion (LCAC) craft and Joint High Speed Vessels (intratheater connectors).

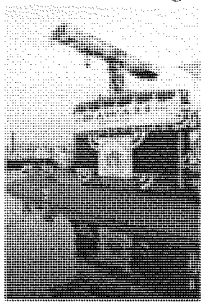


The LCAC modernization program continues with a service life extension for five craft in FY 2008. The budget request also includes RDT&E,N funding in FY 2008 for transformational Sea Base to Shore, intratheater, and intertheater connectors to support Seabasing.

The budget also provides advance procurement funds in FY 2008 for the *USS Theodore Roosevelt* (CVN 71) Refueling Complex Overhaul which will commence in FY 2010.

Submarine Programs

The Navy continues the effort to modernize the fleet of SSN, SSGN, and SSBN submarines. *Virginia* class fast attack submarines have joined the existing fleet of



SSN-688 and *Seawolf* class ships to covertly project power throughout the world's oceans. Construction of the *Virginia* class continues to be performed under a teaming arrangement between General Dynamics Electric Boat and Northrop Grumman Newport News Shipbuilding Company. FY 2008 funds the fifth of five *Virginia* class submarines under a multi-year procurement contract awarded in January 2004. A follow-on multi-year procurement will be pursued to continue construction of the class beginning in FY 2009. Of note, the proposed contract would increase the *Virginia* class build rate to two submarines per year beginning in FY 2012. The joint Navy and DARPA "Tango Bravo" initiative to investigate and remove technical barriers to future submarine design continues in the FY 2008 budget. This budget also annually funds an SSBN Engineered Refueling Overhaul for a *Trident* Class submarine throughout the FYDP.

The Figure 9 on the following page displays shipbuilding quantities for FY 2007 to FY 2013.

*Figure 9 - Shipbuilding Programs**

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY08-13
CVN 21	-	1	-	-	-	1	-	2
SSN 774	1	1	1	1	1	2	2	8
CG(X)	-	-	-	-	1	-	1	2
DDG 1000	2	-	1	1	1	1	1	5
LCS	2	3	6	6	6	6	5	32
LPD 17	-	1	-	-	-	-	-	1
LHA(R)	1	-	-	-	-	-	-	-
T-AKE**	1	1	1*	1*	1*	-	-	4
MPF Aviation	-	-	-	1	-	-	1	2
MPF LMSR	-	-	-	1	1	1	-	3
MPF MLP	-	-	1	-	1	-	1	3
T-ATF	-	-	-	-	-	-	1	1
JCC(X)	-	-	-	-	-	1	-	1
JHSV	-	-	1	1	1	-	-	3
New Construction	7	7	11	12	13	12	12	67
CVN RCOH	-	-	-	1	-	-	1	2
SSBN ERO	1	1	1	1	1	1	1	6

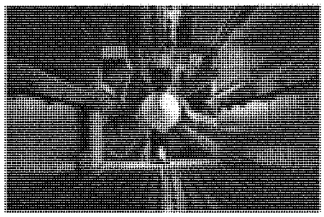
*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.
**MPF program

Ship Weapons and Sensor Programs

The Tactical Tomahawk missile provides a premier attack capability against long range, medium range, and tactical targets on land and can be launched from both surface ships and submarines. The Tomahawk program continues full rate production in FY 2008, the last year of its multi-year procurement and the first year of procurement for the Torpedo-Tube Launch (TTL) variant. By improving command and control systems, the Navy will maximize the flexibility and responsiveness inherent in the Tactical Tomahawk Weapons System.

The Standard Missile (SM) program replaces ineffective, obsolete inventories with the more capable SM-2 Block IIIB and SM-6 Extended Range Active Missile (ERAM). The first SM-6 missiles will be procured in FY 2009. The SM-6 and its associated Naval Integrated Fire Control – Counter Air (NIFC-CA), developed to provide defense for Sea Shield and enable Sea Basing and Sea Striking, will provide the capability to use the missile at its maximum kinematic range. Investments in advanced technology such as the SM-6 and its associated NIFC-CA capabilities pace the threat to ensure our conventional warfare advantage.

The Rolling Airframe Missile (RAM) is a high firepower, low cost, lightweight ship self-defense system designed to engage anti-ship cruise missiles and asymmetric threats. Block 1 adds the capability of infrared all-the-way guidance while maintaining the original dual-mode passive Radio Frequency/Infrared (RF/IR) guidance (Block 0). The Evolved SEA SPARROW Missile (ESSM) is an international cooperative effort to design, develop, test, and produce a new and improved version of the SPARROW missile (RIM-7P) with the kinematical performance to defeat current and projected threats that possess low altitude, high velocity and maneuverability characteristics beyond the engagement capabilities of the RIM-7P. ESSM provides self-defense battlespace and firepower against faster, lower, smaller, more maneuverable anti-ship cruise missiles.



Naval Surface Fire Support (NSFS) is an integral part of Sea Strike, which will project dominant, long range, decisive and precise offensive power against key enemy targets using a wide array of means, including NSFS, in support of joint conventional and special operations forces. The Marine Corps identified its NSFS requirements in *Operational Maneuver From The Sea* (OMFTS) along with its implementing concept Ship-to-Objective Maneuver (STOM). These documents rely on commencing operations from over-the-horizon (OTH), expanding the battle space and leveraging landing forces use of speed and flexibility to achieve tactical and operational surprise as they project power against deep inland objectives. To support OMFTS and STOM, fire support systems must be immediate, responsive and accurate, by incorporating high volume suppression and neutralization fires in support of the landing force in all weather conditions and under continuous sustained operations.

Several land attack research and development efforts critical to future littoral warfare continue in FY 2008, including an Extended Range Munition (ERM), the 5"/62 gun, the Advanced Gun System (AGS), the Naval Fire Control System (NFCS), and the Distributed Common Ground System (DCGS). ERM can fire at targets beyond 41nm compared to 13nm with today's conventional munitions and guns. The AGS will provide a modular, electric motor driven gun (no hydraulics) with an automated magazine handling system and will be capable of engaging targets ashore using the Long Range Land Attack Projectile (LRLAP) at ranges greater than 62nm. The NFCS and DCGS will use existing fire control infrastructure to serve as the nerve center for surface land attack by automating shipboard land attack battle

management duties, incorporating improved land attack weapons systems, and utilizing battlefield digitization.

As discussed in the Overview, the Navy took calculated risk in ASW sensor capability by cancelling the Advanced Deployable System (ADS). This decision was based on the robust funding and quantities of non-distributed ASW sensors, both current systems operating in the fleet and planned sensors and upgrades programmed in the FYDP.

*Figure 10 –Major Ship Weapons Quantities**

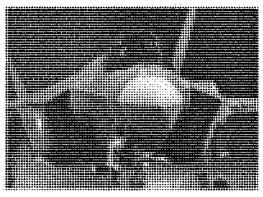
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Tactical Tomahawk	355	394	265	257	281	278	266
Standard Missile	75	75	80	90	105	142	150
RAM	90	90	90	90	90	90	90
ESSM	100	85	86	88	0	0	0
Lightweight Torpedoes	133	133	280	297	252	271	257
Heavyweight Torpedoes	103	84	84	84	84	84	84
Trident II	0	12	24	24	24	24	0

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

AVIATION PROGRAMS

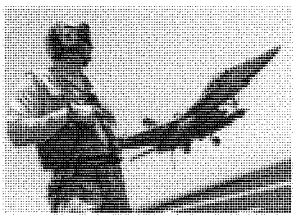
Aircraft Programs

Navy and Marine Corps aviation continues to be at the forefront of our Nation's defense. The FY 2008 budget supports the Department with the best balance of naval aviation requirements. The Navy's Aircraft Procurement Plan continues to decrease the average age of the aircraft inventory. From a high above 20 years in the 1990's, the average age decreases again, from 18 years in 2006 to 17.9 years in 2008. Based on the current FYDP procurement plan, the average age will decrease to 14.6 years by 2013. Multi-year procurement contracts for F/A-18E/F, EA-18G, MH-60R/S, MV-22B, and KC-130J have enabled the Department to realize significant savings and stretch available procurement funds. Development funding continues for F-35, V-22, P-8A, E-2D, CH-53K, and the VH-71.



The Lightning II Joint Strike Fighter (F-35) program will develop and field a family of aircraft that meets the needs of the Navy, Marine Corps, Air Force and our allies, with optimum commonality among the variants to

minimize life cycle costs. The F-35 is the next generation of strike fighters, with improved stealth and countermeasures. It incorporates the latest available technology for advanced avionics, data links and adverse weather precision targeting; it has increased range with internal fuel and includes superior weaponry over existing aircraft. This highly supportable, affordable, state of the art aircraft commands and maintains global air superiority. DON procurement begins in FY 2008 with the Marine Corps Short Takeoff and Vertical Landing (STOVL) variant.

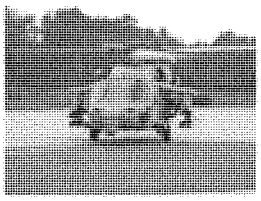


The Super Hornet (F/A-18) E/F leads Naval aviation in the fighter/attack role. The F/A-18 E/F is receiving upgraded capabilities, to include new/enhanced weapon systems and avionics. An Advanced Crew Station, Automatic Carrier Landing System and upgrades to current Global Positioning Systems/ Inertial Navigation Systems will allow the aircraft to meet precision strike/precision approach requirements. The EA-18G Growler, which replaces the EA-6B, will assume the role for Airborne Electronic Attack, support all operational requirements and fully integrate itself into all strike packages.

The Osprey MV-22B Tilt Rotor is the Marine Corps' number one aviation acquisition priority and will begin a multi-year procurement program with the Air Force in FY 2008. The joint program will procure MV and CV variants to support each of the service's requirements. The MV-22 will provide the Marine Corps the amphibious/vertical assault requirement needed for the Global War on Terrorism and will begin deployment in FY 2007.

The UH-1Y/AH-1Z aircraft fulfills the Marine Corps attack and utility helicopter missions. The FY 2008 budget supports the UH-1Y new build strategy; the AH-1Z will continue to be rebuilt. These aircraft will have 85% commonality and will provide airborne command and control, armed escort, armed reconnaissance, search and rescue, medical evacuation, close air support, anti-armor operations and anti-air warfare.

The Department supports the multi-year procurement of both the Seahawk MH-60R and Knighthawk MH-60S helicopters, which are part of a joint contract with the Army's UH-60M Blackhawk. The MH-60R/S are also part of multi-year procurement contracts for their common cockpits. The MH-60R will replace the aging SH-60B and SH-60F helicopters, whose primary mission areas are undersea warfare and surface warfare. This platform will have numerous capability

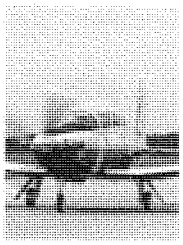


improvements including Airborne Low Frequency Sonar, Multi-Mode Radar, Electronic Support Measures, and Forward Looking Infra-Red Sensor. The MH-60S will maintain the forward deployed fleet through rapid airborne delivery of materials and personnel as well as support of amphibious operations through search and rescue coverage. The primary roles of this aircraft are vertical replenishment, transfer of cargo, passengers and mail, and vertical onboard delivery. Armed Helo and Organic Airborne Mine Countermeasures are new primary mission areas and will be added as block upgrades.

The Super Stallion CH-53E is the only marinized heavy-lift helicopter. A robust RDT&E,N program in FY 2008 will improve the current platform to support the Marine Air-Ground Task Force for the 21st century joint environment. The CH-53K will provide improvements in performance and capability. The first flight for this upgraded capability will be in FY 2009 and the first procurement is planned for FY 2013.

Sustainment of the P-3 Orion fleet remains a priority of the Department as the only long range Maritime Surveillance aircraft. The ability to perform Under Sea Warfare, Surface Warfare and Intelligence, Surveillance and Reconnaissance (ISR) missions make it critical to the battle group. The P-8A Multi-mission Maritime Aircraft (MMA) will replace the P-3, and will achieve IOC in FY 2013. MMA will have increased capabilities over the P-3 to address emerging technologies and irregular threats.

The KC-130J is replacing the aging KC-130F/R fleet and will be assuming the common roles of tactical in-flight refueling and assault support transport aircraft. In the tactical transport mode, it is capable of conventional or aerial delivery of personnel and cargo. The KC-130J is equipped to refuel low-speed helicopters and high-speed jet aircraft, and can service two aircraft simultaneously. Procurement of the V-22 will further increase the need for this in-flight refueling capability.



The Department continues to work with the Air Force on several joint endeavors. The T-6B Texan II, recently upgraded from the T-6A, will replace the Navy's primary flight trainer for entry level naval student pilots. This Joint Primary Aircraft Training System (JPATS) replaces the Navy T-34 and Air Force T-37 primary flight training platforms. The T-6B, with its upgraded avionics,

communications and navigation systems, is planned for all future Navy JPATS procurements.

RDT&E,N initiatives support both traditional and irregular warfare demands in several aviation programs. The Advanced Hawkeye will have Cooperative Engagement Capability to modernize the E-2C weapon systems and also provide effective surveillance and battle management to theatre operations. Tactical Aircraft Directed Infrared Countermeasures (TADIRCM) continues to develop to provide the warfighter protection against surface and air-to-air missiles. Assault DIRCM will support rotary wing aircraft, while Strike DIRCM will protect fixed wing aircraft.

The VH-71 Executive Helicopter, which replaces the current VH-3D and VH-60N Executive Helicopters, continues R&D efforts in FY 2008. The aircraft is being developed in two increments. Increment I will provide required survivability, communication, and navigation capabilities as well as improved aircraft performance and executive accommodations. Increment II will incorporate additional required enhancements for full capability, including upgraded engines and drive-train. Increment II is rephased in the FY 2008 President's Budget submission to provide additional time for design work. The Initial Operational Capability (IOC) for Increment I, which is funded in RDT&E,N, is scheduled for FY 2010.

Research and Development for Aerial Common Sensor remains funded as the follow-on to the EP-3E Signals Intelligence (SIGINT) platform. Connecting multi-service platforms and ground stations for ISR will be the focus of these transformational platforms as they migrate into the Joint Airborne SIGINT Architecture.

The FY 2008 budget supports CONPLAN 7500 and the QDR by providing a persistent ISR capability through developing, acquiring, and fielding transformational Unmanned Aerial Vehicle (UAV) technologies. The Vertical Take Off and Landing Tactical UAV (VTUAV) can accomplish missions including over-the-horizon tactical reconnaissance, classification, targeting, laser designation, and battle management. The VTUAV launches and recovers vertically and can operate from air capable ships such as the LCS, as well as confined area land bases. The Broad Area Maritime Surveillance (BAMS) UAV is an adjunct to the Multi-Mission Maritime Aircraft (MMA)/P-3 and will play a significant role in the Sea Shield and FORCEnet pillars of *Sea Power 21*. Its on-station time and range enables unmatched awareness of the maritime battlespace by sustaining the common operational picture for Surface Warfare (SUW) and the GWOT.

The Small Tactical UAS (STUAS) is a new program in FY 2008 that will fill ISR capability shortfalls identified in the GWOT and currently supported by costly service contracts. STUAS has a planned IOC of FY 2010 and will be used to complement other high demand, low density (HDLD) manned and unmanned platforms. STUAS will be available to operate from ship/shore scenarios where those HDLD assets may not be available to ship or other Navy unit commanders. The budget also includes funding for a Navy Unmanned Combat Aerial System (UCAS) program to conduct a carrier demonstration of a low observable UCAS platform. The Marine Corps Tactical Unmanned Aerial System (MCTUAS) is a new program in FY 2008 that will be procured through the Army's Shadow program. The resulting system will provide Marine Tier III UAS capability to the MAGTF commander, while replacing the legacy Pioneer UAS. It will be interoperable, compatible, and maintainable with Army Shadow units.

*Figure 11 - Aircraft Programs**

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY08-13
JSF	-	6	8	18	19	40	42	133
F/A-18E/F	34	24	20	24	19	21	-	108
EA-18G	8	18	22	18	8	2	-	68
MV-22B	13	21	30	30	30	30	30	171
AH-1Z/UH-1Y	8	20	25	28	28	24	24	149
MH-60S	18	18	18	18	18	18	18	108
MH-60R	25	27	31	28	28	25	27	166
E-2C	2	-	-	-	-	-	-	-
E-2D AHE	-	3	3	3	4	4	4	21
CH-53K (HLR)	-	-	-	-	-	-	6	6
P-8A (MMA)	-	-	-	6	8	10	13	37
C-40A	-	-	1	-	1	1	1	4
T-45C	12	-	-	-	-	-	-	-
T-6A/B(JPATS)	20	44	44	44	43	43	22	240
KC-130J	2	4	2	2	2	2	2	14
VH-71	-	-	4	3	4	4	4	19
BAMS UAS	-	-	-	-	4	4	4	12
MQ-8B (VTUAV)	4	3	5	6	6	9	10	39
F-5E	5	-	-	-	-	-	-	-
TOTAL	151**	188	213	228	222	237	207	1,295

Funded in RDTEN

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

**Includes one special programs aircraft added by Congress.

Aircraft Weapons Programs

Aircraft weapons arm the warfighter with lethal, interoperable, and cost effective weapons systems. The AIM-9X (Sidewinder) missile is a "launch-and-leave" air combat munition that uses passive Infrared (IR) energy for acquisition and tracking of enemy aircraft. The continued procurement of the AIM-9X in FY 2008 enables the Department to maintain air superiority in the short-range air-to-air missile arena through the missile's ability to counter current and emerging countermeasures. The AIM-9X complements the Advanced Medium Range Air-to-Air Missile (AMRAAM), a next-generation, all-weather, all-environment radar-guided missile that is designed to counter existing air vehicle threats having advanced electronic attack capabilities operating at high or low altitude. The AMRAAM program is

transitioning to the Phase IV missile, which will include an enhanced data link and improved electronic protection, kinematics, and High Off-Boresight capability. The Joint Standoff Weapon (JSOW) is a 1,000-pound-class, air-to-ground weapon, which carries several different lethal packages. JSOW procurement in FY 2008 and beyond focuses on the "unitary" variant, which carries the Broach Lethal Package warhead system and provides a unique autonomous capability to engage and destroy a variety of point targets vulnerable to blast and fragmentation kill mechanisms. The Joint Direct Attack Munition is a low-cost guidance set designed to give general-purpose bombs adverse weather capability with increased accuracy. The FY 2008 budget incorporates a strategy of making incremental changes to existing JDAM and laser guided bomb inventories to address the warfighter issues of flexibility and a land moving target capability shortfall.

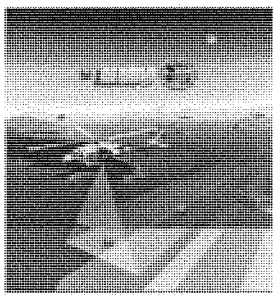
*Figure 12 - Major Aviation Weapons Quantities**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
JSOW	390	421	504	521	541	530	552
AIM-9X	174	184	205	202	200	220	221
JDAM	3,400	1,145	850	850	500	0	0
AMRAAM	128	79	97	99	90	91	94

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Also refer to Appendix B for more information:	Table
Aircraft Procurement, Navy	B–10
Weapons Procurement, Navy	B–11
Procurement of Ammunition, Navy and Marine Corps	B–15
Research, Development, Test and Evaluation, Navy	B–16

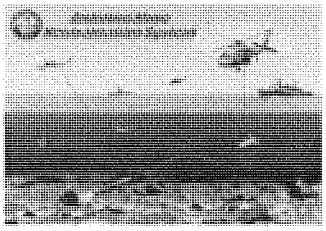
MINE WARFARE



The Organic Airborne Mine Countermeasures (OAMCM) program continues development of five systems for the Littoral Combat Ship (LCS) Mine Warfare (MIW) Mission Package.

Currently, the AN/AQS-20A Mine Hunting Sonar (IOC of FY 2007) is completing integration testing on the MH-60S and will be available to support the inaugural LCS deployment in FY 2008. The other OAMCM systems in the LCS MIW Mission Package include the Airborne Laser Mine Detection System (ALMDS) (IOC of FY 2011), Organic Airborne and Surface Influence Sweep system (OASIS) (IOC of FY 2008), Airborne Mine Neutralization System (AMNS) (IOC of FY 2009) and Rapid Airborne Mine Clearance System (RAMICS) (IOC of FY 2010). Additionally, the OAMCM program provides funding for integration and testing of each MIW system on the MH-60S through a common console interface. These vital systems will provide the fleet with a flexible, organic mine warfare capability.

The FY 2008 budget continues to support the Coastal Battlefield Reconnaissance and Analysis (COBRA) system, the Intelligence, Surveillance, Reconnaissance/Targeting (ISR/T) part of the Assault Breaching System (ABS). The COBRA system will be a modular payload architecture and integrated with the MQ-8B Fire Scout Vertical Takeoff and Landing Unmanned Aerial Vehicle (VTUAV) and will serve as the detection mission module within the LCS MIW Mission Package.



Also refer to Appendix B for more information:	Table
Weapons Procurement, Navy	B-11
Other Procurement, Navy	B-13
Procurement, Marine Corps	B-14

C4I PROGRAMS

The Navy's Command, Control, Communication, Computers, and Intelligence (C4I) roadmap continues to center on four key elements:

- Connectivity;
- Common tactical picture;
- "Sensor-to-Shooter" data flow;
- Information/command and control warfare.

The cornerstone of the roadmap is the continued development of FORCEnet in the FY 2008 budget. FORCEnet provides the architecture to integrate sensors, networks, decision aids, and weapons into an adaptive human control maritime system necessary to achieve dominance across all warfare spectrums.

Information Technology for the 21st Century (IT-21) efforts continue in the FY 2008 budget. IT-21 is another key integration architecture and provides the common backbone for C4I systems to be linked afloat and to the internet. The networks integrate afloat tactical operations and tactical support applications with enhanced satellite systems and ashore networks. FY 2008 funding continues to provide Integrated Shipboard Network Systems (Increment 1) procurement and installation to achieve a Full Operational Capability (FOC) for all platforms by FY 2013. IT-21 connectivity is critical because it provides the managed bandwidth for timely transmission of information. The Satellite Communications Systems program continues expansion of available bandwidth to the war fighter.

Undersea FORCEnet Satellite Communications (SATCOM) FY 2008 funding provides the Internet Protocol (IP) connectivity between Anti-Submarine Warfare (ASW) platforms to conduct collaborative ASW. Connecting the platforms for collaborative ASW enables sharing of time critical queuing, classification, and targeting data, provides a means for precluding blue-on-blue engagement, and ensures rapid positioning of ASW platforms into the best attack posture to prosecute the threat submarine.

The FY 2008 budget also reflects the procurement of the Airborne Automated Digital Network System (aADNS) to provide High Frequency Internet Protocol (HFIP) capability as the primary transfer path for Internet Protocol (IP) data and Automatic Identification System (AIS) data on and off the E-2C platform. HFIP connectivity through aADNS provides exceptional expansion into additional IP data

communications paths spanning future SATCOM capabilities to include Multifunction Information Distribution System–Joint (MIDSJ), Airborne, Maritime, Fixed Joint Tactical Radio System (AMF JTRS), Common Data Links (CDL), and others. The aADNS network also enables future expansion of open architecture applications, key in providing advanced capabilities to meet war fighter needs. This is the first step towards the Global Information Grid-Tactical Edge Network (GIG-TEN) concept.

The FY 2008 RDT&E, N budget for JTRS reflects the transfer of $566 million of Army and Air Force resources to the Navy, which has been designated as the lead Service for the JTRS program. The designation of Navy as lead DoD Component follows the realignment of FY 2007 funding to Navy via the FY 2007 Defense Appropriations Act. The Navy also provides comptroller, contracting, and legal support, public affairs activities and IT services funded in the O&M, Navy appropriation.

Advanced Narrowband System/Mobile User Objective Systems (ANS/MUOS) development and procurement funding continues in the FY 2008 budget, supporting Initial Operational Capability (IOC) in FY 2010 and FOC in FY 2014. ANS/MUOS will provide the DoD's Ultra High Frequency satellite communication capability for the 21st century. FY 2008 funding will continue the development of Advanced Extremely High Frequency (AEHF) terminals that support Air Force's Advanced Wideband System satellite program to meet an IOC in FY 2012 and FOC in FY 2015. Finally, FY 2008 procurement funding continues for the following C4I systems:

- Common Data Link - Navy
- Maritime Cryptologic Systems for the 21st Century
- Mission Critical Secure Voice (SV-21) Inter-working Function
- SV-21 crypto to support the Gateway transfer for SATCOM transmission

FY 2008 funding also continues to provide cryptologic equipment and secure communications equipment for Navy ships, shore sites, aircraft, Marine Corps and Coast Guard.

MARINE CORPS GROUND EQUIPMENT

The Marine Corps' FY 2008 request focuses on efforts to develop more irregular capability and capacity as directed by the Strategic Planning Guidance (SPG) and CONPLAN 7500 while taking risk in conventional capacity. Included in the request are several new programs designed to organize, train and equip the force for

irregular warfare operations. Many of these efforts came at the expense of our projected investment and training strategies.

In order to best equip proposed end strength increases, the Marine Corps has a phased approach across Fiscal Years 2008-2011 that is synchronized with increases in personnel. We will conduct the necessary analysis in order to procure high demand and long lead time items early in the process. While the vast majority of required equipment will be the procurement of additional existing weapon systems, when it makes sense, we will procure next generation equipment to keep pace with technological improvements.

The Marine Corps' strategic decision with regard to ground mobility is one of transition while maintaining the ability to conduct a single, two-Marine Expeditionary Brigade (MEB) forcible entry operation. The procurement strategy for the Expeditionary Fighting Vehicle (EFV), the Marine Corps' only ACAT-I program, has been modified since the President's Budget to start pilot production of vehicles in FY 2007 and pause in FY 2008 while reliability developmental and operational testing completes. The approved acquisition objective of the EFV has been reduced by 43%, while the baseline has been increased for irregular platforms of the future, such as Light Armored Vehicle – Personnel variant (LAV(P)), Joint Light Tactical Vehicle (JLTV) and the Internally Transportable Vehicle (ITV). Investments in these new platforms give the Combatant Commanders versatile and scalable mobility options optimized for irregular warfare, resulting in a better balance of irregular and conventional capabilities. The divestiture from traditional capabilities also included the discontinuation of the High Mobility Multi-purpose Wheeled Vehicle (HMMWV). The decreases in EFV and HMMWV together demonstrate the commitment of the Marine Corps to take risk in traditional capability and capacity while transitioning to a more irregular warfare posture.

Compliance with the Strategic Planning Guidance was considered in the funding profiles for multiple Intelligence and Command and Control capabilities within the budget to include Control Intelligence/Human Intelligence (CI/HUMINT), Joint Combat Identification Evaluation Team and Marine Air Ground Task Force C2 Systems Application.

Significant but acceptable levels of risk were taken with respect to air defense and fire measures in this budget. Both the Complementary Low Altitude Weapons System (CLAWS) and AN/TPS-59 Highly Expeditionary Long-Range Air Surveillance Radar (HELRASR) programs were discontinued. Separation from these traditional methods of air defense enables investment in such future systems as

Ground/Air Task Oriented Radar (G/ATOR). Additionally, the Expeditionary Fire Support System and High Mobility Artillery Rocket System (HIMARS) received program reductions despite their capacity to support irregular warfare operations.

The joint Army/MC multiyear procurement contract for the Lightweight 155 mm Towed Howitzer ends in 2008, when the Marine Corps acquisition objective is complete.

*Figure 13 - Major MC Ground Equipment Procurement Quantities**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
HMMWV	851	0	0	0	0	0	0
JLTV	0	0	61	465	789	1030	1032
EFV	0	0	0	15	36	48	51
LW155	34	47	0	0	0	0	0
LAV-P	0	0	113	22	54	73	78
HIMARS	6	0	0	0	0	0	0

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Also refer to Appendix B for more information:	Table
Procurement, Marine Corps	B–14
Procurement of Ammunition, Navy and Marine Corps	B–15
Research, Development, Test and Evaluation, Navy	B–16

RESEARCH AND DEVELOPMENT SUPPORT

Processes for Innovation

FY 2008 Research and Development funding continues to support Sea Trial. Sea Trial is the Department's process for integration of emergent concepts and technologies, leading to continuous improvements in warfighting effectiveness and a sustained commitment to innovation Sea Trial, led by the Naval Warfare Development Center, continuously surveys the changing frontier of technology and identifies candidates with the greatest potential to provide dramatic increases in warfighting capability. The resulting process aligns emergent technologies to deliver next-generation equipment.

Following the warfighters' lead, supporting centers for concept development propose innovative operational concepts to address emergent conditions. A primary goal of Sea Trial is to more fully integrate the technological and conceptual centers of excellence in the Systems Commands and elsewhere, along with testing and evaluation centers, so that their combined efforts result in significant advancements in deployed combat capability. Working closely with the Fleet, technology development centers, Systems Commands, warfare centers, and academic resources, NWDC will continue to align wargaming, experimentation, and exercise events so that they optimally support the development of transformational concepts and technologies.

The FY 2008 budget continues to support Marine Corps Warfighting Laboratory operational improvement efforts, investigating new and potentially valuable technologies, and evaluating their impact on how the Marine Corps organizes, equips, and trains to fight in the future. This includes improvements to:

- Command post systems
- Command and control shared data environments
- Landing force technologies
- Defeat of improvised explosive devices
- Assault vehicles.

In addition, the budget continues to finance non-lethal weapons research and development, a program for which the Marine Corps serves as the executive agent.

Science and Technology

The FY 2008 budget requests $1.7 billion for a Science & Technology (S&T) portfolio, which will maintain the program at the requested FY 2007 level. The S&T budget focuses on three areas or capabilities: Future Naval Capabilities, Innovative Naval Prototypes and Discovery and Invention (Basic and Applied Science). S&T programs emphasize integrating basic research with applied science and technology, promoting the effective and expeditious transition of discovery and invention into real-world applications. Moreover, "transition" has become of utmost importance, as the success of S&T is not measured simply by the basic science it supports, but also by the active and successful transition of that science to supporting America's Sailors and Marines in the field. Discovery and invention as well as exploitation and deployment of advanced technologies for the nation's Naval warfighters are supported in the Science and Technology budget.

The S&T budget – in particular the technology development budget activity – remains organized by Future Naval Capabilities (FNC). The FNC program represents the requirements driven, delivery oriented portion of the Navy's S&T investment. FNC Enabling Capabilities (ECs) draw upon technologies that can be developed, matured and delivered to acquisition programs within a 3 to 5 year period. FNC technologies are linked to acquisition programs through Technology Transition Agreements, which are managed by Integrated Product Teams (IPTs). FNC IPTs are specifically chartered to ensure FNC technologies are engineered and integrated into acquisition systems scheduled for delivery to the Fleet/Force. FNC investments are competitively selected to focus on the Navy's highest priority S&T requirements and are fully integrated with Navy and Marine warfighting requirements and budget-development processes.

The FY 2008 budget request continues funding for:

- Electro-magnetic railgun prototype
- New concepts for persistent, netted, littoral anti-submarine warfare
- Sea-basing technologies
- Naval tactical utilization of space

Innovative Naval prototypes represent revolutionary "game changers" for future naval warfare.

Finally, S&T funding continues to improve the Department's ability to detect, defeat and destroy the Improvised Explosive Device (IED) threat at range and speed. Long-term basic and applied research addresses the foundations of current and future IED threats. Sensor, chemistry, physics, material, and electronic warfare

expertise are integrated in research to counter each step in the enemy's engagement sequence. Most importantly, this long-term initiative explores fundamental scientific phenomena, creating a community of scholars across the human behavioral and social sciences with physical science and technology, to render IEDs ineffective or unviable weapons of choice.

Management and Support

Research, Development, Test, and Evaluation Management Support funds:

- Research and development installations
- Efforts required for general research and development use
- Operation of the Navy's test range sites and facilities
- Dedicated research and development aircraft and ship operations
- Target and threat simulator development efforts

Sixty-seven percent of Management and Support funding, or about $535 million in FY 2008, supports the Major Range and Test Facilities Base, necessary to conduct independent test and evaluation assessments for all Navy ship, submarine, aircraft, weapons, combat systems, and other development, acquisition, and operational system improvements.

The remaining categories of research are platform-related and have been discussed as applicable in the previous sections. Figure 14 provides Research, Development, Test and Evaluation, Navy summary data at the budget activity level and highlights major systems efforts.

*Figure 14 – DON Major RDT&E Programs**

Dollars in Millions	FY 2006	FY 2007	FY 2008
C4I	$1,026	$1,793	$1,824
Joint Strike Fighter	$2,187	$2,164	$1,707
MMA	$927	$1,127	$880
JTRS	$162	$795	$854
Advanced Hawkeye	$598	$496	$809
DDG-1000	$1,052	$808	$503
CH-53K	$252	$350	$417
Expeditionary Fighting Vehicle (EFV)	$244	$342	$288
EA-18G	$380	$372	$273
VH-71	$898	$630	$271
CVN-21	$301	$308	$232
Virginia Class SSN	$169	$201	$224
Littoral Combat Ship (LCS)	$584	$329	$218
Unmanned Aerial Vehicle (UAV)	$115	$145	$167
Unmanned Combat Aerial Vehicle (UCAV)	-	$100	$162
V-22	$192	$267	$118
MPF Family	$58	$86	$68

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

Also refer to Appendix B for more information:	Table
Research, Development, Test and Evaluation, Navy	B–16
National Defense Sealift Fund	B–17

SECTION IV – SUSTAINING COMBAT READINESS

As the United States continues to wage the Global War on Terrorism (GWOT), the Navy and Marine Corps team must implement a strategy that balances the enduring requirements for traditional naval capabilities with those needed to squarely confront and influence the highly dynamic security environment of the 21st Century. From the establishment of stability and security in Afghanistan, Iraq, and elsewhere throughout the world, to humanitarian relief efforts, the Navy and Marine Corps team has demonstrated its readiness to mobilize for any task and answer any challenge.

READINESS

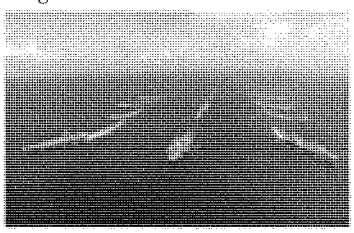
Operational readiness is the catalyst that brings Naval power to bear whenever it is needed. Our budget supports requirements for our carrier strike groups (CSGs), expeditionary strike groups (ESGs), and Marine Expeditionary Forces to execute the National Military Strategy and respond to persistent or emerging threats.

The security environment today has also created new demands for Navy forces. This demand includes response to the GWOT, support for security, stabilization, transition and reconstruction operations, and support for homeland security. To meet this demand, the Navy has undertaken several initiatives. As an example, we have identified the requirements for an improved expeditionary capability to more effectively meet changing global challenges. The Navy Expeditionary Combat Command (NECC) was established to fill the seams between the application of traditional combat power and the more flexible roles required of the Navy today. The adaptive force packaging associated with NECC will ensure the right resources are applied in a variety of environments in support of Navy, Joint and Combined Arms operations.

Seabee skill sets are in great demand both now and into the foreseeable future. In this budget, the Naval Construction Force was realigned by adding a new active Construction Regiment and a Naval Mobile Construction Battalion. These units in conjunction with our Reserve Component will provide the Total Force solution to meet the increased demand signals for Seabee Forces in support of GWOT, COCOM Theater Engagement Plans, humanitarian, and disaster response/recovery operations.

Mojave Viper is the Marine Corps' premier pre-deployment training, designed to enhance the realism of training in order to improve unit and individual Marine efficiency and mission. Mojave Viper, located aboard the Marine Air-Ground Task Force Training Command in 29 Palms, California, is essential to the Corps' training transformation to counter the irregular threat. This training prepares Marines for the challenges they will face during their deployment, including instruction in Combined Arms Training, Urban Warfare Training, Unit Specific Training, and strategies to counter combat stress and enhance the readiness of Marines leaving for the field. The Mojave Viper program also includes the Foreign Military Advisor Training Program, designed to prepare Marines who will serve as military advisors to foreign units. The FY 2008 budget request funds Mojave Viper, supporting both Strategic Planning Guidance (SPG) and CONPLAN 7500.

Our focus continues to be providing ready Navy forces, from individual units to strike groups, that are forward deployed and capable of providing a substantial surge force. The readiness for this capability is enabled by the Fleet Response Plan (FRP) which supports the National Military Strategy. The FRP provides adaptable, flexible and sustainable Naval forces necessary not only to fight the Global War on Terror, but also to support the needs of the combatant commanders to maintain a global forward presence or provide for any other evolving national defense requirements. The budget request includes resources in the operating accounts to maintain readiness to allow the Navy to surge up to six CSGs within 30 days and one additional CSG within 90 days for tasking in a national emergency ("6+1").



Our top readiness priority is ensuring that forces are fully trained and ready to deploy and are fully supported while deployed. The budget reflects the best balance of resources to achieve this priority. The Navy will closely manage the readiness accounts to ensure the Navy can fulfill all existing war-fighting requirements.

The shift of operational costs for the Norfolk and Portsmouth Naval Shipyards from Navy Working Capital Fund (NWCF) to Mission Funding (MF) has been accomplished. A vital component of the Navy's Regional Maintenance Plan which integrates depot and intermediate level maintenance facilities in a geographical region under one command, mission funding Naval Shipyards will increase Shipyard operational flexibility and responsiveness to address variations in workload demands. Under mission funding, Navy can move resources between

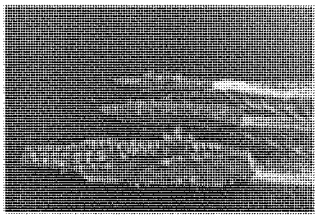
projects within a shipyard as well as between shipyard facilities, achieving greater efficiencies and faster response time to support our 6+1 Fleet Readiness Plan. This flexibility can help smooth out the shipyard peaks and valleys in its ship maintenance workload, such as responding to unscheduled availabilities quickly and efficiently by sharing workers among shipyards and intermediate facilities.

The role of the Navy and Marine Corps on the world stage is evident throughout the budget. From contributions to multilateral operations under United Nations/NATO auspices to cooperative agreements with allied Navies, international engagement efforts cross the entire spectrum of the Department's missions and activities. Our Naval capabilities are often demonstrated through participation with allies and other foreign countries, through joint and combined exercises, port visits, and exchange programs. As an example, this summer seven Pacific Rim nations, including Australia, Canada, Chile, Peru, Japan and the Republic of Korea, along with the United Kingdom, participated in Rim of the Pacific (RIMPAC) 2006, a major maritime exercise conducted in the waters off Hawaii.

SHIP OPERATIONS

Battle Force Ships

The budget provides for a deployable battle force of 286 ships in FY 2008 as shown in Figure 15. This level will support 11 aircraft carriers and 32 amphibious ships as the base on which our carrier and expeditionary strike groups form for deployment. The Navy continues to meet global challenges as significant changes occur with nuclear and conventional aircraft carriers. The USS *George Washington* is scheduled to relocate to Japan in FY 2008 and replace the USS *Kitty Hawk*, scheduled to be decommissioned in FY 2008. The PCU *George HW Bush* will be commissioned in the fall of 2008. During this transition period the Deparment of the Navy will maintain readiness levels as prescribed in the surge capabilities of the Fleet Response Plan (6+1).



In FY 2008, eleven battle force ships will be commissioned: three Guided Missile Destroyers (DDG), three Littoral Combat Ships (LCS), one Nuclear Attack Submarine (SSN), one Amphibious Assault Ship (LHD), one Amphibious Transport

Dock Ship (LPD), and two Dry-Cargo Ammunition Ships (T-AKE). Four battle force ships will be decommissioned: one Nuclear Attack Submarine (SSN), one Amphibious Transport Dock Ship (LPD), and two Auxiliary Fleet Support Ships (T-AFS).

Figure 15 – DON Battle Force Ships

	FY 2006	FY 2007	FY 2008
Aircraft Carriers	12	11	11
Fleet Ballistic Missile Submarines	14	14	14
Guided Missile (SSGN) Submarines	4	4	4
Surface Combatants	101	105	111
Nuclear Attack Submarines	54	52	52
Amphibious Warfare Ships	33	31	32
Combat Logistics Ships	30	31	31
Mine Warfare Ships	16	14	14
Support Ships	16	17	17
Battle Force Ships	**280**	**279**	**286**

Active Forces

The Department is determined to ensure the full readiness of the carrier strike groups (CSGs) and expeditionary strike groups (ESGs) that have been instrumental in the prosecution of the Global War on Terrorism. For FY 2008, deployed ship operations are budgeted to maintain highly ready forces, prepared to operate jointly to perform the full-spectrum of military activities, and to meet forward deployed commitments in support of the National Military Strategy. The FY 2008 budget request supports the Fleet Response Plan (FRP), enabling ships to surge and reconstitute rapidly. The Department is now ready to provide six CSGs within the first 30 days of a potential conflict and one additional carrier group within the next 90 days. The Department of the Navy will support these goals and respond to global challenges while budgeting for peace time offsets and planning for 45 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 22 underway days per quarter for non-

deployed forces as required. The FY 2007 President's Budget request funded steaming days for deployed forces at 36 days per quarter, which assumed unacceptable risks to readiness. To mitigate these risks the FY 2008 budget increases steaming days for deployed forces to 45 days per quarter. The deployed steaming days goal remains at 51 days per quarter, which meets the peacetime requirements of Combatant Commanders. The FY 2008 GWOT request contains funding for deployed forces to meet this goal.

The budget reduces non-deployed steaming days from 24 in FY 2007 to 22 in FY 2008 in anticipation of improved training methods and an increased reliance on simulation exercises. Non-deployed OPTEMPO provides primarily for the training of Fleet units when not deployed, including participation in individual unit training exercises, multi-unit exercises, joint exercises, sustainment training, and various other training exercises. The extension of the training period under FRP allows for a reduction in non-deployed OPTEMPO while maintaining a combat ready and rapidly deployable force.

Reserve Forces

The Navy Reserve will complete the transfer of Mine Countermeasure (MCM) forces to the active component in FY 2009. This transfer supports the forward deployment of MCM ships as part of the Fleet Response Plan (FRP). Nine Navy Reserve Frigates (FFGs) remain in the Battle Force to support fleet operations and exercises under the operational control of Commander, Fleet Forces Command.

Figure 16 – Significant Navy Reserve Force Factors

	FY 2006	FY 2007	FY 2008
Surface Combatants	9	9	9
Mine Warfare	5	4	2
Reserve Battle Force Ships*	**14**	**13**	**11**
Steaming Days Per Quarter			
Surface Combatants	18	18	18
Mine Warfare	18	18	18

* *Also included in Figure 15*

Mobilization

Providing rapid response to contingencies is an ever increasing need. The Navy's Mobilization forces, displayed in Figure 17, are resourced to provide this needed capability throughout the world. The preposition ship squadrons are forward deployed in key ocean areas to provide the initial military equipment and supplies for a contingency. The prepositioned response is followed by the surge ships, which are maintained in a Reduced Operating Status (ROS) from four to thirty days. The number of days indicates the time from ship activation until the ship is available for tasking. Only ROS-4 and ROS-5 ships are considered in the surge capacity in Figure 17.

Figure 17 – Strategic Sealift

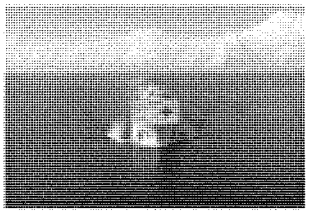
	FY 2006	FY 2007	FY 2008
Prepositioning Ships:			
Maritime Prepo Ships (O&M,N)	16	16	16
USPACOM Ammo Prepo (O&M,N)	1	1	1
Army Prepo Ships (O&M,A)	10	10	6
Air Force Prepo Ships (O&M,AF)	4	4	4
DLA Prepo Ships (DWCF)	2	1	1
Surge Ships:			
Aviation Logistics Support (NDSF)	2	2	2
Hospital Ships (NDSF)	2	2	2
Fast Sealift Ships (NDSF)	8	8	8
Ready Reserve Force Ships (NDSF)	48	44	44
Large Medium-Speed RORO Ships (NDSF)	11	11	11
Prepositioning Capacity (millions of square feet)	5.7	5.7	4.0
Surge Capacity (millions of square feet)	9.0	9.0	9.0
Total Sealift Capacity (millions of square feet)	14.7	14.7	13.0

Each of three Maritime Prepositioning Ships (MPS) squadrons supports a Marine Expeditionary Brigade for 30 days. Operating costs of prepositioning ships and exercise costs for surge ships are reimbursed to the National Defense Sealift Fund (NDSF) by the operations account of the requiring Defense component, as noted parenthetically in Figure 17. The biennial exercise costs of the hospital ships and aviation maintenance ships are reimbursed out of the DON operation and maintenance appropriations, which also fund the daily operating costs of the Maritime Prepositioning Ships (MPS).

The Army no longer has a requirement for four of the ten Prepositioned Large Medium Speed RO/RO (LMSR) ships. Starting in FY 2008 these ships will be returned to Navy to be maintained in a reduced operating status (ROS) and resourced in the National Defense Sealift Fund. The status change of the four LMSR ships reduces prepositioned capacity by 1.7 million square feet. These ships are not counted towards the surge capacity due to their 30-day ROS. The Army LMSR ships will remain in a ROS status to support future contingencies.

The Defense Logistics Agency (DLA) prepositioning ships are Offshore Petroleum Distribution System (OPDS) ships. DLA is moving away from having organic ships dedicated to this requirement and is substituting a contracted system. DLA used to have four ships for the OPDS requirement: 2 in prepositioning for DLA, one in ROS-5 and one in RRF-10 (both at MARAD).

The eight Fast Sealift Ships (FSS) and eleven Navy LMSRs are maintained in a four-day ROS and provide the initial surge sealift capacity required to transport combat forces from CONUS to an area of operations to satisfy warfighting requirements.



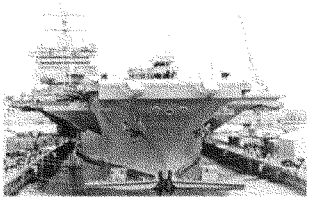
Two hospital ships, the USNS *Mercy* and the USNS *Comfort*, are maintained in a five-day ROS and provide the initial surge hospital capability to support warfighting, humanitarian efforts, and Operations Other Than War. Readiness training for each of the two naval hospital ships occurs alternately every two years. In FY 2007, the USNS *Mercy* will be activated for a 25-day mission biennial fleet exercise to test its mobilization readiness. As a part of its Global War on Terrorism strategy, the Navy deployed the USNS *Mercy* hospital ship to Southwest Asia during FY 2006. This deployment was a joint civil-military operation to provide valuable humanitarian assistance (direct medical services and preventive medical care) to medically under served communities throughout the region. A humanitarian mission for the USNS *Comfort* is also planned in FY 2007.

The Ready Reserve Force (RRF) budget is based upon the conclusions of the 2005 Mobility Capabilities Study (MCS) and subsequent requirements review and determination by Navy and USTRANSCOM. The study and review indicated required readiness levels for the RRF ships. The funding level meets required readiness and allows the ships to activate in time to deliver cargo to a given area of operations and satisfy Combatant Commanders' critical warfighting requirements. Further joint review by Navy and USTRANSCOM indicated that 11 lower priority

ships could be downgraded to the National Defense Reserve Fleet (NDRF) by the end of FY 2006. An additional six ships were determined to be downgraded to the NDRF across FY 2008 through FY 2010. These reductions increase risk starting in FY 2007 by creating a 300,000 sq ft RO/RO and 90,000 barrel petroleum capacity shortfall. This follow-on ship capacity risk does not change the surge capacity in Figure 17. The risk is addressed with a cost saving approach to initiate a shipping contingency contract to qualified ship operating companies. The companies will provide the RO/RO capacity shortfall upon demand with set readiness requirements. A similar contingency contract program to be administered by Military Sealift Command (MSC), will provide the required tanker capacity to replace the three RRF T-1 tankers currently sited in Japan.

Ship Maintenance

The Department's FY 2008 ship maintenance budget reflects all four of its public shipyards as mission funded in Operation and Maintenance. This initiative is effectively supporting the Fleet Response Plan by allowing Fleet Commanders, rather than fleet support activities, to control maintenance priorities. Specifically, the fleets are better serving the warfighter by allocating work quickly and efficiently to ships that are required to surge by focusing all available resources. Additionally, mission funding will maintain cost visibility and performance accountability and provide a consistent financial system across all ship maintenance activities, leading to improved efficiency and cost consciousness. The Department's active ship maintenance budget supports 96 percent of the notional O&M maintenance projection in FY 2008 as displayed in Figure 18. In these years 100 percent of the projected work on refueling overhauls is funded.



The following concepts outline the strategy to support both current and future readiness:

- *SHIPMAIN* - a "best business" practice that is changing the culture of getting ship repair work completed in a one-step process. Through new procedures, SHIPMAIN implements a refined process that eliminates time lags, prioritizes ship jobs, and empowers surface-ship Sailors in the maintenance decisions that involve their own ships.

- *One Shipyard for the Nation* - an approach to best utilize the Nation's public and private nuclear shipyards and contractor support. It capitalizes on the ability to mobilize fleet support infrastructure across the board, and to rise to meet fleet demands in a time of war.

- *Regional Waterfront Maintenance Integration* - continued consolidation of depot and intermediate ship maintenance facilities forming Regional Maintenance Centers. Consolidating waterfront infrastructure eliminates redundancy in mission and administration while establishing a single pierside maintenance activity to support Sailors and their ships.

- *Multi-Ship/Multi-Option Contracts* - allows the executing agency to better plan work and take advantage of best repair capabilities. They will provide long-term vendor relationships throughout a ship's training, deployment, maintenance, and modernization cycles in order to reduce costs through the benefits of advanced planning.

The Nation's ship repair base, which includes public and private shipyards, has the capacity to execute the FY 2007 and FY 2008 ship maintenance as well as deferred maintenance amounts reflected in Figure 18. Annual deferred maintenance is work that was not performed when it should have been due to fiscal constraints. This includes items that were not scheduled or not included in an original work package due to fiscal constraints, but excludes items that arose after a ship's last maintenance period. As the execution year progresses, the workload can fluctuate, impacted by factors such as growth in scope and new work on maintenance availabilities, changes in private shipyard cost and shipyard capacity. While some amount of prior years' deferred maintenance may be executable in following years (depending on deployment schedules and shipyard capacity), the numbers in Figure 18 reflect only those individual years' deferred maintenance, not a cumulative amount and do not reflect the availability of supplemental funding.

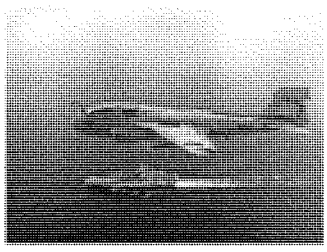
Figure 18 – DON Ship Maintenance

(Dollars in Millions)	FY 2006	FY 2007	FY 2008
Active Forces			
Ship Maintenance	4,276	3,826	4,416
Depot Operations Support	851	928	1,082
Total: Ship Maintenance (O&MN)	**$5,127**	**$4,754**	**$5,498**
Percentage of Projection Funded	100%	96%	96%
Annual Deferred Maintenance	$27	$136	$182
CVN Refueling Overhauls (SCN)	1,320	1,067	297
SSN Refueling Overhauls (SCN)	-	-	-
SSBN Refueling Overhauls (SCN)	288	225	230
Total: Ship Maintenance (SCN)	**$1,608**	**$1,292**	**$527**
% of SCN Estimates Funded	100%	100%	100%
Reserve Forces			
Ship Maintenance	75	68	41
Depot Operations Support	0	1	1
Total: Ship Maintenance (O&MNR)	**$75**	**$69**	**$42**
Percentage of Projection Funded	100%	100%	78%
Annual Deferred Maintenance	$0	$0	$12

Note: Totals may not add due to rounding.

AIR OPERATIONS

Active Tactical Air Forces



The budget provides for the operation, maintenance, and training of ten active Navy carrier air wings (CVWs) and three Marine Corps air wings as displayed in Figure 19. Naval aviation is divided into three primary mission areas: Tactical Air/Anti-Submarine Warfare (TACAIR/ASW), Fleet Air Support (FAS), and Fleet Air Training (FAT). TACAIR squadrons conduct strike operations, provide flexibility in

dealing with a wide range of threats identified in the National Military Strategy, and provide long range and local protection against airborne and surface threats. ASW squadrons locate, destroy, and provide force protection against sub-surface threats, and conduct maritime surveillance operations. FAS squadrons provide vital fleet logistics and intelligence support. In FAT, the Fleet Replacement Squadrons (FRS) provide the necessary training to allow pilots to become proficient with their specific type of aircraft and transition to fleet operations.

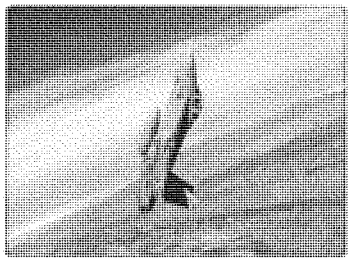
Reserve Air Forces

Reserve aviation forces will continue to provide vital support to the active force in FY 2008. The reserves provide the Department's adversary and overseas logistics requirements and perform a significant portion of the electronic warfare, special operations support, and counter-narcotics missions. The Navy Reserve also provides support to the active force through participation in various exercises and mine warfare missions.

Figure 19 – DON Aircraft Force Structure

	FY 2006	FY 2007	FY 2008
Active Forces	**21**	**21**	**21**
Navy Carrier Air Wings	10	10	10
Marine Air Wings	3	3	3
Patrol Wings	4	4	4
Helicopter Anti-Submarine Light Wings	2	2	2
Helicopter Combat Support Wings	2	2	2
Reserve Forces	**5**	**4**	**4**
Navy Carrier Air Wing/Tactical Support Air Wing	1	1	1
Patrol Wing	1	-	-
Helicopter Wing	1	1	1
Logistics Support Wing	1	1	1
Marine Air Wing	1	1	1
Primary Authorized Aircraft (PAA) - Active	**2,330**	**2,275**	**2,274**
Navy	1,336	1,292	1,301
Marine Corps	994	983	973
Primary Authorized Aircraft (PAA) - Reserve	**370**	**361**	**328**
Navy	199	193	180
Marine Corps	171	168	148
Total Aircraft Inventory (TAI)	**2,886**	**2,800**	**2,844**
Active	2,516	2,439	2,516
Reserve	370	361	328

Aircraft OPTEMPO



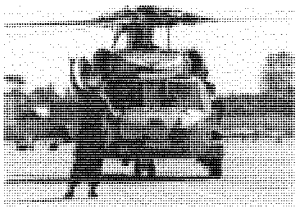
As discussed in previous sections, the Department utilizes the Fleet Response Plan (FRP). The FRP will allow for a varying T-2.5 readiness level across the notional Inter-Deployment Readiness Cycle (T-1.7 while deployed, T-2.0 pre-deployment, T-2.2 post-deployment, and T-3.3 during the maintenance/training phase). The FY 2008 budget supports an average rating of T-2.5, and

will achieve a "6+1" surge readiness level. As in FY 2007, it is anticipated that operational requirements will continue to exceed peacetime levels in FY 2008.

The flying hour program has been priced using the most recent cost per hour experience, including higher costs for fuel and aviation consumables. The Department is experiencing lower costs in Aviation Depot Level Repairables through BRAC consolidation efforts known as the Fleet Readiness Center Initiative.

FRS operations are budgeted at 94 percent in FY 2008, achieving the goal of student level training requirements and enabling pilots to complete the training syllabus. Student levels are established by TACAIR/ASW force level requirements, aircrew personnel rotation rates, and student output from the undergraduate pilot/naval flight officer training program. Figure 20 displays flying hour readiness indicators. In FY 2008 FAS is funded to provide sufficient hours to meet 98 percent of the total notional hours required.

Navy Reserve aviation will play an effective and vital role within the Naval Air Force during FY 2008. In addition to providing 100 percent of the Department's intra-theater logistics airlift support and 80 percent of its adversary operations, reserve aircrews and maintenance personnel train Naval Aviators, conduct in-theater counter-narcotics operations, and deploy overseas to conduct Electronic Warfare, Special Operations Support, Maritime Patrol and Mine Warfare missions in direct support of the Global War on Terror.

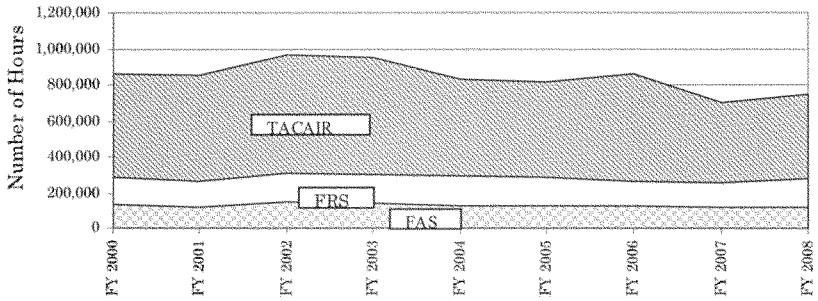


The Navy Reserve operates alongside the active component in Carrier Air Wing workups and exercises around the globe. The Navy Reserve is budgeted at 95 percent of the notional hours in FY 2008, as shown in Figure 20. The level of funding provided is sufficient to allow Navy Reserve aircrews to meet minimum flight time requirements and maintain readiness in all mission areas. Figure 21 displays historical flying hours.

Figure 20 – DON Flying Hour Program

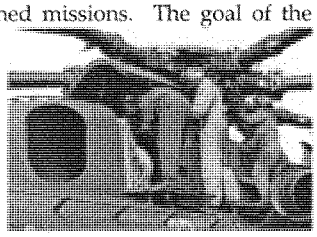
	FY 2006	FY 2007	FY 2008	GOAL
Active				
TACAIR- Navy	*T-2.3*	*T-2.7*	*T-2.5*	T-2.5
TACAIR – Marine Corps	*T-2.0*	*T-2.0*	*T-2.0*	*T-2.0*
Fleet Replacement Squadrons (%)	*83%*	*85%*	*94%*	94%
Fleet Air Support (%)	94%	97%	98%	98%
Monthly Flying Hours per Crew (USN & USMC)	23	17.5	18.7	18.8
Reserve				
Reserve - Navy	*T-2.4*	*T-2.8*	*T-2.6*	T-2.6
Reserve – Marine Corps	*T-2.4*	*T-2.6*	*T.2.6*	*T-2.6*
Reserve Squadrons (%)	*73%*	*86%*	*95%*	*98%*
Monthly Flying Hours per Crew (USNR & USMCR)	13.2	11.8	12.9	12.9

Figure 21 – Historical Flying Hour Trends



Aircraft Depot Maintenance

The active and reserve aircraft depot maintenance programs fund repairs, conversions and overhauls, within available capacity, to ensure that a sufficient quantity of aircraft are available to operational units. The readiness-based model determines airframe and engine maintenance requirements based on squadron inventory authorization necessary to execute assigned missions. The goal of the airframe rework program is to provide enough airframes to meet 100% of Primary Authorized Aircraft (PAA) for deployed squadrons and 90% PAA for non-deployed squadrons. The engine rework program objective is to obtain zero bare firewalls and fill 90% of authorized spare requirements for each engine type/model/series by returning engines/modules to a Ready-for-Issue (RFI) status. Other depot maintenance includes the repair of aeronautical components for aircraft systems and equipment under direct contractor logistics support.



The FY 2008 budget provides optimized capability within fiscal constraints. Deployed squadrons have 100% of their PAA to meet requirements prior to and during deployment, and engines meet the zero bare firewall goal in FY 2008, aided by engineering improvements to increase time on wing. Non-deployed squadrons and engine sparing goals assume minimal risk. Figure 22 displays the funding and readiness indicators for aircraft Depot maintenance.

The AIRSpeed aviation strategy continues to focus on reducing the cost of business, increasing productivity, and improving customer satisfaction in order to support ready-for-tasking aircraft in a cost-wise readiness manner. For example, the F/A-18 A-D engine maintenance program has adapted to its fewer flying hours by decreasing the number of sites from nine intermediate maintenance sites to only three, which has allowed better oversight and management, less variance in repair quality, more time on wing, and reduced manpower and footprint.

Figure 22 - DON Aircraft Depot Maintenance

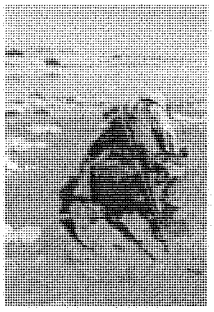
(Dollars in Millions)	FY 2006	*% at Goal*	FY 2007	*% at Goal*	FY 2008	*% at Goal*
Active Forces						
Airframes	660		516		583	
Engines	313		294		334	
Other Components	96		85		101	
Total: Active Aircraft Depot Maintenance	**$1,069**		**$895**		**$1,018**	
Airframes - Active Forces						
Deployed Squadrons meeting goal of 100% PAA	145	*100%*	143	*100%*	141	*100%*
Non-Deployed Squadrons meeting goal of 90% PAA	146	*100%*	128	*88%*	117	*79%*
Engines - Active Forces						
Engine TMS meeting Zero Bare Firewall goal	36	*97%*	36	*97%*	36	*100%*
Engines TMS meeting RFI Spares goal of 90%	56	*77%*	56	*77%*	61	*85%*
Reserve Forces						
Airframes	111		95		85	
Engines	40		36		36	
Total: Reserve Aircraft Depot Maintenance	**$151**		**$131**		**$121**	
Airframes - Reserve Forces						
Non-Deployed Squadrons meeting goal of 90% PAA	69	*100%*	51	*84%*	42	*74%*
Engines - Reserve Forces						
Engine TMS meeting Zero Bare Firewall goal	21	*100%*	21	*100%*	20	*100%*
Engine TMS meeting RFI spares goal of 90%	36	*86%*	36	*86%*	36	*88%*

Note: Totals may not add due to rounding.

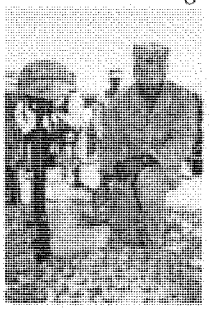
MARINE CORPS OPERATIONS

Active Operations

In the FY 2008 budget, the United States is responding to a wide range of challenges across the globe, including fighting the Global War on Terrorism, rebuilding Iraq into a peaceful, productive member of the world community, and preventing the spread of weapons of mass destruction. In this era, the Nation needs forces that are highly mobile, flexible, and adaptable. These characteristics define the Marine Corps, and they must continue to do so in the future.



The President has approved an increase in end strength to 202,000 over the next five years to posture the Marine Corps for the long war and relieve deployment strain resulting from GWOT operations. Personnel policies, organizational constructs, infrastructure, equipping/resetting the force and training support must all be adjusted to sustain this end strength increase. The FY 2008 budget enhances the Marine Corps mobility, flexibility, and adaptability with an increase in the number and type of joint and multinational exercises as well as irregular warfare training. The increase in the number and types of joint and multinational training will augment the Marine Corps current capability to coordinate with all United States military forces as well as function with multinational forces to address future threats. Additionally, the Marine Corps took major steps towards establishing irregular warfare training within its baseline funding in accordance with SPG guidance. Irregular warfare training efforts include the exercise Mojave Viper, the Center for Advanced Operational Cultural Learning (CAOCL), Security Cooperation Education and Training Center (SCETC) Advisor Training, as well as Training Transformation efforts. Together these new training initiatives will ensure Marine forces receive proper operational familiarization prior to deploying into future combat operations. These additional training efforts provide the agility necessary to allow the training continuum to keep pace with the dynamic nature of irregular warfare.



The FY 2008 budget continues to support the Marine Corps Special Operations Command (MARSOC) which was established in FY 2006. The MARSOC is the Marine Corps Component to the Commander, United States Special Operations Command (USSOCOM), a Unified Combatant Commander. The MARSOC will perform the Title X functions of manning, organizing, training, and equipping Marine Special Operations Forces (MARSOF) to accomplish its mission. The MARSOC headquarters will be responsible for identifying Marine Special Operations-peculiar requirements; to develop Marine SOF tactics, techniques, procedures, and doctrine; and to execute assigned missions in accordance with designated conditions and standards. The MARSOC will perform missions in challenging environments to the exacting conditions and demanding standards determined by USSOCOM. It will provide foreign military training, Special Reconnaissance (SR), Direct Action (DA), and Foreign Internal Defense (FID) capabilities. MARSOC will reach Full Operational Capability by 2010 with a projected end-strength of 2,600 personnel.

The operation and maintenance budget supports the Marine Corps operating forces, comprised of three active Marine Expeditionary Forces (MEFs). Each MEF consists of a command element, one infantry division, one air wing, and one mobile logistics group. This budget provides for training and equipment maintenance so that Marine Corps Force Commanders can provide combat ready forces to the Combatant Commanders. The Marine Corps is establishing two additional Infantry Battalions. MEFs provide a highly trained, versatile expeditionary force capable of rapid response to global contingencies. The inherent flexibility of the MEF organization, combined with Maritime Prepositioning Force (MPF) assets, allows for the rapid deployment of appropriately sized and equipped forces. These forces possess the firepower and mobility needed to achieve success across the full operational spectrum in either joint or independent operations. Embedded within each MEF is the capability to source a Marine Expeditionary Brigade (MEB).

Figure 23 – DON Marine Corps Land Forces

	FY 2006	FY 2007	FY 2008
Number of Marine Expeditionary Forces	3	3	3
Number of Marine Expeditionary Brigades	3	3	3
Number of Active Battalions	49	51	51
Number of Reserve Battalions	20	20	20

Reserve Operations

This budget supports a Marine Reserve Force that includes the Fourth Marine Division, the Fourth Marine Aircraft Wing, the Fourth Force Service Support Group, and the Mobilization Command created by the merger of the Marine Corps Support Activity and the Marine Corps Reserve Support Command. The Department's FY 2008 budget ensures that the readiness of the reserve force will be maintained by providing increased funding for training, base support, and the operation and maintenance of equipment.

Ground Equipment Depot Maintenance

Repair/rebuild is accomplished on a scheduled basis to maintain the readiness of the equipment inventory necessary to support operational needs. Items programmed for repair are screened to ensure that a valid stock requirement exists and that the repair or rebuild of the equipment is the most cost effective means of satisfying the

requirement. This program is closely coordinated with the efforts funded in the Procurement, Marine Corps appropriation to ensure that the combined repair/procurement program provides a balanced attainment of inventory objectives for major equipment. Thus, the specified items to be rebuilt, both principal end items and components, are determined by a process which utilizes cost-benefit considerations as a prime factor. The rebuild costs for each item are updated annually on the basis of current applicable cost factors at the performing activities.

Figure 24 –Marine Corps Ground Equipment Depot Maintenance

(Dollars in Millions)	FY 2006		FY 2007		FY 2008	
	$	% of Rqmt	$	*% of Rqmt*	$	*% of Rqmt*
Active Forces						
Combat Vehicles	243.7	*78%*	47.3	*21%*	55.8	*19%*
Tactical Missiles	8.6	*36%*	0.0	*0%*	0.1	*4%*
Ordnance	17.6	*76%*	0.3	*2%*	1.9	*9%*
Electrical Communication	26.9	*87%*	5.9	*26%*	3.2	*14%*
Engineering	36.0	*76%*	2.3	*13%*	2.1	*10%*
Automotive Equipment	39.3	*51%*	32.1	*45%*	8.1	*5%*
Total Active Forces	**372.1**	*72%*	**87.9**	*25%*	**71.2**	*14%*
Reserve Forces						
Combat Vehicles	11.5	*78%*	10.1	*52%*	9.0	*43%*
Ordnance	0.3	*16%*	-	*-%*	0.7	*46%*
Electrical Communication	-	*-%*	0.0	*2%*	0.0	*13%*
Engineering	0.4	*12%*	1.7	*40%*	0.3	*15%*
Automotive Equipment	1.5	*65%*	1.9	*74%*	0.7	*43%*
Total Reserve Forces	**$13.7**	*58%*	**$13.7**	*44%*	**$10.8**	*40%*
Total Active & Reserve Forces	**385.8**		**101.5**		**82.4**	

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SECTION V- DEVELOPING 21ST CENTURY LEADERS

OVERVIEW

The development and retention of quality people are vital to our continued success. America's naval forces are combat-ready largely due to the dedication and motivation of individual Sailors, Marines, and civilians. The Department is committed to taking care of our Total Force, which includes Sailors, Marines, Civilians and Contractor Support Services by sustaining our quality of service/quality of life programs, including training, compensation, and promotion opportunities, health care, housing, and reasonable operational and personnel tempo. Quality of life and quality of service are key factors in attracting and retaining highly-motivated and qualified personnel. The Department continues to focus on three fronts: recruiting the right people, retaining the right people, and achieving targeted attrition. We continue to dedicate resources to those programs best suited to ensuring the proper combination of grade, skill, and experience in the force – the *right* person for the *right* job at the *right* time and place with the *right* education and the *right* skills.

Military personnel FY 08 budget estimates include a basic pay raise of 3.0 percent. We have funded various bonus programs to ensure success in meeting budgeted strength levels. As a result of increased efficiencies ashore and a reduction in legacy force structure, the Navy continues to budget reduced strength levels in FY 08. All assigned missions can be accomplished with this level as a result of force structure changes, efficiencies gained through technology, altering the workforce mix, and new manning practices. Additionally, work continues on providing core Navy competencies throughout the Total Force. The Marine Corps baseline strength will grow to meet the demands of the Long War while undergoing military to civilian conversions to reassign supporting establishment billets to deployable forces, providing scalable and interoperable forces to ensure continued readiness. Congress has authorized additional strength for the Marine Corps, and the Department will separately fund such requirements in supplemental requests as they continue.

The training of Sailors, Marines, and the civil service workforce is critical to the implementation of transformational initiatives, delivering qualified personnel to the right place at the right time. The Department is transforming naval personnel force by creating modern human resource systems to achieve the objectives of *Sea Power 21* and *the Commandant's Planning Guidance.* Utilizing advanced technologies, the Department is shifting from the traditional schoolhouse classroom approach to the

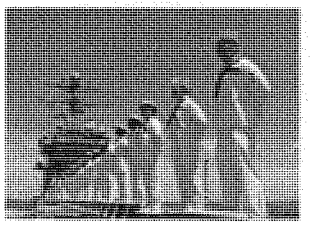
use of simulators, trainers, computer-based interactive curriculums, and other media-based approaches. This initiative provides the Total Force with appropriate training, accommodates the demand in a more efficient manner, and identifies and delivers personnel capable of performing critical tasks to a smaller, more complex Navy.

MILITARY PERSONNEL

Active Navy Personnel

We have invested in recruiting, retaining, and training Navy personnel to create an environment that offers opportunity, promotes personal and professional growth, and provides the kind of workforce needed for the 21st century. With few exceptions, we have achieved the necessary manning status for all deploying strike group units at least six months prior to deployment.

The Navy's mission is to organize, train, maintain, and equip combat-ready naval forces capable of: winning the GWOT and any other conflict; deterring aggression by would-be foes; preserving freedom of the seas; and promoting peace and security. The most important element in carrying out our mission is people. Our



Navy people – military, both active and reserve; civilian, both government civilians and contractors; and our families bring dedication, patriotism, strength, unity of effort and diversity of talent and culture to our Navy. Our people are critical to our success; the Navy Manpower, Personnel, Training and Education (MPT&E) Strategic Plan defines the transformation that Navy will undergo over the next decade to ensure we recruit, develop, manage and deploy the personnel capabilities required by the changing warfighting environment. The strategy will help guide the Navy to develop a capability-driven, competency-focused, diverse Total Workforce that is agile, cost-effective, and responsive to Joint mission requirements in an uncertain future. The competency-focused workforce will align individual knowledge and abilities to demands. Navy will align organizations, strategies, polices and processes, in order to recruit, retain, and motivate people. Navy will set performance expectations against measurable organizational goals in order to maximize contributions from every individual while providing opportunities for growth and work-life balance.

The MPT&E Strategic Plan and subsidiary enterprise and community-level strategic plans will ensure alignment across the Navy enterprise while we meet the challenges outlined in the Quadrennial Defense Review's Managing People chapter, the Department of the Navy's Human Capital Strategy, CNO Guidance for 2006 and 2007, and the Navy's Strategic Plan. The strategic planning that results from alignment of these capstone documents will become a repeatable practice that provides continuity and consistency throughout planning cycles. Personnel readiness improvement is the important outcome of all these efforts.

The MPT&E Strategic Plan begins to move our Navy toward a capability-based and competency-driven workforce that develops and sustains the critical competencies necessary to support our expanding role in the Global War on Terror, Homeland Defense, and stability operations. We must also determine the future force – in terms of capabilities, size, and mix – required to assure our allies and friends, and dissuade, deter and/or defeat our enemies. While we address our skill imbalances we will also focus and improve our efforts in the talent marketplace to achieve a more diverse workforce. We will link and leverage Sea Warrior systems and National Security Personnel System processes to achieve an agile and robust Total Force personnel system that rewards performance and can quickly respond to emerging competency demand signals.

Ultimately, our strategy is about on time delivery of the best value workforce – specifically the right component of the workforce to the right place with the right competencies to support Joint and Navy mission accomplishments.

Recruiting continues to meet the manpower needs of the Navy. Active Navy recruiters continue to meet their monthly shipping and new contract mission goals; however, an improving economy, lower than anticipated unemployment rates, and stiffer competition for specific abilities and skills are making these missions more difficult. Active Navy has met its monthly shipping goals for 60 consecutive months while sustaining the high quality of Sailors being sent to the fleet. Recruit quality in fiscal year 2006 was 95 percent High School Graduates, 70 percent Test Score Category I-IIIA and 13 percent with some college experience. We will increase the number of E-4 to E-9 (Top 6) to 73.3 percent in FY 08 to continue to retain more of our experienced leaders and maintain advancement opportunities.

The Navy has increased accession goals to prepare for the leveling off of Navy's manpower reductions. Beginning to increase the accession mission will prevent dipping below the desired end strength levels and recreating the workforce imbalances of the 1990s. The active enlisted accession mission for FY 07 is 37,000 with an increase to 39,000 in fiscal year 2008. The size of the Delayed Entry Program (DEP) has increased along with the accession mission as a result of Navy's target to begin each fiscal year with 55 percent of the accession mission identified and contracted into the DEP. The DEP is a tool to manage the flow of recruits into boot camp in spite of the seasonality of the recruiting market. An appropriately sized DEP better ensures meeting the overall accession mission and in particular the individual ratings and specialized skills goals such as Navy Special Warfare and Navy Special Operations, which have seen increased requirements due to the Global War on Terror. Navy has reacted to the increased requirements in specialized skills with increased enlistment bonuses, which will attract more recruits to these programs, and by utilizing Naval Special Warfare/Naval Special Operations coordinators and mentors at each recruiting district to ensure that recruits are well prepared for the rigorous physical requirements before they ship to boot camp.

The figures below provide summary data on active Navy personnel strength, recruiting/accessions, reenlistments, attrition, and a review of the trends during the last four budgets.

Figure 25 - Active Navy Personnel Strength

	FY 06	FY 07	FY 08
Officers	51,943	51,269	51,266
Enlisted	293,818	281,918	272,834
Midshipmen	4,436	4,413	4,300
Total: Strength	**350,197**	**337,600**	**328,400**
Enlisted Accessions	36,656	37,000	39,000
Percent High School Graduates	95%	95%	95%
Percent above average Armed Forces Qual Test	70%	70%	70%

Figure 26 – Active Navy Recruiting Productivity

	FY 06	FY 07	FY 08
# of Recruiters	3,665	4,000	4,000
# of Recruits (New Contracts)	35,230	35,825	40,000
# of Recruits per Recruiter	9.6	9.0	10.0
Size of Delayed Entry Program (DEP) (Beginning of FY)	21,491	20,065	18,890
Accession mission	36,656	37,000	39,000
Size of DEP as percent of accessions	58.6%	54.2%	48.4%

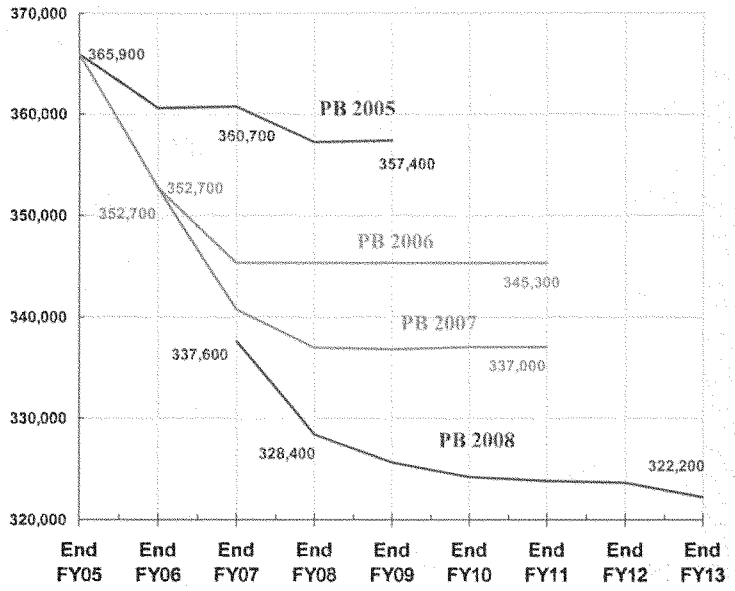
Figure 27 – Navy Enlisted Reenlistment Rates

	FY 06	FY 07	FY 08	Steady State Goal
Zone A (<6 years)	51.4%	50%	50%	53%
Zone B (6 to 10 years)	58.9%	60%	58%	61%
Zone C (10 to 14 years)	82.0%	80%	83%	85%
Note: Strength Plans categorize reenlistments as First Term (Zone A) and Career. Zones B and C rates derived using extrapolated Center for Career Development historical data.				

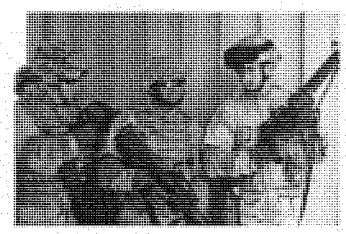
Figure 28 - Navy Enlisted Attrition

	FY 06	FY 07	FY 08
Zone A (<6 years)	8.45%	8.5-9.0%	8.5-9.0%
Zone B (6 to 10 years)	2.67%	2.5-3.0%	2.5-3.0%
Zone C (10 to 14 years)	1.52%	1.5-2.0%	1.5-2.0%

Figure 29 – Active Navy Manpower Trend



Reserve Navy Personnel



The Navy Reserve continues to invest in recruiting, retention, and training while achieving full integration between our Active and Reserve Components. The Navy Reserve Force provides mission-capable units and individuals to the Navy and Marine Corps Team through the full range of operations from peace to war. The FY 08 budget supports Navy Reserve strength levels of 70,500 at the beginning of FY 07 decreasing to 67,800 at the end of FY 08, providing pay and allowances for drilling Navy Reservists and Full Time Support (FTS) personnel.

The Navy Reserve has leveraged National Defense Authorization Act incentives to best distribute Sailors within the total force. Based on the recent success of the New Accession Training (NAT) Program, this budget supports a large increase in the number of Navy Reserve personnel participating in the Navy's full boot camp at Recruit Training Center in Great Lakes, Illinois. After graduation from boot camp and, in most cases, formal 'A' school training within their specialty rating, these Sailors will serve as Seabees, hospital corpsmen, members of aircrews, members of Joint Task Force staffs, civil affairs coordinators, customs inspectors, and general relief workers during disaster recovery operations in the United States and around the world. The Navy Reserve's goal is to become a better aligned force in keeping with Department of Defense and Department of the Navy strategic guidance, while providing fully integrated operational support to the Fleet. Meanwhile, the Navy continues to validate new mission requirements and an associated billet structure for its Reserve Force to meet the capability requirements of the future. The ongoing process of Active-Reserve Integration will, for example, lead to the deactivation of Patrol Squadron 92, the divestiture of six Inshore Boat Units, while realigning the associated manpower to other mission requirements, and the reorganization of the 1ST Naval Construction Division. Additionally, the number of personnel available for Surge Maintenance will increase and this new capability will improve the Navy's response time to periodic surges in demand for shipyard maintenance personnel.

A "Sailor for Life" Continuum of Service

The Chief of Navy Personnel has articulated his Total Force Paradigm as "Active Component (AC) Retention or Reserve Affiliation." This comment aligns well with the Continuum of Service, which is an essential element of providing a dynamic and capable work force. Continuum of Service is the paradigm by which a Sailor may serve and Reserve over the course of a lifetime. This 'Sailor for Life' philosophy removes administrative and policy impediments, allowing flexibility to move between statuses, manage a civilian career, pursue advanced education, and account for unique life-circumstances. In other words, we will enable Sailors to take 'off ramps' and 'on ramps' with seamless transitions. This framework also provides the taxpayer with a better return on investment by extending the ability of the Sailor to serve, thereby taking advantage of military and civilian training and experience. Simply stated, a well developed Continuum of Service will create a Sailor for Life, always ready to surge in support of our national interests and defense.

This concept is critical in developing and maintaining Reserve Component Sailors who are ready to deliver the right capability at the right place at the right time.

Current employment and compensation strategies that are designed around a 20-year career do not serve to provide a Total Navy workforce for the future, and must be addressed. Americans are living longer lives and are more capable to serve later in life. In fact, we have had many Total Force personnel over the age of fifty or even sixty from all services continuing to serve in the GWOT. The Navy's 21st century workforce demands Sailors with more highly specialized and less readily available skill sets. Future strategies will be designed to create flexibility for managed growth, to include incentives to retain a more senior, highly qualified workforce. Additional strategies for growth will be enabled through flexibility in statutory ceilings.

The Navy Reserve will continue its transformation toward improved worldwide combat support and combat service support specializing in predictable and periodic mission types as can be seen in the Global War on Terrorism. Its precisely aligned capabilities provide targeted, ready and fully integrated support to the Fleet. Figure 30 provides a summary of strength for Reserve Navy Personnel.

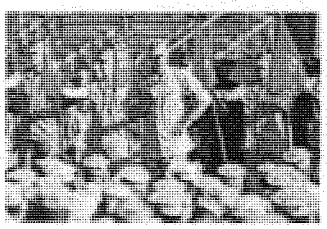
Figure 30 - Reserve Navy Personnel Strength

	FY 06	FY 07	FY 08
Drilling Reserve	57,413	58,736	56,220
Full Time Support	13,087	12,564	11,580
Total: Strength	**70,500**	**71,300**	**67,800**

Also refer to Appendix B for more information:	Table
Military Personnel, Navy	B-1a
Medicare-Eligible Retiree Health Fund Contribution, Navy	B-1b
Reserve Personnel, Navy	B-3a
Medicare-Eligible Retiree Health Fund Contribution, Navy Reserve	B-3b

Active Marine Corps Personnel

The FY 08 submission supports the transition to a strength of 202,000 Marines in FY 11. The Marine Corps has rebalanced the baseline program to shift resources from conventional to irregular capabilities and capacities. Today's Marine Corps shoulders a critical portion of prosecuting the Global War On Terrorism (GWOT) with over 32,000 Marines forward deployed. Fighting



across the spectrum of conflicts, our ability to sustain deployed forces for extended periods enables us to support U.S. Combatant Commanders (COCOMs) prosecuting the long war throughout the world. These obligations, coupled with the emerging focus on irregular warfare, challenge the Marine Corps to provide the equipment and resources necessary to persevere.

The recently proposed increase of Marine Corps Active Component end strength to 202,000 Marines will go a long way towards reducing the strain on the individual Marines and the institution. Our first task will be to build three new infantry battalions and elements of their supporting structure—approximately 4,000 Marines. We will then systematically increase the number of Marines on a schedule of approximately 5,000 per year. This plan will gradually decrease the deployment-to-dwell ratio of some of our habitually high-operational tempo units such as light armored reconnaissance companies, amphibious assault companies, reconnaissance companies, combat engineers, military police, signals intelligence units, unmanned aerial vehicle units, helicopter squadrons, air command and control units, combat service support units, and explosive ordnance disposal units. Currently, many of these units are deployed for seven months and only home for five. For Fiscal Year 2008, the cost to begin growing the force to 202,000 is approximately $4.3 billion and includes funding for training, equipping and housing. The cost of the increased manpower is about $5 billion per year.

The Marine Corps anticipates continued success in meeting recruiting and retention goals to maintain the planned force level. The Marine Corps is temporarily increasing the baseline reenlistment mission and the enlisted accession mission, in order to grow a more senior and experienced baseline force to meet the requirements of fighting the Long War and standing up the Marine Corps Special Operations Command (MARSOC). This budget also supports requirements for initial skill training and follow-on training courses, and supports continued success in meeting recruit accession goals.

The figures below provide summary personnel strength, accessions, and retention data for active Marine Corps personnel.

Figure 31 - Active Marine Corps Personnel Strength

	FY 06	FY 07	FY 08
Officers	19,025	18,400	18,900
Enlisted	161,391	156,600	161,100
Total: Strength	**180,416**	**175,000**	**180,000**
Enlisted Accessions	32,447	33,600	35,061
Percent High School Graduates	97%	95%	95%
Percent above average Armed Forces Qual Test	66%	63%	63%
Reenlistments	13,209	16,542	16,542

Figure 32 – Active Marine Corps Growth

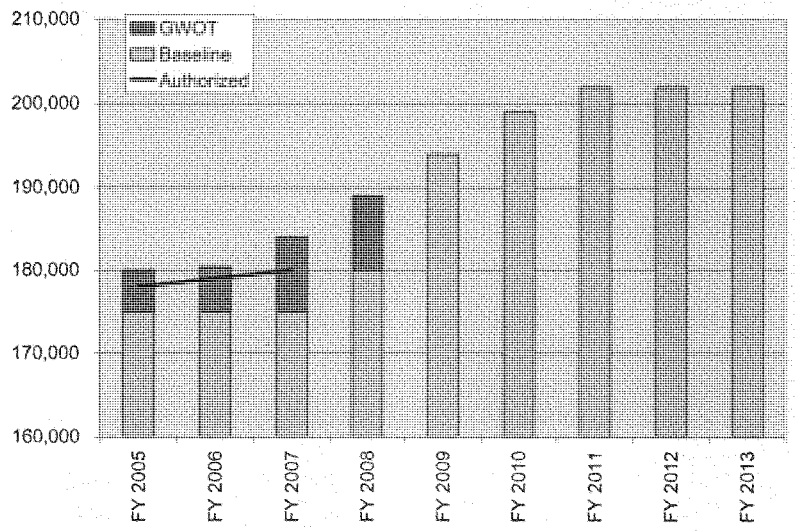
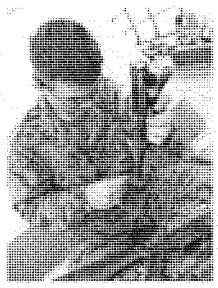


Figure 33 - Marine Corps Reenlistment Rates (Active)

	FY 06	FY 07	FY 08	Steady State Goal
Zone A (<6 years)	25%	25%	27%	25%
Zone B (6+ to 10 years)	55%	55%	55%	55%
Zone C (10+ to 14 years)	70%	70%	70%	70%

Reserve Marine Corps Personnel

The FY 08 budget request supports a Marine Corps Reserve strength of 39,600. This strength ensures the availability of trained units augmenting and reinforcing the active forces, as well as providing manpower for a Marine Air Ground Task Force headquarters and Marine Forces Reserve. The budget provides pay and allowances for drilling reservists attached to specific units, Individual Mobilization Augmentees (IMAs), personnel in the training pipeline, and full-time active reserve personnel. Consistent with the active component, the Marine Corps funds bonus programs at levels required to meet recruiting and retention goals.



The Marine Corps continually reviews reserve requirements to fully support the National Military Strategy. The Department remains committed to reserve support enhancing and complementing the active force while maintaining unit readiness to meet crisis and security requirements.

Our efforts in the Long War have been a Total Force effort, with Reserves once again performing with grit and determination. Recent policy changes within the Department of Defense will allow the Marine Corps to access the Reserve forces as they were structured to be employed—to augment and reinforce Active Component forces. To this end, the Marine Corps' goal is to sustain a 1:5 deployment-to-dwell ratio within the Reserve Component. Reserve Component end strength of 39,600 is under review to ensure that the right capabilities continue to reside within the Marine Forces Reserve units and the Individual Mobilization Augmentee program. As the active force increases in size, the reduced reliance on reserve forces should allow even more "buffer" to maintain the proper deployment-to-dwell ratio for the Reserves.

The figures below show personnel strength for reserve Marine Corps personnel.

Figure 34 - Reserve Marine Corps Personnel Strength

	FY 06	FY 07	FY 08
Drilling Reserve	37,231	37,339	37,339
Full Time Support	2,255	2,261	2,261
Total: Strength	**39,486**	**39,600**	**39,600**

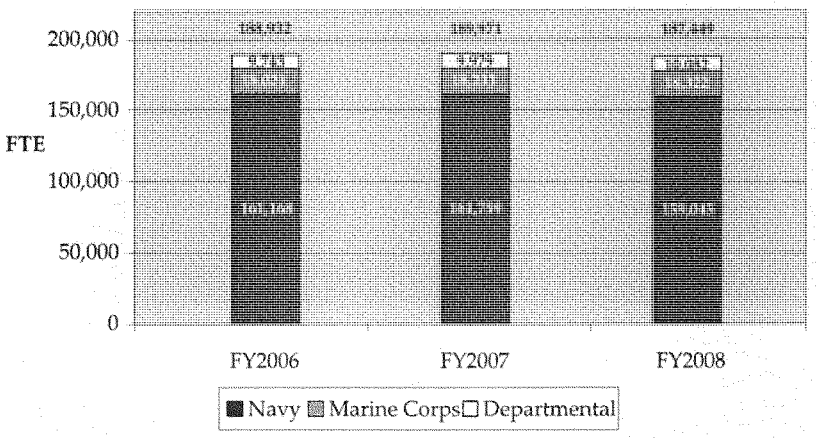
Also refer to Appendix B for more information:	Table
Military Personnel, Marine Corps	B-2a
Medicare-Eligible Retiree Health Fund Contribution, Marine Corps	B-2b
Reserve Personnel, Marine Corps	B-4a
Medicare-Eligible Retiree Health Fund Contribution, Marine Corps Reserve	B-4b

CIVILIAN PERSONNEL

Civilians are an integral part of the Department's total workforce consisting of military, civilian and contractor personnel who support the mission and daily functions of the Navy and Marine Corps. To support the "Total Force" view, Competency-Based Management is being introduced to align critical skills and capabilities across all segments of the workforce. The Department of the Navy includes the following civilian personnel Full-Time Equivalent (FTE)/workyear estimates:

Civilian FTE Workyear Estimates			
	FY 06	FY 07	FY 08
FTE	188,932	189,971	187,449

Figure 35 - Civilian Personnel FTEs



From forklift operators to nuclear physicists, civilians work alongside service members to ensure adequate supply lines, and new weapon systems progress from an idea to reality. A versatile and agile workforce is required to meet this challenge. Today's civilian personnel are employed in a variety of fields including installation management; research and development; engineering and acquisition; medical, Fleet activities, logistics, depot maintenance, and administrative support. The majority of these functions are financed by the operating appropriations and the Navy Working Capital Fund.

The total number of civilians employed continues to decline as the Department benefits from strategic sourcing initiatives to privatize commercial-type functions and streamline core processes. These reductions are offset by the conversion of numerous not "military essential" medical professional and support staff positions from military to civilian within the Navy, as well as the conversion of installation functions from military to civilian in the Marine Corps. Some conversions may also be filled by contractor personnel. Accordingly, the Department's workforce is in a time of great change.

Transforming the Workforce

National Security Personnel System (NSPS)

Authorized in the FY 04 National Defense Authorized Act, the National Security Personnel System provides flexibility in hiring and managing civilian workers and links pay and performance to the mission and accomplishment of organizational goals. The conversion began in April 2006 with Spiral 1.1 and is ongoing. To ensure equity, each Department of Defense Component must certify pay pools are fully funded and paid at the aggregate level.

Manpower Management

The Department continues to make strides towards identifying key competencies necessary for the 21st century by restructuring entry and mid-level training programs to ensure the right mix of people and skills are recruited and retained. To determine and validate requirements, all military, civilian and contractor personnel positions will eventually be mapped and integrated into the Navy Enterprise framework. Leadership and stakeholders, working together, will ensure the Department continues to field a "world class" Total Force team.

Figure 36 displays total civilian personnel resources by component, appropriation, and special interest area.

Figure 36 - DON Civilian Manpower Full-Time Equivalent

	FY 06	FY 07	FY 08
Total — Department of the Navy	188,932	189,971	187,449
By Component			
Departmental	9,743	9,979	10,082
Navy	161,168	161,759	159,045
Marine Corps	18,021	18,233	18,322
By Type Of Hire			
Direct	177,725	178,666	176,182
Indirect Hire, Foreign National	11,207	11,305	11,267
By Appropriation/Fund			
Operation and Maintenance, Navy	84,360	95,833	93,487
Operation and Maintenance, Navy Reserve	1,127	1,011	1,071
Operation and Maintenance, Marine Corps	15,535	15,762	15,976
Operation and Maintenance, Marine Corps Reserve	184	205	210
Total - Operation and Maintenance	**101,206**	**112,811**	**110,744**
Military Construction, Navy	2,189	2,104	2,111
Research, Development, Test & Evaluation, Navy	1,402	1,462	1,240
Military Assistance	69	69	69
Family Housing (N/MC)	1,028	956	878
Total - Other	**4,688**	**4,591**	**4,298**
Total - Working Capital Funds	**83,038**	**72,569**	**72,407**
Select Special Interest Areas			
Installation Mgmt/Base Support	40,600	37,480	37,780
Warfare Centers	28,086	27,492	27,381
Shipyards	25,529	24,669	23,640
Engineering/Acquisition Commands	19,073	20,803	19,656
Medical (DHP)	11,753	13,952	13,990
Fleet Activities	11,591	11,606	11,689
Aviation/MC Depots	12,033	11,862	11,183
Departmental	9,743	9,979	10,082
Military Support	9,387	9,609	10,268
Supply/Distribution/Logistics Centers	9,116	9,305	9,225
Transportation	7,596	8,404	8,568
Intelligence	2,484	2,781	3,096
Other	1,941	2,029	1,653

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SECTION VI – PREPARING OUR FACILITIES FOR THE FUTURE

The Department continues to pursue proven best commercial practices in meeting our transformation objectives. Providing Sailors, Marines, and civilians with high quality facilities, information technology, and an environment to achieve their goals is fundamental to mission accomplishment. The ability to project power through forward deployed naval forces relies heavily on a strong and efficient shore support structure.

BASE REALIGNMENT AND CLOSURE (BRAC)

The Department continues to fund BRAC initiatives in the FY 2008 budget submission. The BRAC process continues to generate significant savings from reductions in the domestic base structure. The Department of the Navy employed a multi-pronged strategy for BRAC 2005 that sought to rationalize and consolidate infrastructure capabilities to eliminate excess; balance the effectiveness of the Fleet concentrations with anti-terrorism/force protection desires for dispersion of assets and redundancy of facilities; leverage opportunities for total force laydown and joint basing; accommodate changing operational concepts; and facilitate the evolution of force structure and infrastructure organizational alignment. BRAC 2005 is the means for reconfiguring the current infrastructure into one in which operational capacity maximizes war-fighting capability and efficiency.

BRAC 2005: The Department's program provides $733.7 million in FY 2008 to continue implementation of the 2005 BRAC Commission recommendations. The Department's implementation plan, which is fully financed across the six-year implementation period, meets the statutory requirement for closure and realignment by September 15, 2011.

The FY 2008 budget finances military construction (including planning and design), operational movements at key closure and realignment locations, and the necessary environmental compliance and impact studies at receiving locations to fulfill National Environmental Policy Act (NEPA) requirements. The efforts initiated in FY 2008 are listed below:

The continuation of closure efforts begun in FY 2006 and FY 2007 at:

- Naval Air Station Pascagoula, MS

- Naval Air Station Brunswick, ME
- Naval Station Ingleside, TX
- Naval Support Activity New Orleans, LA
- Naval Air Station Atlanta, GA
- Naval Supply School Athens, GA

The continuation of realignment efforts at:

- Fleet Readiness Centers, various locations
- NAVFAC Engineering Field Divisions/Activities, various locations
- Naval Station Newport, RI
- San Antonio Regional Medical Center, TX

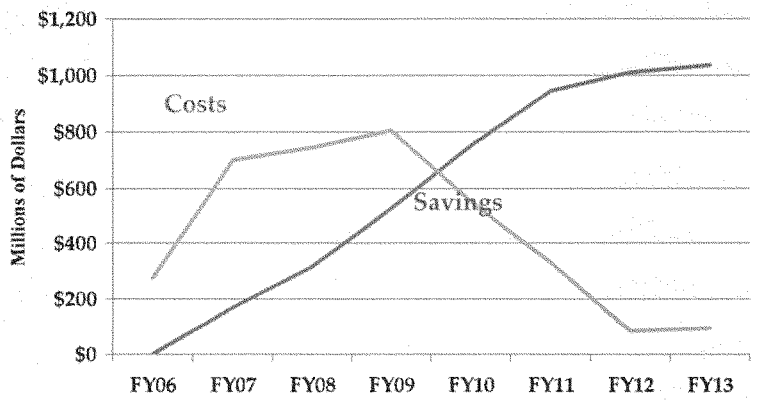
Initiation of recommendations at:

- Marine Corps Logistics Base, Barstow, CA
- Naval Weapons Station Seal Beach Detachment, Concord, CA
- Marine Corps Support Activity, Kansas City, MO
- Officer Training Command, Pensacola, FL
- Naval Air Station Joint Reserve Base, Willow Grove, PA and Cambria Regional Airport, Johnstown, PA
- Navy Marine Corps Reserve Centers and Navy Reserve Centers, various locations
- Joint Strike Fighter Initial Joint Training Site
- Consolidate Civilian Personnel Offices
- Consolidate Correctional Facilities into Joint Regional Correctional Facilities
- Co-locate Military Department Investigation Agencies
- Joint Basing of installation management functions at various locations
- Naval Shipyard Detachments
- Naval Integrated Weapons & Armament Research, Development & Acquisition, Test & Evaluation Center
- Joint Center for Excellence for Religious Training and Education
- Relocate Miscellaneous Department of Navy Leased Locations
- Ship Intermediate Maintenance Activity Norfolk, VA
- Joint Center of Excellence for Chemical, Biological, and Medical Research, Development and Acquisition
- Depot Level Repairable Procurement Management Consolidation
- Centers for Rotary Wing Air Platform Dev & Acquisition, Test & Evaluation
- Centers for Fixed Wing Air Platform Research, Dev & Acquisition, Test & Evaluation
- Commodity Management Privatization

Mission Impact:
The preceding schedule was developed to minimize the impact on Navy and Marine Corps mission capability, while placing priority on closing or realigning the bases as recommended by the 2005 Base Closure Commission and directed by the Defense Base Closure and Realignment Act, P.L. 101-510. It is the Department's objective to close and realign the recommended bases at the earliest opportunity consistent with mission requirements and availability of funds to affect the construction projects and movements.

Environmental Considerations:
Remedial actions at affected bases will continue in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). These actions include landfill closures, groundwater treatments, underground storage tank removals and free product removal as required.

Figure 37 – BRAC Costs and Savings



MILITARY CONSTRUCTION

Key tenets in the Department's facilities investment strategy include:

- Recapitalizing inadequate and inefficient facilities
- Constructing new facilities to improve quality of life for Sailors and Marines
- Supporting new mission requirements

- Enhancing anti-terrorism and force protection
- Correcting critical deficiencies

The FY 2008 budget request achieves the Department's key goals, financing 64 military construction projects for the active Navy and Marine Corps in FY 2008; and ten military construction projects for the Navy and Marine Corps reserves in FY 2008. Included in the FY 2008 request are five military construction projects at various locations associated with the establishment of the Marine Corps Special Operations Command (MARSOC). Another major military construction initiative is the Commandant's goal to provide adequate Marine Corps Bachelor Enlisted Quarters (BEQ) for all E-5's and below by FY 2012. To accomplish this goal, the FY 2008 budget includes ten military construction projects in FY 2008 for Marine Corps BEQs at various locations.

Also contained in the FY 2008 request is $383 million to construct facilities to support the growth in Marine Corps end strength to 202,000. The requested funding will provide permanent barracks, mess facilities, operations centers and other supporting facilities on existing Marine Corps installations.

The FY 2008 budget provides state of the art facilities to meet new and critical mission requirements:

- Cherry Point, NC: Hanger Renovation and Facility Upgrades (F/A 18E/F), UAV Operations/Maintenance Facility
- San Diego, CA: Magnetic Silencing Facility Modification
- Whiting Field, FL: NOLF Evergreen Runway Extension
- Patuxent River, MD: E-2 Advanced Hawkeye RDT&E Facility, Aircraft Prototype Facility (Phase 1-3)
- Norfolk, VA: Mobile User Objective System Installation, MH-60 Hanger and Airfield Improvements
- Whidbey Island, WA: EA-18G Facility Improvements
- Panama City, FL: Littoral Warfare Systems Facility
- Pearl Harbor, HI: Communications Center and Sub Drive-In Magnetic Silencing Facility
- Marianas/Guam: Kilo Wharf Extension

The FY 2008 budget continues to provide facilities for the newly established Marine Corps component of the Special Operations Command at various locations:

- Camp Pendleton, CA: Training Facilities
- Camp Lejeune, NC: Training Facility, Support Facility, Fitness Center and Training Tank, Community Support Facility

The FY 2008 budget request improves the quality of life of our Sailors and Marines at:

- Camp Pendleton, CA: Bachelor Quarters (3 projects), Physical Fitness Center
- New River, NC: Bachelor Quarters
- Marianas/Guam: Physical Fitness Center
- Camp Lejeune, NC: Bachelor Quarters (2 projects)

The Department continues its recapitalization program at:

- Marianas/Guam: Wastewater Treatment Plant Repairs & Upgrade, Potable Water Distribution System and Electrical System Hardening
- San Diego, CA: Pier 5002 Sub Fender Installation
- Diego Garcia: Sewage Lagoon, Air Ops
- Corpus Christi, TX: Aviation Trainer/Squadron Operations Facility
- Ft Worth, TX: Joint Control Tower, Aircraft Maintenance Department Parking Facility
- Everett, WA: Joint Armed Forces Reserve Center
- Kitsap, WA: CVN Maintenance Pier Replacement

The FY 2008 budget continues or completes incremental projects begun in prior years, including:

- Silverdale, WA: Limited Area Production and Storage Complex
- Bremerton, WA: BEQ Homeport Ashore
- Great Lakes, IL: RTC Infrastructure Upgrade
- Washington, DC: National Maritime Intel Center
- Various Locations: Wharf Upgrades

As part of the Defense Policy Review Initiative (DPRI), a change in the US-Japan alliance to the security environment, the United States and the Government of Japan (GOJ) signed an agreement for the relocation of US Marines from Okinawa to Guam. The result will be the relocation of approximately 8,000 Marines and their family members from Okinawa to Guam, and the associated funding for the required changes in base infrastructure, as well as the transportation and personnel costs required to relocate. Budget quality estimates for this realignment are not yet

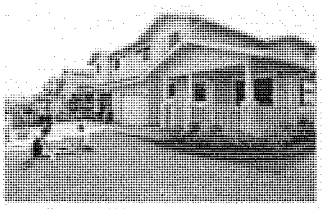
available due to the complexity of the requirement and the coordination required with the GOJ and the other Services. However, the FY 2008 budget does provide funding for advance planning to support the program and to conduct an Environmental Impact Analysis under the National Environmental Policy Act that will consider the desired operational and support requirements and evaluate the impacts and alternatives before a final decision is made on the composition of specific military construction projects and any mitigation measures that may be required. Included in the budget are funds for these studies and analyses and operational planning in the O&M, Navy and O&M, Marine Corps accounts as well as the stand up of a Joint Guam program office that will coordinate all Department of Defense realignment actions on Guam. Notional planning and design in the Military Construction account is also included, with funds for construction programmed beginning in FY 2010.

Figure 38 - Summary of MILCON Funding

MILCON Summary (Active & Reserve)			
Dollars in Millions	FY 2006	FY 2007	FY 2008
Navy	1,397	697	1,126
Marine Corps	243	513	654
Marine Corps Grow the Force	-	-	383
Total	**$1,640**	**$1,210**	**$2,163**
CR Authority	-	**-18**	-
Total under CR	-	**$1,192**	-

FAMILY HOUSING

The Department continues its reliance on the private sector as the primary source of housing for Sailors, Marines, and their families. The FY 2008 budget request reflects the "end state" of programming resources through FY 2007 to eliminate inadequate Navy and Marine Corps military family housing. Through the end of FY 2007, the Department will have privatized over 60,000 Navy and Marine Corps family housing units in conjunction with this initiative. The budget includes the operation, maintenance, and recapitalization of the family housing units remaining in the Department's inventory of Government-owned housing.



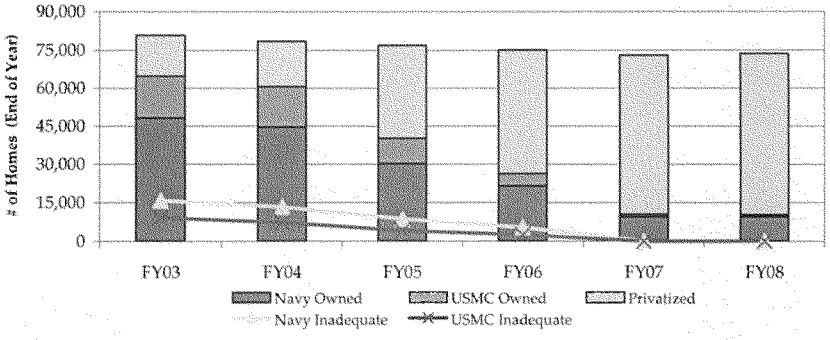
For the Navy, $56.8 million is budgeted in FY 2008 for the replacement of 73 units on Guam and $36.6 million in post-acquisition construction of 191 units located overseas in Guam, Japan, Spain, and Korea. The Navy's budget also includes $191 million for the operation and maintenance of 9,541 units located worldwide.

The Marine Corps FY 2008 request for post-acquisition construction includes $112.2 million, to be used as the Government investment in the construction of 744 units, through use of military housing privatization authorities, at Camp Pendleton and Camp Lejeune. The post-acquisition construction request includes $12.4 million for improvements and repairs to 96 units located in Japan. The Marine Corps' budget also includes $18 million for the operation and maintenance of 867 units located worldwide.

Figure 39 - Family Housing Units

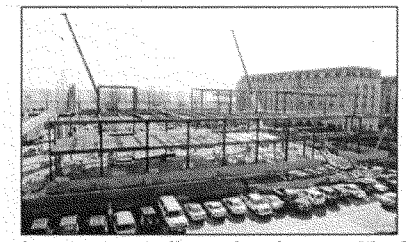
Number of Family Housing Units			
	FY 2006	FY 2007	FY 2008
New construction projects	1	3	1
Construction units	126	250	73
Privatization projects/units	12,085	13,809	744

Figure 40 - Family Housing End of Year Inventories



FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION

Appropriate investments of facility sustainment, recapitalization, and demolition funds are necessary to maintain an inventory of facilities in good working order and preclude premature degradation. The Department of Defense (DoD) models its annual facilities sustainment requirement using an empirical model. The model takes into account facility type/use, industry metrics for similar facilities, and geographic location, as well as other factors. The Department of Defense (DoD) goal is to fund sustainment at 100 percent of requirement beginning in FY 2008, an increase from the goal of allowing up to five percent of sustainment to be deferred in FY 2007.



The Department utilizes an industry-based facility investment model to keep the facility inventory at an acceptable level of quantity and quality through life-cycle maintenance, repair, and disposal. Facility recapitalization (based upon industry facilities standards) occurs through restoring or modernizing aged and damaged facilities. The annual funding requirement for facilities restoration and modernization (R&M) is based on the DoD goal of correcting facilities deficiencies to achieve a Q-2 readiness rating in all facilities mission areas and to achieve a recapitalization rate of 67 years by FY 2008, which is based on amount of investment required and plant replacement value. The FY 2008 budget request supports all facility restoration and modernization requirements and achieves the Q-2 facilities readiness rating goal.

The Department anticipates using the new DoD Facilities Modernization Model (FMM) beginning in FY 2009. The new model will change the Facilities Recapitalization Rate metric from "years" to a "percentage" and will change the benchmark from "plant replacement value" to an empirical model. This change will likely increase the Department's recapitalization investment requirement. The Department is developing funding profiles in concert with the DoD FMM and programming R&M funds to meet those needs.

Figure 41 summarizes the Department's Facilities Sustainment, Restoration, and Modernization program.

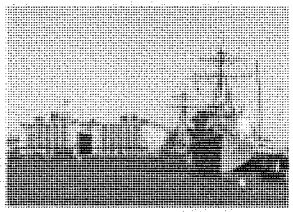
Figure 41 - Facility Sustainment, Restoration, and Modernization

(In Millions of Dollars)	FY 2006	FY 2007	FY 2008
Navy	1,100	1,134	1,147
% of Model Funded (Goal is 95% through 2007 and 100% thereafter)	*79%*	*90%*	*83%*
Marine Corps	667	464	468
% of Model Funded (Goal is 95% through 2007 and 100% thereafter)	*126%*	*93%*	*89%*
Total DON Facility Sustainment (All Appropriations)	**$1,768**	**$1,599**	**$1,616**
Annual Unfunded Sustainment			
Navy	299	124	240
Marine Corps	0	35	63
Total Unfunded Sustainment	**$299**	**$159**	**$303**
Restoration and Modernization (R&M) Funding *			
Navy	2,308	1,578	1,976
Marine Corps	256	234	276
Total DON R&M (All Appropriations)	**$2,564**	**$1,812**	**$2,252**
Facilities Recapitalization Rate (Navy)	45	77	60
Facilities Recapitalization Rate (Marine Corps)	97	112	109

* Total includes R&M from BRAC, MILCON, and Hurricane Supplemental amounts.
Notes: Totals may not add due to rounding.

Also refer to Appendix B for more information:	Table
Military Construction, Navy and Naval Reserve	B-18
Family Housing, Navy and Marine Corps	B-19
Base Realignment and Closure Accounts	B-20

NAVY WORKING CAPITAL FUND (NWCF)



NWCF activities provide a wide range of goods and services to support the Department's ongoing operations to maintain overall military readiness and in support of the Global War on Terrorism. There are five NWCF activity groups: Supply Management, Depot Maintenance, Research and Development, Base Support, and Transportation. The Department of the Navy is the only Service that includes Research and Development and Base Support in the Working Capital Fund. The total cost of goods and services to be

delivered by NWCF activity groups to their customers in FY 2008 is projected to exceed $24 billion.

Within Supply Management, the Department performs inventory management functions that result in the sale of aviation and shipboard components, ship's store stock, and consumables to a wide variety of customers. Costs related to supplying this material to the customer are recouped through stabilized rates that include recovery elements such as inventory management, contract management, receipt and issue of Department managed material, and the depreciation of capital assets. Ensuring the right material is provided at the proper place, time, and cost is vital to equipping and sustaining our warfighting units. To this end, the Department continues to pursue initiatives to control costs and improve readiness.

FY 2007 will be the first full execution year of the Fleet and Industrial Support Center managing and owning Naval Aviation Depot inventory. The transfer facilitates increased inventory management oversight and business process improvements and reflects a significant increase in obligation authority along with a commensurate sales increase. The reduced obligations in FY 2008 are due to decreased demand and customer funding in aviation consumables and repairables.

The Navy Enterprise Resource Planning (ERP) initiative, scheduled to roll-out in FY 2009 for supply, will provide better tools to assess program costs and implement cost reducing procedures. These efforts, along with reducing weapon systems average age, will stem spare parts demand growth and allow the Department to provide improved logistics support at lower cost.

Depot Maintenance provides maintenance, engineering, and logistics support to ensure a core industrial resource base essential for mobilization and includes aviation depots, Marine Corps depots for ground combat support equipment, and naval shipyards prior to FY 2007.

The Naval Aviation Depots (NADEPs) are continuing their vital support for the GWOT including efforts such as repair of crash damaged aircraft and the reactivation of "mothballed" helicopters to replace others lost in Southwest Asia. The NADEPs are also working to shape their workforce to better match the expected workload during the budget years and are beginning the process of merging into the overall Fleet Readiness Center (FRC) organization. Under the FRC concept, some of the component repair that has traditionally been performed at the three NADEP locations will instead be done at the naval air stations where intermediate level maintenance is currently performed. Some NADEP artisans will be relocated to the

air stations but no change in their status under the NWCF organizational and financial structures is currently anticipated.

The Marine Corps Depots experienced a large influx of unplanned workload for performance in FY 2006 and FY 2007. This was largely due to repair of combat-damaged equipment and weapons systems, and the installation of armor plating on combat vehicles. While the workload is projected to level off by FY 2008, operational contingencies could further extend this period of increased effort.

In accordance with the FY 2007 President's Budget, the current NWCF estimates reflect the realignment of the Norfolk and Portsmouth public shipyards to mission funding beginning in FY 2007 to complete implementation of the Regional Maintenance Plan. A key element of this concept is the consolidation of separate ship maintenance (intermediate and depot maintenance facilities) within a region that results in the ability to best use the total maintenance resources available in the region, share resources between regions, and provide rapid surge capability to respond to Fleet priorities. Mission funding provides the best mechanism by which the Navy can match workforce skills with workload priorities and still meet fiduciary responsibilities. The Puget Sound Naval Shipyard had already transitioned to appropriated funding in FY 2004 under a pilot prototype concept.

Research and Development includes the Warfare Centers (Air, Sea, Undersea, and Space applications) and the Naval Research Laboratory. All of these activities provide research and development for warfare systems, engineering support for major weapons systems acquisition programs, or provide scientific research for improving materials, facilities, and services to the DON:

- Space and Naval Warfare System Centers provide fleet support for command, control, and communication systems, and ocean surveillance, and the integration of those systems that overarch platforms.
- Naval Air Warfare Center provides fleet support for naval aircraft engines, avionics, aircraft support systems and ship/shore/air operations.
- Naval Surface Warfare Centers provide fleet support for hull, mechanical, and electrical systems, surface combat systems, coastal warfare systems, and other offensive and defensive systems associated with surface warfare.
- Naval Undersea Warfare Center provides fleet support for submarines, autonomous underwater systems, and offensive and defensive systems associated with undersea warfare.
- Naval Research Laboratory operates as the Department of the Navy's full spectrum corporate laboratory, conducting a broadly based multidisciplinary

program of scientific research and advanced technological development directed toward maritime applications of new and improved materials, techniques, equipment, systems, and ocean, atmospheric, and space sciences and related technologies

Two of the Warfare Centers will be among the first sites within the Department at which Navy Enterprise Resource Planning (ERP) will be implemented. Scheduled for roll-out to the Naval Air Warfare Center and to the Space and Naval Warfare Systems Centers in FY 2008, Navy ERP is the Department's initiative to standardize business processes, integrate operations, and optimize management of resources.

In Base Support, the Naval Facilities Engineering Command continues with the transformation of its worldwide organization which began in FY 2006. By integrating all Public Works Departments (PWDs) into Facilities Engineering Commands, there will now be one public works delivery model that will be a single touch point for all FEC products and services. The consolidation of these organizations as PWC detachments is expected to help reduce operating costs and standardize delivery of the various utility commodities and other products. Following the integration of 11 PWDs in FY 2007, 5 PWDs in Europe will be added to the FECs in FY 2008.

In transportation the Military Sealift Command (MSC) supports fleet and shore commands with unique vessels and programs:

- Naval Fleet Auxiliary Force which provides support utilizing civilian mariner manned non-combatant ships for material support and ocean going tugs and salvage ships;
- Special Mission Ships which provides unique seagoing platforms, operation of Navy Command Ships, and contracted Harbor Tugs;
- Afloat Prepositioning Force Navy which deploys advance material for strategic lifts for the Marine Expeditionary Forces.

Transportation rates within the Military Sealift Command reflect the full implementation of peacetime force protection costs and cost containment measures to ensure more efficient operations. Activation changes include delivery of two additional T-AKEs in FY 2008. Deactivations include two T-AFS in FY 2008.

Finally, the Department projects the NWCF cash balance to be within the seven-day cash level minimum prescribed in the DoD Financial Management Regulation.

Figure 42 - Summary of NWCF Costs

COST *(In Millions of Dollars)*	FY 2006	FY 2007	FY 2008
Supply (Obligations)	5,503	6,747	6,574
Depot Maintenance - Aircraft	1,845	1,861	1,828
Depot Maintenance - Ships	1,779	349	11
Depot Maintenance - Marine Corps	496	506	353
Transportation	2,378	2,337	2,425
Research and Development	10,104	10,371	10,217
Base Support	2,099	2,477	2,628
TOTAL	**$24,204**	**$24,647**	**$24,036**
CAPITAL INVESTMENT			
Supply	14	14	9
Depot Maintenance - Aircraft	38	42	43
Depot Maintenance - Ships	23	0	0
Depot Maintenance - Marine Corps	5	5	4
Transportation	11	33	30
Research and Development	105	113	115
Base Support	16	19	20
TOTAL	**$211**	**$226**	**$222**

BUSINESS PROCESS TRANSFORMATION

DON business transformation involves executing, aligning and integrating a series of enterprise-wide initiatives which will dramatically transform our ability to execute programs and support our mission. This transformation will result in improved efficiency, better decision-making, and an organizational culture that is performance-based. Collectively, these initiatives will create a business environment that produces more accurate and timely financial information and will, over time, be endorsed by a favorable third party financial audit. The specific transformational initiatives are described below.

- Lean Six Sigma (LSS) is being implemented throughout the Department to create dollar and readiness assets in service, support and transactional processes. Four goals are to increase quality of work life, safety levels, and speed of decisions and paperwork, and to decrease total cost of ownership. This is the key *process* driver.

- Navy Enterprise Resource Planning (ERP) program, a commercial off-the-shelf software package, is nearing its initial implementation scheduled for early FY2008. As Navy ERP is implemented throughout the Navy, it will build on process improvements achieved through LSS while standardizing and automating key business processes. This will be the key *systems* driver.

- The National Security Personnel System (NSPS) continues its implementation throughout DON. NSPS stresses aligning measurable job performance to organizational goals; it will take advantage of related business improvements that provide better quality management information. The ultimate goal is an enhanced performance-based culture operating within a more disciplined business environment. This is the *people* driver.

- The DON Financial Improvement Program (FIP) is an initiative that will use the elements of the three enterprise-wide initiatives—process, systems and people— to document and test the controls associated with financial reporting. Better documented and controlled processes will provide more timely and accurate information to enhance decision-making, and over time will ensure both better use of resources and a favorable independent audit. A subset of the FIP includes the Marine Corps financial improvement initiative that will be demonstrating initial audit readiness results during this budget year.

Each of these initiatives combines to support DON business transformation, and are aligned with congruent initiatives at the DoD level such as the Financial Improvement and Audit Readiness (FIAR) and Business Enterprise Architecture (BEA) managed by the DoD Business Transformation Agency. DON business transformation efforts directly support the Navy and Marine Corps vision for financial improvement. It will continue to improve our ability to execute DON dollars.

SECTION VII - FINANCIAL SUMMARY

Total Obligational Authority (TOA) has been used throughout this book to express the amounts in the Department of the Navy budget because it is the most accurate reflection of program value. While TOA amounts differ only slightly from Budget Authority (BA) in some cases, they can differ substantially in others. The differences in TOA and BA, as evidenced in the table below, result from a combination of several factors.

BA - Budget Authority - Authority provided by law to enter obligations that will result in immediate or future outlays involving Federal government funds.

TOA - Total Obligation Authority - The value of the direct defense program for each fiscal year regardless of the method of financing.

Figure 43 – TOA vs BA

(In Millions of Dollars)

	FY 2006	FY 2007	FY 2008
Total Obligational Authority (TOA)	**$144,596**	**$151,777**	**$159,815**
Receipts and Other Funds	-184	-243	-161
Expiring Balances	342		
Rescission of Prior Year Programs	-93	-124	
NWCF Contract Authority	4,904		
Construction / Housing Transfers	-74	174	
Programs Financed with Unobligated Balances	-802	-57	
Total Budget Authority	$148,689	$151,527	$159,655

Note: Includes Title IX, FY 2007 Supplemental, and FY 2008 GWOT request.

Receipts and Other Funds are reflected in BA, but not in TOA. Offsetting Receipts include such things as donations to the Navy and Marine Corps, recoveries from foreign military sales, deposits for survivor annuity benefits, interest on loans and investments, rents and utilities, and fees chargeable under the Freedom of Information Act. Trust Funds include funds established for the Navy General Gift Fund, environmental restoration of Kaho'olawe Island in Hawaii, Ships Stores Profits, and the Naval Academy Gift and Museum Fund.

Financing adjustments account for many of the differences between TOA and BA. Generally, funding changes are scored as budget authority adjustments in the fiscal year in which the change itself is effective; for TOA purposes, changes are reflected as adjustments to a specific program year, based on the original appropriation.

Expiring balances also contribute to the difference between TOA and BA. Expiring balances are funds that were included in BA available for FY 2006 accounts, but were not obligated prior to the end of the fiscal year. These amounts are included in BA totals, but not TOA. Rescissions of prior year programs are reflected in TOA available but not as BA in the year they are rescinded.

Working Capital Fund contract authority reflects the use of authority to place orders in advance of actual sales, and are included in BA, but not TOA.

Construction/housing transfers are transfers authorized to shift authority from many different program years to support efforts such as the Family Housing Improvement Fund.

Adjustments to finance programs with prior balances reduce the need for BA in the budget year. These include unobligated balances from supplemental appropriations available for more than a one-year period, unobligated balances transferred from the Foreign Currency Fluctuation Fund, and transfers from supplemental accounts. Other financing adjustments include changes in fund balances and differences in reimbursable orders.

Outlays represent the net of expenditures and collections from the Treasury of the United States Government. Outlays in a given fiscal year may represent the liquidation of obligation incurred over a number of years. The TOA and BA levels for FY 2006 through FY 2008 along with DON outlay estimates are summarized in Figure 44.

Figure 44 – TOA, BA, and Outlays

Department of the Navy

Summary of Direct Budget Plan (TOA), Budget Authority, and Outlays

(Dollars in Millions)

	TOA			BA			OUTLAY		
Account	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007	FY 2008
MPN	24,119	24,020	24,057	24,097	24,020	24,057	23,923	23,533	24,026
MPMC	10,381	10,718	11,880	10,308	10,718	11,880	10,213	10,661	11,902
RPN	1,794	1,833	1,868	1,821	1,833	1,868	1,811	1,826	1,881
RPMC	525	554	610	525	554	610	534	562	614
DHAN	2,029	2,098	1,925	2,029	2,098	1,925	2,029	2,098	1,925
DHAMC	982	1,051	1,055	982	1,051	1,055	982	1,051	1,055
DHANR	292	287	266	292	287	266	292	287	266
DHAMCR	137	145	142	137	145	142	137	145	142
OMN	35,445	38,279	38,761	35,265	38,236	38,761	34,437	38,535	37,504
OMMC	7,061	7,881	8,974	7,063	7,881	8,974	6,141	8,265	9,221
OMNR	1,484	1,404	1,256	1,472	1,391	1,256	1,386	1,479	1,312
OMMCR	322	269	277	331	269	277	215	330	307
ERN	-	302	301	-	302	301	-	66	202
NWCF	118	116	14	5,023	116	14	(399)	227	229
Payment to Kaho'olawe	-	-	-	-	-	-	-	-	-
APN	10,224	11,944	15,848	10,284	11,867	15,848	8,775	11,213	11,926
WPN	2,800	2,905	3,336	2,800	2,905	3,336	2,290	2,660	2,884
SCN	11,370	10,537	13,656	11,328	10,525	13,656	10,345	11,206	9,780
OPN	5,837	6,071	6,264	5,793	6,071	6,264	4,353	6,236	5,946
PMC	5,452	7,595	5,461	5,447	7,595	5,461	3,350	7,143	6,444
PANMC	1,185	1,052	1,351	1,185	1,052	1,351	918	1,355	1,561
RDTEN	18,970	19,340	17,694	18,973	19,304	17,694	17,423	18,226	618
NDSF	1,301	1,073	1,084	1,089	1,073	1,084	1,203	1,096	1,110
Total DoD Bill	**141,829**	**149,474**	**156,079**	**146,241**	**149,294**	**156,079**	**130,358**	**148,199**	**130,857**
MCN	1,499	1,568	2,262	1,432	1,568	2,262	1,095	1,872	1,625
MCNR	141	36	59	125	36	59	33	92	70
BRCIV	-	-	-	-	-	-	180	32	21
BRCV	252	161	734	252	161	734	14	109	214
FHCON	197	42	310	192	216	310	118	169	199
FHOPS	676	500	371	632	500	371	632	539	426
Total MILCON Bill	**2,765**	**2,307**	**3,736**	**2,631**	**2,481**	**3,736**	**2,072**	**2,813**	**2,555**
Receipts and Other Funds	-	-	-	(184)	(243)	(161)	(162)	(238)	(160)
Total, DON	**144,596**	**151,777**	**159,815**	**148,689**	**151,527**	**159,655**	**132,268**	**150,773**	**133,252**

Note: Totals may not add due to rounding.

Note: Totals include Title IX, FY 2007 Supplemental, and FY 2008 GWOT Request.

Derivation of FY 2007 Estimates

Figure 45 displays a track of changes to the Department of the Navy appropriations for FY 2007, beginning with the FY 2007 President's Budget request. The changes reflect the impact of congressional action, including a separate breakout of Title IX funding. This budget reflects the current full-year continuing levels for programs which would have been provided for in a Military Quality-of-Life appropriations bill, and Figure __ depicts the impact of those levels compared to the request. Transfers that reflect known reprogramming requirements. The Department's FY 2007 Supplemental request ($14.6 billion), which supports the prosecution of the Global War on Terrorism, is included, as are prior year balances in multiyear operation and maintenance accounts, which remain available for obligation in FY 2007.

Figure 45

Department of the Navy

Derivation of FY 2007 Estimates

(In Millions of Dollars)

	FY 2007 President's Budget	Congressional Action	Title IX	Continuing Resolution Impact	Transfers	Prior Year Balances	Additional Supplemental Request	FY 2007 DON Total
Military Personnel, Navy	$23,271	-$86	$143				$692	$24,020
Military Personnel, Marine Corps	9,335	-51	146	-98			1,387	10,718
Reserve Personnel, Navy	1,778	-17					73	1,833
Reserve Personnel, Marine Corps	551	-9	15	-3				554
Health Accrual, Navy	2,074	24						2,098
Health Accrual, Marine Corps	1,051							1,051
Health Accrual, Navy Reserve	287							287
Health Accrual, Marine Corps Reserve	145							145
Operation & Maintenance, Navy	31,331	-568	1,615		-88	43	5,945	38,279
Operation & Maintenance, Marine Corps	3,879	-91	2,689		-1	0	1,402	7,877
Operation & Maintenance, Navy Reserve	1,289	-18	10		0	13	111	1,404
Operation & Maintenance, MC Reserve	212	-4	48		0		14	269
Environmental Restoration, Navy	304			-3				302
Aircraft Procurement, Navy	10,869	-517	487				1,106	11,944
Weapons Procurement, Navy	2,555	8	109		61		172	2,905
Shipbuilding & Conversion, Navy	10,579	-42						10,537
Other Procurement, Navy	4,968	-60	320		-4		847	6,071
Procurement, Marine Corps	1,274	-383	4,898				1,806	7,595
Procurement of Ammunition, Navy/MC	790	-26	128				160	1,052
Research, Development, Test & Eval, Navy	16,912	1,686	231		50		460	19,340
National Defense Sealift Fund	1,072	-4					5	1,073
Military Construction, Navy & Marine Corps	1,162			-6			413	1,568
Military Construction, Naval Reserve	48			-12				36
Family Housing Construction, Navy & Marine Corps	305			-88	-174			42
Family Housing Operations, Navy & Marine Corps	509			-11		1		500
Navy Working Capital Fund	84	0					32	116
Base Realignment and Closure IV	690			-529				161
TOTAL	**$127,322**	**-$158**	**$10,840**	**-$750**	**-$158**	**$57**	**$14,623**	**$151,777**

Note: Totals may not add due to rounding

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PERFORMANCE MEASUREMENT

The Department of the Navy takes an active role in using resources wisely and ensuring success in each endeavor. The Department is committed to building a performance based culture and has actively developed initiatives which support the objectives of the President's Management Agenda. The President's Management Agenda focuses on five objectives: (1) Budget and Performance Integration, (2) Strategic Management of Human Capital, (3) Competitive Sourcing, (4) Financial Management Improvement, and (5) Expanding E-Government. Improving programs by focusing on results is an integral component of the Department's budget and performance integration initiative.

As part of the Budget and Performance Initiative, the Office of Management and Budget has added 4 new programs to the previous list of 19 programs identified for assessment in the Performance Assessment Rating Tool (PART). The new programs include Marine Corps Base Operating Support, Navy Base Operating Support, Marine Corps Depot Maintenance, and Marine Corps Ground Forces Readiness. Figure 44 shows a complete list of all DON programs reviewed. Programs were assessed and evaluated across a wide range of issues related to performance.

Throughout the overview book, metrics have been addressed that are included in our performance plan and provide a measure of our overall effectiveness. Within the Department of the Navy, goals and objectives have been implemented thorough the Planning, Programming, Budgeting and Execution process. PPBE accommodates the integration of operational goals, risk management, and performance across the broad spectrum of the Department of the Navy mission. These metrics are also contained in budget justification materials supporting the FY 2008 budget request.

Figure 46 - Performance Scorecard

1. Budget and Performance Integration									
(In Millions of Dollars)	Program Purpose & Design	Strategic Planning	Program Mgmt	Program Results	Overall Rating	DON Funding FY06	FY07	FY08	Programs Included
Military Force Management	100%	100%	72%	93%	Effective	40,260	38,353	39,364	MilPers
Shipbuilding	80%	90%	73%	47%	Adequate	12,282	11,090	14,149	SCN, NDSF,RDTEN
Marine Corps Expeditionary Warfare	80%	89%	88%	56%	Moderately Effective	13,123	13,900	13,055	SCN, NDSF, RDTEN, APN, PMC PANMC
Housing	100%	100%	72%	67%	Moderately Effective	6,508	6,046	6,077	FH, BAH
Navy/Marine Corps Air Operations	100%	100%	71%	92%	Effective	4,446	3,397	3,607	O&M
Navy Ship Operations	100%	100%	83%	84%	Effective	3,611	3,182	3,464	O&M
Air Combat	100%	100%	72%	66%	Moderately Effective	5,447	4,904	4,357	F/A-18 E/F, JSF
Depot Maintenance - Ship	100%	100%	86%	84%	Effective	4,265	3,826	4,416	O&M
Facilities SRM/Demolition	80%	100%	14%	60%	Adequate	2,483	1,750	1,891	O&M, MilPers, MILCON
Basic Skills and Advanced Training	100%	100%	86%	75%	Effective	1,594	1,494	1,728	O&M
Communications Infrastructure	80%	78%	36%	44%	Results Not Demonstrated	1,957	1,921	1,787	NMCI, Base level comm
Recruiting	80%	100%	72%	75%	Moderately Effective	1,132	1,122	1,189	O&M, MilPers
Depot Maintenance - Naval Aviation	100%	100%	86%	80%	Effective	1,069	1,235	1,018	O&M
Applied Research	100%	67%	50%	67%	Moderately Effective	762	786	678	RDTE 6.2
Basic Research	100%	89%	85%	80%	Effective	467	492	467	RDTE 6.1
Unmanned Aerial Vehicles / Unmanned Air Systems	80%	100%	72%	60%	Moderately Effective	124	303	461	RDTE, WPN, APN, PMC
Civilian Education and Training	100%	88%	100%	40%	Adequate	68	71	75	O&M
Airlift Program	100%	100%	83%	84%	Moderately Effective	557	243	256	APN
Accession Training	100%	100%	86%	67%	Moderately Effective	207	257	273	O&M

Figure 46 - Performance Scorecard (continued)

1. Budget and Performance Integration									
	Program					DON Funding			
(In Millions of Dollars)	Purpose & Design	Strategic Planning	Program Mgmt	Program Results	Overall Rating	FY06	FY07	FY08	Programs Included
Marine Corps Ground Forces Readiness	100%	100%	86%	80%	Effective	566	580	784	O&M
Marine Corps Base Operations & Support	80%	50%	72%	26%	Results Not Demonstrated	1,601	1,654	1,903	O&M
Marine Corps Depot Maintenance	100%	100%	86%	87%	Effective	372	599	71	O&M
Navy Base Operations & Support	80%	88%	57%	60%	Adequate	3,991	3,461	3,827	O&M
Total Funding						$107,796	$96,228	$102,259	

2. **Strategic Management of Human Capital**
   - Implement first phase of National Security Personnel System (NSPS) (DoD-wide) in phases
   - Transform Naval Military Personnel Force
   - Military to Civilian Conversions
   - Human Capital Strategy
3. **Competitive Sourcing**
   - Commitment to study 63,420 positions under A-76 or OMB approved alternatives
4. **Improved Financial Performance**
   - Business Transformation Initiatives (DoD-wide)
   - Enterprise Resource Planning
   - Financial Improvement Program
5. **Expanded Electronic Government**
   - Utilizing E-Marketplace
   - E-Commerce Initiatives
   - Enterprise Software

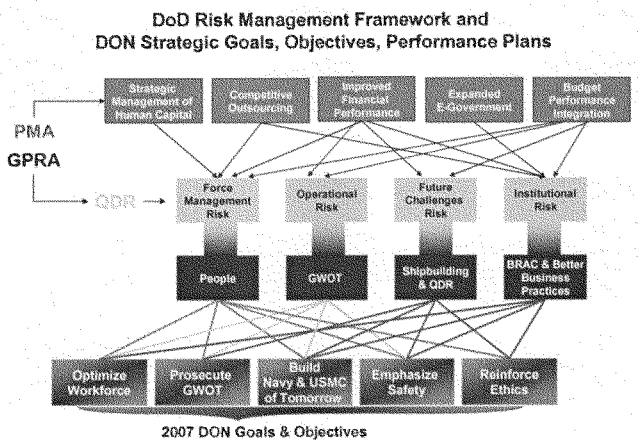
The 2006 Quadrennial Defense Review (QDR) validated the Department of Defense concept of managing risk and measuring performance across the enterprise. The DOD risk management framework has enabled the Department's senior leadership to better balance near-term demands against preparations for the future. The balanced risk approach has been successfully used to guide strategic planning and day-to-day management in accordance with the Government Performance and Results Act of 1993. The DON has been working in cooperation with the DOD enterprise to improve and standardize performance, budget reporting and

strengthen links between performance and budget. The DON has a framework that supports and enables enterprise-wide decision-making.

Balanced Scorecard and Risk Management

The Department of the Navy FY 2008 budget aligns DON objectives and performance plans to the DoD Balanced Scorecard through the Risk Management Framework. The figure below illustrates this linkage. Performance information and results developed from DON performance measures are used for performance reports related to the President's Management Agenda and the Program Performance Assessments.

Figure 47



Below are highlights of significant factors in the FY 2008 submission as they relate to the Risk Management Framework.

<u>Force Management Risk</u> – Goals related to this category include maintaining a quality force, ensuring sustainable military tempo and workforce satisfaction, maintaining reasonable force costs and shaping the force for the future.

The MPT&E Strategic Plan and subsidiary enterprise and community-level strategic plans will ensure alignment across the Navy enterprise while we meet the

challenges outlined in the Quadrennial Defense Review's Managing People chapter, the Department of the Navy's Human Capital Strategy, CNO Guidance for 2006 and 2007, and the Navy's Strategic Plan. The strategic planning that results from alignment of these capstone documents will become a repeatable practice that provides continuity and consistency throughout planning cycles. Personnel readiness improvement is the important outcome of all these efforts.

The MPT&E Strategic Plan begins to move our Navy toward a capability-based and competency-driven workforce that develops and sustains the critical competencies necessary to support our expanding role in the Global War on Terror, Homeland Defense, and stability operations. We must also determine the future force – in terms of capabilities, size, and mix – required to assure our allies and friends, and dissuade, deter and/or defeat our enemies. While we address our skill imbalances we will also focus and improve our efforts in the talent marketplace to achieve a more diverse workforce. We will link and leverage Sea Warrior systems and National Security Personnel System processes to achieve an agile and robust Total Force personnel system that rewards performance and can quickly respond to emerging competency demand signals.

The National Security Personnel System (NSPS) authorized by Congress provides DoD leaders the right tools to manage the civilian workforce today and for the future. The NSPS reforms will provide supervisors and managers greater flexibility in managing our civil service employees, facilitate competition for high quality talent, offer compensation competitive with the private sector, and reward outstanding service. The DON is converting to NSPS in phases, and we are working closely within DoD to implement it.

Operational Risk – Goals for minimizing operational risk include ensuring force availability, maintaining force readiness, shaping force posture and linking contingency planning to capabilities and resources.

Our focus continues to provide ready Navy forces, from individual units to strike groups, that are forward deployed and capable of providing a substantial surge force. The readiness for this capability is enabled by the Fleet Response Plan (FRP) which supports the National Military Strategy. The FRP provides adaptable, flexible and sustainable Naval forces necessary to not only fight the Global War on Terror, but also to support the needs of the combatant commanders to maintain a global forward presence or provide for any other evolving national defense requirements.

The Department is now ready to provide six CSGs within the first 30 days of a potential conflict and one additional carrier group within the next 90 days. The Department of the Navy will support these goals and respond to global challenges while budgeting for peace time offsets and planning for 45 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 22 underway days per quarter for non-deployed forces as required. The FY 2007 President's Budget request funded steaming days for deployed forces at 36 days per quarter, which assumed unacceptable risks to readiness. To mitigate these risks the FY 2008 budget increases steaming days for deployed forces to 45 days per quarter. The deployed steaming days goal remains at 51 days per quarter, which meets the peacetime requirements of Combatant Commanders. The FY 2008 GWOT request contains funding for deployed forces to meet this goal.

Future Challenges Risk – **Goals to minimize future challenges risk include driving innovative joint operations, defining human capital skills and competencies, developing more effective organizations and dividing and developing transformation capabilities.**

The Department has balanced investments to focus on increasing investment to support the long war and CONPLAN 7500 while procuring a 313 ship Navy and its associated capabilities. The DON budget funds procurement of 67 ships and 1295 aircraft over the FYDP. New capabilities such as the Joint Strike Fighter (JSF), the V-22, the VH-71 and the Multi-mission Maritime Aircraft (MMA) are being procured. Reflecting this transition to production, our research and development budget decreases significantly though the FYDP.

Funding continues for development of FORCEnet, an architecture that will integrate sensors, networks, decision aids, and weapons into an adaptive human control maritime system in order to achieve dominance across all warfare systems. The Department is maintaining a steady investment while seeking to maximize the yield, relevance, and degree of innovation in the overall Science and Technology program.

Institutional Risk – **Institutionalizing capabilities based planning, improving financial management, and driving acquisition excellence; improving the readiness and quality of key facilities, managing overhead/indirect cost and realigning support to the warfighter are goals affecting institutional risk.**

The Department is reducing risk by emphasizing implementation of capabilities-based planning. This budget request represents the Department's commitment to improve the acquisition processes, make facility structure more efficient, and better

manage resources for improved business. In an effort to improve shore installation effectiveness, the Navy has identified best business practices, set Navy-wide standards of service, developed metrics, and linked standards and metrics to required readiness levels. We continue to transform business processes and develop integrated enterprise solutions.

The Navy Marine Corps Intranet and Enterprise Resource Planning are examples of innovative changes that will significantly improve connectivity, financial and business reporting, and management performance. Through the Functional Area Management/Functional Data Management construct, the Department is preparing transition plans and data conversions for future ERP deployment. As a Department, we continue to aggressively challenge our Systems Commands and other shore activities to improve processes, find efficiencies, and eliminate legacy information systems.

The information below provides page references to the performance information contained in this document and in detailed budget justification materials supporting the FY 2008 budget submission.

Risk Category	Strategic Goal	Performance Measure	Page #
Force Management Risk	Maintain a Quality Force	Number of Recruiters	5-5
		Number of Recruits	5-5
		Size of Delayed Entry Program	5-5
		Enlisted Attrition Rates	5-5
	Ensure Sustainable Military Tempo	Ships Deployed	1-12
		MEFs deployed	1-12
		Ships Underway	1-12
		Active/Reserve Navy/Marine Corps Strength	1-12
		Number of Reserves Activated	1-12
		Number of Deployed Sailors	1-12
		Number of Deployed Marines	1-12
	Maintain Workforce Satisfaction	Enlisted Reenlistment Rates	5-5
		Career Pay Enhancements	5-14
	Maintain Reasonable Force Costs	Competitive sourcing study positions	A-3
		Civilian manpower levels	5-12,5-13
		Costs for Accession/Basic Skills/Advanced Training	B-5
		Total Paid Compensation	5-1
	Shape the Force of the Future	Implement optimized, supportable, future force structure and workforce	5-1
Institutional Risk	Streamline Decision Processes, Drive Financial	Implement Enterprise Resource Planning	6-13,6-14

	Management and Acquisition Excellence	DON Financial Improvement Program (DON FIP)	6-14
	Manage Overhead and Indirect Costs	Reduction in base structure to eliminate unnecessary infrastructure	6-1, 6-2,6-3
	Improve the Readiness and Quality of Key Facilities	67 Year FSRM Recapitalization Rate	6-8
		Inadequate family housing units	6-6
		Number of Privatization Projects	6-7
		Readiness status of facilities	6-8
	Realign Support to the Warfighter (including Defense Agencies)	Tooth-to-Tail Ratio	3-19,4-8,6-13,A-7
Operational Risk	Do We Have the Forces Available?	Battle Force Ships	4-3,4-4
		Active Air Wings	4-10,4-12
		Active Primary Authorized Aircraft (PAA)	4-12
		Number of Marine Expeditionary Forces	4-18
		Number of Marine Expeditionary Brigades	4-18
		Number of Marine Battalions	4-18
	Are They Currently Ready?	Navy/Marine Corps Personnel Readiness Ratings	5-2
		Active Flying Hours T-Rating	4-12
		Active Steaming Days Per Quarter	4-4,4-5
	What Are Our Critical Force, Sustainment, and Infrastructure Needs?	Aircraft Mission Capable Rates	4-12,4-13
		Airframe Availability/PAA	4-16
		Aircraft Engine Bare Firewalls	4-16
		Aircraft Engine Spares Ready-to-Issue	4-16
		Ship Maintenance % Rqmnt Funded	4-10
		Surge Sealift Ships and Capacity	4-6
		Prepositioning Ships and Capacity	4-6
		Reserve Steaming Days Per Quarter	4-5
		Reserve Battle Force Ships	4-5
		Reserve Air Wings	4-12
		Reserve Flying Hours T-Rating	4-14
		Reserve Primary Authorized Aircraft	4-12
	Are We Successfully Executing our Strategy?	Deferred Ship Maintenance	4-10
		Deferred FSRM	6-9
		Ships Deployed	1-12
		MEFs Deployed	1-12
		Ships Underway	1-12
		MEFs Predeployment	1-12
		Active/Reserve Navy/Marine Corps Strength	1-12
Future Challenges Risk	Drive Innovative Joint Operations	Joint/International Exercises	1-11
	Develop More Effective Organizations	Capitalizing on innovation, experimentation, and technology	3-1,3-19
	Define Skills and Competencies for the Future	Implementing Sea Warrior Initiative	5-3

	Define and Develop Transformational Capabilities	Implement enhanced naval capabilities to project offense, project defense, and project sovereignty around the globe	1-5,1-6
		Aviation Procurement Plan	3-12
		Ship Construction Plan	3-5
		Aviation/Ship Weapons Quantities	3-7,3-13
		Marine Corps Ground Equipment Quantities	3-18
		Implement Network Centric Warfare	3-14,3-15,3-16
		Major Platform R&D	3-19
		Maintain Balanced and Focused Science and Technology	3-18,3-19
		Funding for R&D support	3-22

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MILITARY PERSONNEL, NAVY

Table B-1a

Department of the Navy
Military Personnel, Navy
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Pay and Allowances of Officers	6,093	6,000	6,184
Pay and Allowances of Enlisted	15,751	15,370	15,347
Pay and Allowances of Midshipmen	59	63	61
Subsistence of Enlisted Personnel	942	908	890
Permanent Change of Station Travel	810	719	712
Other Military Personnel Costs	465	125	111
Total: MPN	**$24,119**	**$23,185**	**$23,305**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY

Table B-1b

Department of the Navy
Medicare-Eligible Retiree Health Fund Contribution, Navy
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 200 Baselin
Health Accrual	2,029	2,098	1,92
Total: DHAN	**$2,029**	**$2,098**	**$1,92**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MILITARY PERSONNEL, MARINE CORPS

Table B-2a

Department of the Navy
Military Personnel, Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Pay and Allowances of Officers	2,110	1,962	2,101
Pay and Allowances of Enlisted	6,868	6,263	7,176
Subsistence of Enlisted Personnel	590	549	590
Permanent Change of Station Travel	373	345	352
Other Military Personnel Costs	439	66	58
Total: MPMC	**$10,381**	**$9,186**	**$10,278**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS

Table B-2b

Department of the Navy
Medicare-Eligible Retiree Health Fund Contribution, Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Health Accrual	982	1,051	1,055
Total: DHAMC	**$982**	**$1,051**	**$1,055**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

RESERVE PERSONNEL, NAVY

Table B-3a

Department of the Navy
Reserve Personnel, Navy
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Reserve Component Training and Support	1,794	1,761	663
Other Training and Support	-	-	1,135
Total: RPN	**$1,794**	**$1,761**	**$1,798**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, NAVY RESERVE

Table B-3b

Department of the Navy
Medicare-Eligible Retiree Health Fund Contribution, Navy Reserves
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Health Accrual	292	287	266
Total: DHANR	**$292**	**$287**	**$266**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

RESERVE PERSONNEL, MARINE CORPS

Table B-4a

Department of the Navy
Reserve Personnel, Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Reserve Component Training and Support	527	539	309
Other Training and Support	-	-	286
Total: RPMC	**$527**	**$539**	**$595**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION, MARINE CORPS RESERVE

Table B-4b

Department of the Navy
Medicare-Eligible Retiree Health Fund Contribution, Marine Corps Reserve
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Health Accrual	137	145	142
Total: DHAMCR	**$137**	**$145**	**$142**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

OPERATION AND MAINTENANCE, NAVY

Table B-5

Department of the Navy
Operation and Maintenance, Navy
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Operating Forces			
Air Operations	7,174	5,915	6,374
Ship Operations	9,358	8,491	9,633
Combat Operations/Support	3,698	2,560	2,736
Weapons Support	1,472	1,870	2,014
NWCF Support	-	-	-
Base Support	5,549	5,362	5,684
Total - Operating Forces	**27,251**	**24,199**	**26,441**
Mobilization			
Ready Reserve and Prepositioning Forces	716	543	542
Activations/Inactivations	117	199	200
Mobilization Preparedness	48	48	53
Total - Mobilization	**882**	**790**	**795**
Training and Recruiting			
Accession Training	193	245	259
Basic Skills and Advanced Training	1,305	1,228	1,284
Recruiting & Other Training and Education	565	505	532
Total – Training and Recruiting	**2,064**	**1,978**	**2,075**
Administration and Servicewide Support			
Servicewide Support	2,082	1,824	1,875
Logistics Operations and Technical Support	2,047	1,136	1,194
Investigations and Security Programs	1,081	871	943
Support of Other Nations	33	11	11
Cancelled Accounts	5	-	-
Total - Administration and Servicewide Support	**5,248**	**3,842**	**4,024**
Total: O&MN	**$35,445**	**$30,808**	**$33,335**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

OPERATION AND MAINTENANCE, MARINE CORPS

Table B-6

Department of the Navy
Operation and Maintenance, Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Operating Forces			
Expeditionary Forces	3,497	952	1,441
USMC Prepositioning	100	78	80
Base Support	2,126	1,848	2,261
Total - Operating Forces	**5,722**	**2,878**	**3,782**
Training and Recruiting			
Accession Training	14	12	14
Basic Skills and Advanced Training	289	199	355
Recruiting & Other Training and Education	235	180	216
Base Support	190	191	203
Total - Training and Recruiting	**727**	**582**	**788**
Administration and Servicewide Support			
Servicewide Support	596	312	375
Base Support	15	15	17
Total - Administration and Servicewide Support	**612**	**327**	**392**
Total: O&MMC	**$7,061**	**$3,787**	**$4,961**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

OPERATION AND MAINTENANCE, NAVY RESERVE

Table B-7

Department of the Navy
Operation and Maintenance, Navy Reserve
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Operating Forces			
Air Operations	735	729	703
Ship Operations	149	132	93
Combat Operations/Support	258	125	137
Weapons Support	5	6	2
Base Support	309	270	237
Total - Operating Forces	**1,456**	**1,262**	**1,172**
Administration and Servicewide Support			
Servicewide Support	29	22	15
Total - Administration and Servicewide Support	**29**	**22**	**15**
Total: O&MNR	**$1,484**	**$1,283**	**$1,187**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Table B-8

Department of the Navy

Operation and Maintenance, Marine Corps Reserve

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Operating Forces			
Expeditionary Forces	206	92	88
Base Support	85	82	85
Total - Operating Forces	**291**	**175**	**173**
Administration and Servicewide Support			
Servicewide Support	26	29	31
Base Support	5	4	5
Total - Administration and Servicewide Support	**31**	**33**	**36**
Total: O&MMCR	**$322**	**$208**	**$209**

Note: Totals may not add due to rounding.

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

ENVIRONMENTAL RESTORATION, NAVY

Table B-9

Department of the Navy

Environmental Restoration, Navy

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Environmental Restoration Activities	-	302	301
Total: ERN	**-**	**$302**	**$301**

Note: Totals may not add due to rounding

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

AIRCRAFT PROCUREMENT, NAVY

Table B-10

Department of the Navy
Aircraft Procurement, Navy
(Dollars in Millions)

	FY 2006 Actual		FY 2007 Baseline		FY 2008 Baseline	
	QTY	$	QTY	$	QTY	$
Combat Aircraft	101	6,036	111	6,840	134	8,694
Airlift Aircraft	-	10	-	-	-	-
Trainer Aircraft	8	253	32	520	44	328
Other Aircraft	16	565	12	220	7	294
Modification of Aircraft	-	1,688	-	1,492	-	1,646
A/C Spares & Repair Parts	-	1,045	-	766	-	1,158
A/C Support Equip & Facilities	-	627	-	514	-	628
Total: APN	**125**	**$10,224**	**155**	**$10,352**	**185**	**$12,748**
R&D Aircraft	**3**	*	*	-	**3**	*

Total Aircraft Procurement
*Funded in RDT&E,N

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

WEAPONS PROCUREMENT, NAVY

Table B-11

Department of the Navy
Weapons Procurement, Navy
(Dollars in Millions)

	FY 2006		FY 2007		FY 2008	
	QTY	$	QTY	$	QTY	$
Ballistic and Other Missiles						
TRIDENT II	-	905	-	916	12	1,088
ESSM	102	98	100	99	85	83
Tomahawk	408	373	355	353	394	383
AMRAAM	48	74	128	88	79	87
Sidewinder	159	37	174	40	184	55
JSOW	420	144	390	124	421	131
STANDARD	75	144	75	139	75	160
RAM	90	86	90	57	90	80
Hellfire	1,022	93	-	-	439	46
MUOS	-	-	-	-	-	216
Other	-	253	-	308	-	166
Torpedoes and Related Equipment						
Mk-46 Torpedo Mods	-	69	-	86	133	84
Mk-48 Torpedo ADCAP Mods	-	64	-	65	-	64
Torpedo Support Equipment	-	29	-	26	-	36
Other	-	47	-	50	-	26
Other Weapons/Spares						
CIWS MODS	-	193	-	151	-	182
Gun Mount Mods	-	82	-	20	-	8
All Other	-	108	-	102	-	189
Total: WPN		**$2,800**		**$2,624**		**$3,084**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

SHIPBUILDING AND CONVERSION, NAVY

Table B-12

Department of the Navy

Shipbuilding and Conversion, Navy

(Dollars in Millions)

	FY 2006 Actual		FY 2007 Baseline		FY 2008 Baseline	
	QTY	$	QTY	$	QTY	$
New Construction						
CVN-21	-	762	-	1,107	1	2,848
SSN-774	1	2,550	1	2,553	1	2,499
DDG-51	-	147	-	354	-	78
DDG-1000	-	706	2	2,557	-	2,954
LCS	3*	434	2	518	3	910
LPD-17	1	1,514	-	380	1	1,399
LHD-1	-	233	-	-	-	-
LHA(R)	-	149	1	1,131	-	1,377
JHSV	-	-	-	-	-	-
MPF MLP	-	-	-	-	-	-
T-AKE	1	**	1	**	1	**
Total New Construction	**6**	**6,496**	**7**	**8,600**	**7**	**12,065**
Conversions						
SSGN Conversion	-	283	-	-	-	-
Total Conversion	**-**	**283**	**-**	**-**	**-**	**-**
Other						
RCOH	1	1,320	-	1,067	-	297
SSBN ERO	1	288	1	225	1	230
Special Purpose	-	-	-	3	-	-
LCAC SLEP	6	99	6	110	5	99
Outfitting	-	372	-	369	-	420
Service Craft	-	45	-	45	-	33
Completion of PY Shipbuilding	-	2,419	-	-	-	511
Programs	-	-	-	-	-	-
DDG Modernization		49				
Oceanographic Ship	-	-	1	117	-	-
Total Other	**8**	**4,590**	**8**	**1,933**	**6**	**1,590**
Total: SCN	**14**	**$11,370**	**15**	**$10,537**	**13**	**$13,656**

* 1 LCS was funded in RDTEN in FY 2006.

**Funded in NDSF.

Note: Totals may not add due to rounding.

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

OTHER PROCUREMENT, NAVY

Table B-13

Department of the Navy
Other Procurement, Navy
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Ship Support Equipment	1,621	1,514	1,798
Communications and Electronics Equipment	1,874	1,681	1,815
Aviation Support Equipment	296	324	335
Ordnance Support Equipment	693	559	635
Civil Engineering Support Equipment	466	226	240
Supply Support Equipment	113	109	107
Personnel and Command Support Equipment	518	277	322
Spares and Repair Parts	256	213	218
Total: OPN	**$5,837**	**$4,904**	**$5,470**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

PROCUREMENT, MARINE CORPS

Table B-14

Department of the Navy
Procurement, Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Weapons and Combat Vehicles			
Expeditionary Fighting Vehicle (EFV)	29	-	-
LW155MM Lightweight Howitzer	171	94	93
HIMARS	165	6	31
LAV-PC	198	14	31
AAV7A1 PIP	78	12	3
Weapons and Combat Vehicles under $5 million	115	3	16
MC Ground Forces	-	-	2,212
Other	178	60	38
Guided Missiles and Equipment			
Ground Based Air Defense (GBAD)	2	4	2
JAVELIN	4	-	-
Other	244	3	1
Communication and Electronics Equipment			
Repair and Test Equipment	273	13	21
Comm Switching & Control Systems	262	49	27
Common Computer Resources	85	78	75
Radio Systems	653	22	61
Night Vision Equipment	318	8	9
Comm & Elec Infrastructure Support	195	17	20
Command Post Systems	89	20	21
Other	305	145	143
Support Vehicles			
5/4T Truck HMMWV (MYP)	542	36	2
Motor Transport Modifications	287	-	-
Other	392	75	55
Engineering And Other Equipment	826	208	127
Spares and Repair Parts	42	23	13
Total: PMC	$5,452	$891	$2,999

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

Table B-15

Department of the Navy

Procurement of Ammunition, Navy and Marine Corps

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Navy Ammunition	557	511	473
Marine Corps Ammunition	628	254	287
Total: PANMC	**$1,185**	**$764**	**$760**

Note: Totals may not add due to rounding.

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Table B-16

Department of the Navy

Research, Development, Test and Evaluation, Navy

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Basic Research	467	492	467
Applied Research	762	786	678
Advanced Technology Development	1,012	766	522
Advanced Component Development	3,493	3,224	2,998
System Development and Demonstration	8,597	8,872	7,849
RDT&E Management Support	1,138	835	865
Operational Systems Development	3,502	3,674	3,697
Total: RDT&E,N	**$18,970**	**$18,649**	**$17,076**

Note: Totals may not add due to rounding.

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

NATIONAL DEFENSE SEALIFT FUND

Table B-17

Department of the Navy
National Defense Sealift Fund
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Strategic Sealift Acquisition	609	531	508
DoD Mobilization Assets	418	215	246
Research and Development	72	108	97
Ready Reserve Force	202	214	228
Total: NDSF	**$1,301**	**$1,068**	**$1,079**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS, ACTIVE AND RESERVE

Table B-18

Department of the Navy
Military Construction, Navy and Navy Reserve
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Significant Programs			
Operational & Training Facilities	380	423	633
Maintenance & Production Facilities	254	215	217
R&D Facilities	97	19	52
Supply Facilities	9	11	4
Medical Facilities	-	3	-
Administrative Facilities	29	34	21
Housing Facilities	180	211	381
Community Facilities	45	31	98
Utility Facilities & Ground Improvements	92	24	158
Pollution Abatement	34	33	7
Real Estate	2	69	-
Unspecified Minor Construction	-	9	10
Planning And Design	35	68	88
General Defense Intelligence Program	-	12	52
Marine Corps Grow the Force	-	-	383
Hurricane Recovery	336	-	-
Foreign Currency	6	-	-
Total: Navy	**$1,499**	**$1,162**	**$2,104**
Continuing Resolution Adjustment		*-$6*	
FY 2007 Continuing Resolution Authority		**$1,156**	
Naval Reserve			
Significant Programs			
Operational & Training Facilities	41	28	40
Maintenance & Production Facilities	2	15	4
Supply Facilities	-	2	2
Administrative Facilities	-	-	-
Housing Facilities	-	-	-
Community Facilities	-	-	10
Utility Facilities & Ground Improvements	-	-	-
Unspecified Minor Construction	1	1	-
Hurricane Recovery	94	-	-
Planning and Design	3	2	2
Total: Naval Reserve	**$141**	**$48**	**$59**
Continuing Resolution Adjustment		*-$12*	
FY 2007 Continuing Resolution Authority		**$36**	

Note: Totals may not add due to rounding.

*Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT estimate.

FAMILY HOUSING, NAVY AND MARINE CORPS

Table B-19

Department of the Navy
Family Housing, Navy and Marine Corps
(Dollars in Millions)

	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Navy			
Construction	197	123	98
O&M	567	432	332
Total: Navy	**$765**	**$555**	**$430**
Marine Corps			
Construction	-	182	201
O&M	109	77	39
Total: Marine Corps	**$109**	**$259**	**$240**
Total: FH,N&MC	**$874**	**$814**	**$670**
Continuing Resolution Adjustment		-$272	
FY 2007 Continuing Resolution Authority		**$542**	
New Construction Projects			
Navy	1	2	1
Marine Corps	-	1	-
Construction Units			
Navy	126	176	73
Marine Corps	-	74	-
Average Number of Units			
Navy	23,229	21,527	9,541
Marine Corps	9,996	4,818	867

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

BASE REALIGNMENT AND CLOSURE ACCOUNTS

Table B-20

Department of the Navy
Base Realignment and Closure Accounts
(Dollars in Millions)

Costs	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Base Realignment and Closure V	252	690	734
Total: BRAC	**$252**	**$690**	**$734**
Continuing Resolution Adjustment		*-$529*	
FY 2007 Continuing Resolution Authority		**$161**	

Note: Totals may not add due to rounding.

* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

NAVY WORKING CAPITAL FUND

Table B-21

Department of the Navy
Navy Working Capital Fund
(Dollars in Millions)

Costs	FY 2006 Actual	FY 2007 Baseline	FY 2008 Baseline
Navy Working Capital Fund	118	83	14
Total: NWCF	**$118**	**$83**	**$14**

Note: Totals may not add due to rounding.
* Does not include Title IX, FY 2007 Supplemental, or FY 2008 GWOT request.

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Chairman LEVIN. Thank you, Mr. Secretary.
Admiral Mullen.

STATEMENT OF ADM MICHAEL G. MULLEN, USN, CHIEF OF NAVAL OPERATIONS

Admiral MULLEN. Chairman Levin, Senator McCain, Senator Warner, and distinguished members of this committee: Thank you for your continued strong support of our men and women in uniform and for the opportunity to appear before you today. I am honored to join Secretary Winter and General Conway representing the longest-lasting inter-Service relationship in our Nation's history, the Navy-Marine Corps team.

As the Secretary said, we are a Nation at war, a maritime Nation, fighting an elusive and adaptive enemy bent on using terror and irregular tactics to spread hatred and fear across the globe. At the same time, we are confronted by potentially hostile nation states determined to develop and use sophisticated weapons systems. Your Navy is ready to meet these challenges.

2006 was a busy year. Your Navy met the demands of combatant commanders for well-trained combat-ready forces around the world, deterring aggression and combating terrorism while providing international disaster relief to Pakistan and the Philippines; revisiting tsunami-ravaged Southeast Asia with humanitarian relief from the hospital ship *Mercy*; successfully evacuating over 14,000 American citizens safely from Lebanon; and demonstrating our surge capability and partner-building capacity in Exercises Valiant Shield and RIMPAC.

In addition to that, we monitored missile launches on the Korean peninsula with our Aegis destroyers, sent a message of hope and resolve with the *George Washington* Carrier Strike Group in Partnership of the Americas in Latin America, and developed closer military relationships with the navies of China, India, and Russia. Some of our finest warfare officers command Provincial Reconstruction Teams in Afghanistan and Navy admirals command the Joint Task Forces in the Horn of Africa and Guantanamo Bay. We also helped strengthen homeland security through a continued and growing partnership with the United States Coast Guard.

Today nearly 100 of your ships and submarines are at sea and more than 60,000 sailors are forward-deployed. Fully half of these men and women serve in the Central Command (CENTCOM) area of responsibility and almost half of that number are on the ground in combat and combat support roles. They are performing magnificently, each and every one.

I had the opportunity to visit with many of them over the holidays in the Arabian Gulf, Iraq and Afghanistan, Bahrain, and the Horn of Africa. I can tell you they are focused, well-trained, and well-led. They are proud of what they are doing and still prouder of the difference they know they are making.

But we must work hard to sustain this readiness. Though we continue to meet or exceed almost all of our recruiting and retention goals, I remain concerned about certain shortfalls among our expeditionary forces, SEALs, explosive ordnance disposal personnel, our naval construction force, medical corps, and naval intelligence community. Additionally, I am starting to see for the first

time in years a drop in our first-term retention. I am watching this very, very closely.

As I testified to the House Armed Services Committee last month, the accelerated wear and tear on systems and equipment in a harsh physical environment requires immediate attention, especially on combat construction equipment for our Seabees and our older models of expeditionary aircraft, the P–3, the EP–3, and the EA–6B Prowlers.

The same investments we have made to improve fleet capabilities have paid off. We must now continue to reenergize procurement accounts to maintain those capabilities in the future. Our fiscal year 2008 budget helps us do that, calling for the construction of 7 new ships as well as the additional of 188 new operational aircraft to the inventory, nearly 40 more aircraft than we ordered last year.

We submitted a shipbuilding plan to Congress last year that would produce a fleet of 313 ships by 2020, a fleet sized and balanced to meet the challenges we face at maximum acceptable risk. That plan submitted with this budget has not changed. Still centered on 11 and eventually 12 aircraft carriers, 30 amphibious ships, 48 submarines, 88 surface combatants, and 55 LCSs, as well as the support ships, it will provide the Nation more options and more flexibility than ever before, particularly in core warfighting areas like mine and undersea warfare and anti-ballistic missile defense.

I appreciate the support we have received from this committee in developing this plan and in building this fleet. We continue to evaluate, as we must, the impact global developments have had on the plan's original risk assumptions. I assure you that I remain committed to a stable shipbuilding program and to pursuing with our partners in industry and here on Capitol Hill the efficiencies required to make it affordable.

Three things definitely have not changed, Mr. Chairman: my priorities to sustain our combat readiness, to build a fleet for the future, and to develop the 21st century leaders that we need. I know the role our Navy must play in helping to win the war on terror while providing a powerful strategic deterrent and remaining a vital element of this Nation's strategic reserve. I know well our requirement to support those we send into harm's way with the very best medical care, top-notch housing and installations, and a strong commitment to their professional support and their professional growth, as well as strong support for their magnificent families.

The 2008 budget we have submitted is not without risk. While other Services have seen top lines increase since September 11, the Navy has experienced a $7 billion decrease in buying power over the last 4 years. Our budget requests represent the maximum risk I believe we can accept in four key areas: manpower; readiness, both ashore and afloat; procurement accounts; and our reset.

When our ground forces return from Iraq and Afghanistan, the Nation will increasingly depend upon the expeditionary capabilities of its Navy and Marine Corps team. I know and I know you know that a maritime Nation such as ours depends in great measure, as it has for more than 230 years, on the flexibility, reach, agility, and lethality of that team. Indeed, I note with pride that this week,

March 27 in fact, marks the anniversary of the passage of the Naval Act of 1794, the legislation that revived the United States Navy and led to the construction of the original six frigates, including of course U.S.S. *Constitution*.

In his annual address to Congress just a few months prior to the passage of that act, President Washington alluded to the young Nation's need to defend itself: "If we desire to avoid insult," he noted, "we must be able to repel it. If we desire to secure the peace, it must be known that we are at all times ready for war."

Your Navy today, sir, is still ready to help secure peace and ready at all times to both deter war and to fight it. I thank you for the support you so generously give us to maintain our readiness, and again on behalf of your sailors, Navy civilians, and their wonderfully supportive families, I thank you for the opportunity to appear before you today and I look forward to your questions.

[The prepared statement of Admiral Mullen follows:]

PREPARED STATEMENT BY ADM MICHAEL G. MULLEN, USN

Mr. Chairman, Senator McCain, and members of the committee, it is an honor to appear before you today representing the brave men and women, sailors and civilians, of the United States Navy. It is with great pride, tempered by the urgency of war, that I report to you the Navy's readiness to answer all bells for our Nation's security, today and for generations to come. Thank you for your longstanding support.

INTRODUCTION

We are a maritime nation involved in a long, irregular and global war that extends far beyond Iraq and Afghanistan. The threat we face breeds within failing states and the under-governed spaces of the world and preys upon those weakened by poverty, disease, and hatred. It thrives where there is no rule of law and spreads like a malignancy through cyberspace and the vast maritime commons that serve as connecting tissue in this age of globalization.

We are also confronted by nation-states determined to develop sophisticated weapons systems, including nuclear arms. We cannot allow ourselves to be fixated on one threat alone. Our national security is dependent upon a strong Navy that can keep the sea lanes free, deter aggression, safeguard our sources of energy, protect the interests of our citizens at home and reassure our friends abroad. We must never relinquish overmatching capability and capacity.

While our ground forces are engaged in Iraq and Afghanistan, the Navy—with its ability to deliver two unique attributes day-to-day—global reach and persistent presence—will continue to support our responsibilities worldwide and provide a powerful deterrence, both in day-to-day operations as well as being a vital element of our Nation's "Strategic Reserve." As we pace the rapidly changing security environment, there is no alternative to a well balanced Fleet.

Much has changed in the world since I testified before this committee last year. Iran has been emboldened by the Israel/Hezbollah war and continues the overt pursuit of a nuclear production capability. North Korea has test fired long-range ballistic missiles and conducted an underground nuclear detonation. China has demonstrated the ability and willingness to conduct out of area diesel submarine operations and their advanced military and space technology development continues apace. The stated desire for, and apparent pursuit of, weapons of mass destruction (WMD) and advanced delivery systems has increased among terrorist organizations and their state sponsors. Within our own hemisphere, some leaders have become increasingly vocal in their opposition to policies of the United States.

Last Spring I signed the Navy Strategic Plan (NSP) to better align budgetary decisions with future operations and risk assessments. The NSP also laid the foundation for the Naval Operating Concept (NOC), which I co-signed with the Commandant of the Marine Corps in August 2006. The NOC is intended to define the objectives and missions of the Navy-Marine Corps Team and to underscore our warfighting interdependence.

The President's National Strategy for Maritime Security (NSMS) calls for enhanced international cooperation to ensure lawful and timely enforcement actions against maritime threats. During the Cold War, our Navy was guided by a Maritime

Strategy focused on containing and defeating the spread of communism and Soviet domination. It is time to develop a new Maritime Strategy based on global reach and persistent presence—a strategy that includes core Navy warfighting competencies and deterrence, strategic communication and information operations, shaping and stability operations, emerging and enduring partnerships.

At the International Sea Power Symposium in September 2005, the Chiefs of 49 navies and coast guards, among 72 countries represented, discussed a new vision of sea power in the 21st century. That vision of sea power encourages international partnerships for maritime security and awareness, consisting of vessels and capabilities from partner nations around the world—nations with a shared stake in international commerce, security and freedom of the seas: the "1,000 Ship Navy."

This year the U.S. Navy and Coast Guard have joined maritime forces around the world interested in participating in Global Maritime Partnerships—a proverbial "1,000 Ship Navy." Membership in this "global fleet" is not proscriptive and has no legal or encumbering ties. It is envisioned to be a Free Form Force of maritime partners who see the promise of sea power to unite, rather than to divide: Collective security on the oceans highways through a global maritime network.

United States 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.

PRIORITIES

In last year's testimony, I identified three priorities addressed by our fiscal year 2007 budget. We have made progress in all three and our fiscal year 2008 budget reaffirms our commitment to these priorities. We seek your assistance as we move forward, placing particular emphasis on strengthening our core warfighting capabilities and increasing our own military capacity as well as that of our partners. Our three priorities remain:

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

II. Build 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.

III. Develop 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.

I. Sustain Combat Readiness

A. Fiscal Year 2006 in Review

The Navy answered all bells in 2006. We met the demands of Combatant Commanders for well-trained, combat-ready forces—deterring aggression while conducting Operation Enduring Freedom, Operation Iraqi Freedom, international disaster relief, and humanitarian missions. We successfully evacuated over 14,000 American citizens safely from Lebanon and demonstrated our resolve, capability and partner building capacity in Exercises Valiant Shield, Rimpac, and Partnership of the Americas.

Over 10,000 Navy Individual Augmentees continued to make significant contributions around the world in all manner of joint and coalition billets, particularly in the CENTCOM Area of Responsibility. We continued to provide vital direct and indirect combat support to the Marine Corps through a variety of Blue in Support of

Green programs, and we supported homeland defense initiatives with the U.S. Coast Guard, including the development of a Maritime Domain Awareness Concept of Operations (CONOPs) and the establishment of three Sector Command Center-Joint, interagency harbor operations centers.

Last year the Navy also made progress toward improving our core warfighting competencies: anti-submarine warfare (ASW), mine warfare, and ballistic missile defense. As the missile tests on the Korean Peninsula and the out of area deployment of a Chinese diesel submarine remind us, we must ensure we sustain our overmatching capability and capacity in these, and other, core warfighting mission areas.

B. Current Readiness

I recently returned from a trip to Iraq, Afghanistan, Djibouti, Bahrain, and ships at sea in the Arabian Gulf. I visited with sailors conducting special operations and combat support in Iraq, flying combat sorties in support of OEF and OIF, providing security protection for oil platforms, conducting civil affairs missions in Afghanistan, participating in Theater Security Cooperation activities in Horn of Africa, and standing watches onboard U.S.S. *Dwight D. Eisenhower,* U.S.S. *Anzio,* and U.S.S. *Boxer*—reassuring our allies in the region while providing a formidable deterrent to Iran.

Our Navy's readiness is superb and our sailors are performing at exceptional levels at sea and ashore. The men and women of your Navy are on watch around the world, around the clock.

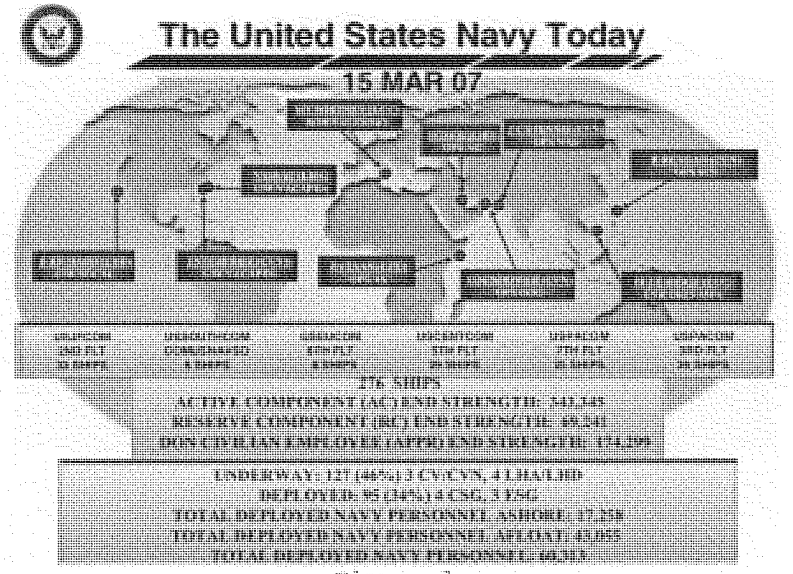


Figure 1

On 15 March 2007 we had 95 ships on deployment (34 percent of the Fleet) and 127 ships underway (46 percent of the Fleet) in every theater of operation; this included 3 aircraft carriers, and 4 big deck amphibious ships (LHA/LHD), and approximately 25 submarines (Figure 1).

That same day, 2,744 active and Reserve Seabees, and 4,896 of our Active and Reserve medical corps were serving overseas, many in combat support roles. Additionally, 817 members of the Navy Special Warfare community were deployed overseas (of 3,616 deployable), as were 247 Explosive Ordnance Disposal personnel (with 105 surge-available to deploy), and 744 Naval Coastal Warfare/Expeditionary Security Force personnel (of 2,640 deployable). Earlier this month, 167 sailors from the Navy's first, newly established Riverine Squadron arrived in Iraq to provide area security at the Haditha Dam.

Worldwide, on 15 March 2007, there were 60,313 of our sailors deployed ashore and afloat worldwide, conducting strategic deterrence; intelligence, surveillance and

reconnaissance; ASW training, ballistic missile defense, mine counter warfare, counter piracy and counter-drug patrols, theater security cooperation activities, and humanitarian assistance. On that day there were 31,120 sailors serving in the CENTCOM AOR, 13,007 of whom, were on the ground building roads and schools, offering combat care and medical assistance to our Fleet Marines, providing timely intelligence support to Special Operations, and contributing to the myriad combat support and reconstruction missions ongoing in that region. No less vital are the sailors and civilians—the Total Navy—who serve the shore-based infrastructure that underpins our Fleet worldwide.

Perhaps the greatest enabler of our current, and continuous, readiness has been the ongoing development of the Fleet Response Plan (FRP). FRP is an evolving, deliberate process to ensure increased and continuous availability of trained, ready Navy forces capable of a surge response forward on short notice. FRP does not change training requirements, operational capabilities or the amount of maintenance. Rather, it delivers enhanced surge capability while providing rotationally deployed forces to fulfill Global Force commitments.

Another key enabler of our Fleet readiness is family readiness. ''Family readiness'' means sailors' families are prepared for the absence of their loved one. The Navy strives to reduce the uncertainty and apprehension experienced by our Navy families in these stressful times, while strengthening the programs and resources available to support them.

Without the support of our families—and, without supporting them in return—we cannot hope to sustain combat readiness. We owe our sailors and their families the very best quality of life we can offer. This includes top-notch housing and installations, the best health care we can provide, and a strong commitment to child care.

C. Requirements to Sustain Combat Readiness

As we adapt to asymmetric threats and the challenges of irregular warfare, we cannot lose sight of Navy's core warfighting competencies. We must continue to improve performance in anti-submarine and mine warfare, anti-surface warfare, anti-air warfare, strike warfare, ballistic missile defense, and other core maritime supremacy missions. We will continue to mature our Fleet Response Plan (FRP) and strengthen Fleet and Family Readiness—to ensure combat ready, surge-capable forces are available to meet any contingency. Natural disasters abroad and hurricanes here at home taught us valuable lessons. We need to extend the FRP philosophy of ''continuous readiness'' to our shore commands, our people, and to our families.

To sustain our combat readiness, we seek congressional support in the following areas:

- Anti-submarine warfare (ASW). Submarines with improving stealth and attack capability—particularly modern diesel attack submarines—are proliferating world-wide at an alarming rate. Locating these relatively inexpensive but extremely quiet boats presents our Navy with a formidable challenge. Navy is pursuing a distributed and netted approach to ASW. Some of the key ASW programs we must continue to develop and field as quickly as possible include: the Deployable Autonomous Distributed System (DADS); the Reliable Acoustic Path Vertical Line Array (RAPVLA); the Surface Ship Torpedo Defense System (SSTD); the Aircraft Carrier Periscope Detection Radar (CVNPDR); and, the High Altitude ASW Weapon Concept (HAAWC).
- SONAR restrictions. ASW is a very complex and challenging warfighting competency in which to achieve and sustain the required level of expertise. Therefore every opportunity we have to gain and maintain proficiency at the ship/unit level, and every opportunity we have to integrate units in complex scenarios is crucial to our readiness. Unfortunately, our ability to train in the same manner in which we fight is under attack in public forums, including the courts. Thus far, we have seen little scientific basis for the claims lodged against the Navy. However, these allegations present the potential for severe restrictions on our continued ability to train effectively, as we saw in RIMPAC 2006 wherein we lost 3 days of valuable ASW training with active sonar because of a court restraining order. Navy is currently executing a comprehensive plan of action to cover all our at-sea training areas with environmental compliance documents by the end of 2009. We are committed to maintaining an open dialogue, continuing to advance our scientific understanding of the impacts of sonar on marine mammals, and complying with the relevant statutes. We have consistently made this clear as an organization in our debate on this issue. Maintaining proficiency in ASW is a daily challenge, and while our long-term compliance documents

are being developed, we cannot afford to stop training. We owe it to our sailors to ensure they receive the training they need to fight and win.

The Marine Mammal Protection Act (MMPA) requires permits for activities that may affect marine mammals. This includes military activities, including certain Navy activities at sea. The National Defense Authorization Act of 2004 included a provision that authorizes the Secretary of Defense to grant exemptions to the MMPA for certain military activities critical to our National defense. On 23 January 2007, the Deputy Secretary of Defense granted Navy a National Defense Exemption (NDE) for 2 years covering mid-frequency active (MFA) sonar activities for major exercises and in major operating areas, as well as the use of Improved Explosive Echo Ranging sonobuoys (IEER). The NDE will help Navy continue to conduct the sonar training necessary for our National defense while protecting marine mammals through established mitigation measures.

- Naval Expeditionary Combat Command. NECC is developing into a true force of choice in phase zero (pre-conflict) and phase V (reconstruction) operations, and as a vital part of our Nation's long war against terrorism. Included in the Naval Expeditionary Combat Command today are 30,363 Active and Reserve component sailors including 15,339 in the Naval Construction Force, 6,557 in Naval Coastal Warfare, 3,607 in the Navy Expeditionary Logistics Force, 2,482 in Explosive Ordnance Disposal, 712 in the Riverine Force, 591 in the Navy Expeditionary Guard Battalion, 441 in Visit Board Search and Seizure/Intel, 431 in the Maritime Civil Affairs Group, 85 in Combat Camera, 68 in the Expeditionary Combat Readiness Center, and 50 in the Expeditionary Training Group. All new forces—Riverine, Expeditionary Training Group, Maritime Civil Affairs and Maritime Expeditionary Security Force—will meet full IOC objectives in fiscal year 2007. Riverine will deploy its first squadron to Iraq this month to provide area security at Haditha dam and interdiction operations on the Euphrates river. Your continued support of our Riverine capability and capacity is vital. Our second Riverine Squadron was established on 2 February, 2007 and our third Squadron will be stood up this June.
- Sea Basing. It would be difficult to consider any future expeditionary missions without recognizing the need for a sea base from which to stage Joint Forcible Entry Operations, Theater Security Cooperation, and humanitarian assistance activities. Sea Basing provides operational maneuver and assured access to the joint force while significantly reducing our footprint ashore and minimizing the permissions required to operate from host nations. These are operational characteristics that will prove increasingly vital in the post-OIF/OEF political-military security environment. Navy is exploring innovative operational concepts combining sea basing with adaptive force packaging that will further support national security policy and the Combatant Commanders' objectives worldwide. Our 30-year shipbuilding plan provides for Sea Basing that covers the spectrum of warfare from Joint Forcible Entry to persistent and cooperative Theater Security Cooperation.
- Ballistic Missile Defense. Missile tests on the Korean Peninsula and by Iran, along with the proliferation of ballistic missile technology underscores the growing need for a robust, sea-borne ballistic missile defense system. Last year, the Navy made further progress on our Aegis Ballistic Missile Defense (BMD), the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short- and medium-range ballistic missiles with ship-based interceptors (SM–3). The Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM–2 BLk IV missiles from Aegis BMD capable ships.
- Depot Level Maintenance. Ship and aviation depot level maintenance is critical to enable the continuing readiness of our warfighting capabilities. Support of our O&MN accounts will ensure we don't defer critical maintenance.
- U.S.S. *George Washington*. The U.S.S. *George Washington* will relieve U.S.S. *Kitty Hawk* as our forward deployed naval forces CVN in Japan in fiscal year 2008. This transition, vital to our security interests in the Asian Pacific region, needs to be fully funded.
- Fleet and Family Readiness. The Navy is addressing Fleet and family readiness in many critical areas, four of which are: minimizing financial risk and predatory lending; improving crisis management and response pro-

cedures; enhancing child care programs and centers; and, improving ombudsman programs. We also continue to work with those families struggling to recover from the devastation of Hurricanes Katrina and Rita.

• Steaming Days. The fiscal year 2008 budget provides funds necessary to support 48 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 22 underway days per quarter for non-deployed forces (primarily used for training). Our fiscal year 2008 baseline budget estimates also include reductions to peacetime OPTEMPO levels. The fiscal year 2008 budget supports the "6+1" surge readiness level from our Carrier Strike Groups. As in fiscal year 2006 and fiscal year 2007, it is anticipated that operational requirements will continue to exceed peacetime levels in fiscal year 2008.

II. Build a Fleet for the Future

A. Fiscal Year 2006 in Review

In 2005 the Navy conducted extensive analysis to determine the minimum required force structure needed to meet the security demands of the 21st century with an acceptable level of risk. In February 2006, the Navy unveiled a new 30-year shipbuilding plan that will provide a Battle Force of approximately 313 ships by 2020 with more capacity and capability than was ever dreamed when our fleet was much larger in size. Stabilizing this plan, which remained essentially unchanged in our 2007 submission, is intended to provide the shipbuilding industry with sufficient predictability to maintain critical skills and to make business decisions that increase efficiency and productivity in order to meet the Navy's projected shipbuilding requirements.

Last year we began to see our future Fleet taking shape. We currently have 38 ships under contract for construction, and in fiscal year 2006 ships that had been designed a few short years ago rolled down the ways. We christened the first *Freedom* Class Littoral Combat Ship, amphibious assault ship *Makin Island*, amphibious transport dock ship *Green Bay*, Guided Missile Destroyers *Gridley* and *Sampson*, nuclear fast attack submarine *Hawaii*, auxiliary dry cargo ships *Alan Shepard* and *Sacagawea*, and the aircraft carrier *George H.W. Bush*. We commissioned the amphibious nuclear attack submarine *Texas* and the guided missile destroyer *Farragut*. We also rolled out the first EA–18G *Growler*.

In fiscal year 2006, the increased wartime OPTEMPO of Operations Iraqi Freedom, Enduring Freedom, and the global war on terror continued to wear down Navy's aging, "legacy" aircraft. Expeditionary aircraft utilization has dramatically increased, particularly for EA–6B airborne electronic attack aircraft, MH–60 multimission helicopters, P–3 maritime patrol aircraft, EP–3 electronic surveillance aircraft, and F/A–18 C/D attack aircraft, thus shortening the expected service life (ESL) of these aging airframes.

Improving our own capacity was only part of the Navy's focus in fiscal year 2006. We also pursued the broadest possible approach to strengthening maritime security through partnerships. This included closer cooperation with the U.S. Coast Guard and our other interagency partners, international organizations, nongovernmental agencies, commercial shippers, and maritime nations great and small.

Perhaps the most tangible application of Navy's global reach and persistent presence in building partner capacity was last year's 5 month deployment of the hospital ship *Mercy* in the summer of 2006 to the tsunami-affected areas in South and Southeast Asia. Working with embarked military medical personnel from Canada, Australia, Singapore, India and Malaysia as well as representatives from 11 nongovernmental organizations, *Mercy*'s accomplishments ashore and afloat included: 60,081 patients seen, 131,511 total services provided; 1,083 surgeries; 19,375 immunizations; 20,134 optometry evaluations, 16,141 glasses distributed; 9,373 dental extractions; 236 biomedical equipment repairs, 254 people trained; 59 major and 177 minor medical systems restored to 100 percent operational capacity; and, 6,201 host nation students trained.

In an August 2006 public opinion survey, conducted by Terror Free Tomorrow, Indonesians and Bangladeshis overwhelmingly indicated their support of this humanitarian mission. In Indonesia, 85 percent of those aware of *Mercy*'s visit had a favorable opinion, and in Bangladesh this figure was 95 percent. Further, 87 percent of those polled in Bangladesh stated that *Mercy*'s activities made their overall view of the United States more positive. These polling results provide some indication of the power of partnerships.

B. Current Force

By the end of fiscal year 2007 we will have stopped the free fall of our Navy and our Fleet's net size will have grown from a low of 274 ships in March 2007 to 279, including 5 newly commissioned ships.

Navy is in the process of evaluating the impact global developments have had on our risk assumptions, and ultimately whether or not this will affect the build rate of our future Battle Force. Whatever the outcome of this evaluation, we will work closely with our partners in industry to control requirements costs and provide the industrial base the stability it needs to become more productive.

Future platforms and combat systems must be designed and built with the knowledge that we plan to continually upgrade them over their lifetime. An Open Architecture approach to software acquisition and development of integrated weapons systems is a critical part of this business model. Free and open competition in which the best idea wins is the goal.

The fiscal year 2008 President's budget submission provides for procuring 7 new ships in fiscal year 2008 and 67 new ships over the FYDP (fiscal years 2008–2013). To facilitate the stability required to achieve reduced costs in this constrained industrial sector, no changes in ship acquisitions were made in fiscal year 2008 from President's budget 2007 to President's budget 2008. The Navy has a long-range vision to reduce types and models of ships, to maximize reuse of ship designs and components, and to employ a business model that encourages the use of open architecture and mission systems modularity.

The next major challenge in building a fleet for the future is to deliver a long range aviation procurement plan. Much work has been done analyzing Joint warfighting capabilities and capacity based on threat and risk assessments driven by Defense Planning Guidance. Consideration has also been given to affordability, industrial capacity and production times associated with next generation aviation warfare. The Navy will work to deliver a stable aviation build plan that transforms and balances aviation capabilities with respect to conventional and irregular warfare, reduces excess capacity, and achieves technological superiority through cost-wise investments in recapitalization, sustainment and modernization programs.

President's budget 2008 procures 188 aircraft in fiscal year 2008 and 1,295 aircraft across the FYDP (fiscal years 2008–2013), reduces average aircraft age from 74 percent to 50 percent of expected service life, and concentrates on resourcing critical maritime and Joint effects. The plan is structured to support required economic order quantity investments and facilitate Multi-Year Procurement (MYP) contracts.

We must include the vital contribution that can be made in securing the global commons by our partners with common interests. The President's National Strategy for Maritime Security states, that, "The safety and economic security of the United States depends upon the secure use of the world's oceans." It further notes that, "Maritime security is best achieved by blending public and private maritime security activities on a global scale into an integrated effort that addresses all maritime threats."

I believe an international "1,000 ship navy," offers a real opportunity to increase partner nation capabilities while reducing transnational crime, WMD proliferation, terrorism, and human trafficking. Regional maritime security partnerships are already taking shape worldwide that support this ideal, some with and some without direct US Navy involvement. The self-organizing evacuation of non-combatants from Lebanon during the Israeli-Hezbollah war, in which 170 ships from 17 countries came together, accomplished their mission, and dispersed is often cited as a good example of how such partnerships might work.

Critical to increasing partner capacity in the war on terror, as well as building strong global maritime partnerships (the "1,000 ship navy") that promote maritime security, is the Building Global Partnerships Act of 2007, being submitted to Congress by the Department of Defense as a top legislative priority. The BGP Act will significantly improve our ability to help friendly nations develop capabilities to better govern and defend their territorial waters and the global maritime commons, denying access to terrorists and criminal organizations. We encourage your support for this vital legislation that will further enable support for the "1,000 ship navy" concept.

Sea Power in this century cannot be harnessed by a single nation acting alone. If we are to build a fleet for the future capable of keeping pace with globalization, we must leverage the capacity of our partners with common interests. The positive potential of Sea Power and freedom of the seas can only be achieved through a collective and cooperative approach focused on international rule of law and freedom of the maritime commons.

C. Requirements to Build a Fleet for the Future

We have worked hard with Congress and Industry to start to create stability in our shipbuilding plans and industrial base. We must continue to fund and build a balanced, effective Battle Force of about 313 ships . . . the minimum force required to guarantee the long-term strength and viability of U.S. naval air and sea power with acceptable risk. We recognize the need to control requirements, maintain program stability, curb costs, and monitor best business practices. We need support for sustained funding of our shipbuilding account—consistent with the 30-year plan—that is critical to provide our partners in industry the stability they need to curb cost growth and sustain our vital shipbuilding industrial base.

To build a fleet for the future and strong partnerships, we seek congressional support in the following areas:

- 11 Carrier Force. The 30-year shipbuilding plan recognizes that as a result of the retirement of U.S.S. *Enterprise* in fiscal year 2013, the number of aircraft carriers will drop to 10 for a period of approximately 30 months, until the U.S.S. *Gerald Ford* enters active service. Legislative relief is required from the National Defense Authorization Act for Fiscal Year 2007 requiring a carrier force of 11. In developing the 30-Year Shipbuilding Plan, Navy conducted extensive analysis that concluded the temporary drop to a carrier force of 10 from fiscal year 2013 through fiscal year 2015 is an acceptable, though moderate, risk. A carrier force of 11 is recognized as minimum risk over the long run.
- Littoral Combat Ship. The Littoral Combat Ship (LCS) program remains of critical importance to our Navy. Current cost estimates exceed established thresholds for detail design and construction of LCS–1, the lead Lockheed Martin hull. This recent cost growth has provided an opportunity to reinforce the Navy's commitment to providing warfighting capability through affordability. The Navy is executing a pause in the construction of LCS–3, the second Lockheed Martin hull, to conduct a thorough review of the program, and to examine both internal and external factors relating to the acquisition and contracting processes, practices, and oversight and the related impact on cost. The Navy remains committed to bringing Littoral Combat Ship capability into the Fleet quickly and by means of an acquisition strategy that is executable, affordable, and in the best interests of the Navy.
- *Virginia* Class Multi-Year Procurement (MYP). Navy is seeking multi-year procurement authority in fiscal year 2008 for *Virginia* Class submarine contracts beginning with the fiscal year 2009 ship. Continued MYP authority will help maintain a stable SCN profile and greatly aid in *Virginia* Class cost reduction initiatives. In order to support our long-term submarine force structure of 48 boats, Navy plans to increase the build rate of this Class to 2/year beginning in fiscal year 2012.
- Split Funding for *Zumwalt* Class DDG. The support of Congress for last year's split funding request was greatly appreciated. This year Navy requests the second half of split year funding for dual lead ships of the *Zumwalt* Class destroyer to maximize competitive efficiencies and focus design efforts. Split funding will also lend stability to the shipbuilding industrial base. This funding strategy supports the current budget structure, enhances future competitive opportunities, and limits liability for appropriations in future years.
- Joint Strike Fighter. The F–35 Joint Strike Fighter remains the cornerstone of Navy's continuing superiority in air warfare. Although risk associated with the recent 2 year slide in the carrier variant of the F–35 will be mitigated by an increased buy of F/A–18 E,F variants, there should be no doubt that JSF is a much more capable aircraft. I encourage your continued strong support of this program to guard against further delays in production.
- Legacy Expeditionary Aircraft Replacment. As our aging, legacy aircraft reach the end of the service lives, funding for follow-on programs becomes critical. Among these programs are the P–8A multi-mission maritime aircraft, the F/A 18–E/F and JSF, the EA–18G airborne electronic attack aircraft, the V–22 tilt-rotor aircraft, and the MH–60R/S and CH–53K helicopters. Navy's RDT&E program is also vital to this effort.
- Research and Development. To achieve the speed of war Navy is pursuing Innovative Naval Prototypes (INPs)—revolutionary "game changers" for future naval warfare. These initiatives have resulted in the development of an electro-magnetic rail-gun prototype; new concepts for persistent, netted,

littoral ASW; technologies to enable Sea-basing; and the naval tactical utilization of space.

• Public Shipyard Loading. As we work with industry on shipbuilding cost reduction, we must ensure legislation and policy support best business practices and efficiencies. Apportioning work based upon funding quotas to drive work-loading in public Naval shipyards potentially diverts efficiency opportunities away from the private sector. Public yards provide vital services for nuclear propulsion and submarine work, and these critical competencies must be maintained. However, our first priorities in shipyard loading should be quality, efficiency, and cost savings. We seek your assistance in removing restrictions on our work-loading flexibility.

• Shore Installations and BRAC V. In addition to our ships and airplanes, another critical piece of Force Structure is our shore infrastructure, to include installations, piers and support facilities, training ranges, schoolhouses, hospitals, and housing. Supporting a "Surge Navy" demands we create an infrastructure that leverages advanced technology, sound investment and intelligent sustainment for the Fleet, for our sailors and their families. The Navy's Ashore Vision 2030 is our roadmap for transforming the Navy shore infrastructure over the next 25 years; it is aligned with the congressionally-mandated Base Realignment and Closure (BRAC) process.

The Continuing Resolution (CR) voted into Public Law in February 2007, decreased Department of Defense BRAC V funding from $5.6B request to $2.5 billion. Without supplemental funding to remedy the $3.1 billion reduction this law made in the DOD BRAC request, Navy's BRAC V funding will essentially be cut from $675 million to $291 million—a 57-percent reduction. This would devastate a program entering the critical stages of execution. This reduction would also delay, or in some cases negate, our ability to harvest savings and reap funds from land sales and transfers. Should this shortfall be remedied through fiscal year 2007 Emergency Supplemental Appropriations funding, Navy would do its best to minimize the impact of this delay through prompt execution of funds.

• MHC Transfers. Legislative authority for planned ship transfers are an important aspect of inter-operability with the navies of our allies. These transfers also contribute to the 1,000 ship Navy vision by building partner nation capacity, while reducing the taxpayer costs of maintaining or disposing of decommissioned ships. Navy seeks authority to transfer coastal mine hunting ships (MHCs) to Lithuania and Turkey. Limited in speed and endurance, the MHCs were designed as non-deploying assets. With no sweep capability and without redundant engineering and combat systems equipment, they are constrained in their ability to conduct mine clearance operations. For the MHCs to provide utility in a Homeland Defense role, they would have to be strategically distributed across the United States which would drain limited fiscal and manpower resources and hamper the Navy's ability to field a responsive and capable MCM force. These ships are scheduled for decommissioning in fiscal year 2008 and if authority is timely, they can be "hot transferred" which is less expensive for both the United States and the recipient.

• United Nations Law of the Sea Convention. To interact more effectively with our maritime partners, it is time to ratify the Law of the Sea Convention. Robust operational and navigational rights codified in the Law of the Sea Convention must be preserved for the Navy to continue to maximize its ability to execute the National Strategy for Maritime Security. Accession to the Convention is of critical importance to global naval maritime and over flight mobility.

III. Develop 21st Century Leaders

A. Fiscal Year 2006 in Review

In fiscal year 2006, Navy continued to meet recruiting and retention goals for most ratings and designators in the active and Reserve components. We achieved 100 percent of our overall active component enlisted recruiting goal, and our overall enlisted retention goal was exceeded at 104 percent. We met 98 percent of our overall active component officer accession goal and 99 percent of our active officer end strength goal. Navy will continue to remain vigilant in what is proving to be an increasingly difficult recruiting environment.

Fiscal Year 2006 was the 5th year of support for the global war on terror. Continued wartime OPTEMPO for Operations OIF and OEF has raised concern for the health and welfare of some parts of our expeditionary force. Medical ratings and

designators, Explosive Ordnance Disposal (EOD) personnel, Divers, Special Warfare Combat Crewmen (SWCC), and SEALs remained recruiting challenges.

Last year, Navy put a great deal of effort into analyzing and addressing the root causes of these recruiting shortfalls. New authorities provided in the National Defense Authorization Act for Fiscal Year 2007, such as increased accession bonuses and college stipends, are expected to help mitigate medical officer recruiting challenges. Increased accession bonuses for SEAL/Navy Special Warfare ratings and improved training techniques to reduce attrition will help us meet future requirements in our Global War on Terror intensive ratings.

The Expeditionary Combat Readiness Center (ECRC), a command within the NECC, was established in fiscal year 2006 as the single process owner for the deployment of Navy Individual Augmentees (IA) and In-lieu of (ILO) forces, of which the Navy is currently fielding over 10,000 sailors. The ECRC helps organize, process, train, equip, and deploy IAs, providing reach-back support and eventually helping them re-integrate with their parent command. Additionally, all active duty Sailors now process through one of four Navy Mobilization Processing Sites (NMPS) which has greatly enhanced consistency in processing between our Active and Reserve components. The ECRC NMPS and are helping Navy process IAs while meeting a goal of 60 day advanced notification of deployment.

Central to Navy's ability to sustain overall readiness, particularly in support the global war on terror through the Individual Augmentee program, was, and is, the near-seamless integration of our Active and Reserve components. Since 11 September 2001, over 42,000 Navy reservists have been mobilized in support of the global war on terror, representing over 80 percent of the total number of sailors deployed on the ground in theater. On any given day, over 20,000 citizen-sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 5,000 RC sailors mobilized in support of OIF and OEF. Additionally, we maintain the capacity to rapidly increase contingency support with more than 28,000 RC sailors yet to be mobilized.

Navy's Active/Reserve Integration program (ARI) aligns Reserve component (RC) and Active component (AC) personnel, training, equipment, and policy to achieve unity of command. It leverages both budgetary and administrative efficiencies, as well as ensuring that the full weight of Navy resources and capabilities are under the authority of a single commander. Navy reservists are aligned and fully integrated into their AC supported commands, and often conduct "flex-drilling," putting multiple drill periods together to provide longer periods of availability when requested. This flexibility enables our Reserve sailors to better balance the schedules and demands of their civilian employers and families while achieving greater technical proficiency, more cohesive units and increased readiness.

The Reserve component is a critical enabler of the "Sailor for Life" concept that is central to our Strategy for our People. This approach to recruiting, retention, and professional development explores innovative opportunities for career on-ramps and off-ramps, providing fluidity between the Active and Reserve components. Last year, Navy continued to actively pursue incentives that will develop a more adaptable, better educated, and more highly skilled workforce while encouraging sailors to serve longer and more productively.

Based on national demographic trends and the pace of globalization, it is clear we must build a more diverse Navy. According to the U.S. Census Bureau, by 2030 African Americans will comprise approximately 14 percent of the population nationally, Hispanics 20 percent, and Asians/Pacific Islanders/Other 10 percent. Our officer corps currently consists of 81 percent non-minority and our enlisted ranks are approximately 52 percent non-minority. To ensure we have the best people, from the widest talent pool available, we must do a better job of recruiting and retaining our Nation's young minority students.

B. Current Status of Our Sailors and Civilians

Perhaps no where else in our Navy is the pace of change more profoundly felt than in our manpower, personnel, and training enterprise. It is here that the dynamics of globalization, cultural diversity, advancing technologies, generational differences, changes in the labor market, and declining numbers of hard science degrees among America's youth combine to make recruiting and retention more challenging than ever.

Currently, only 3 in 10 high school graduates meet the minimum criteria for military service, including academic/mental, physical, and social/legal requirements. With all four armed services, a great number of colleges and universities, as well as corporate America seeking talented and qualified high school graduates, competition is stiff.

If we are to pace the security challenges of this century, our sailors and civilian workforce must evolve with our weapons systems. We must recruit today the young men and women who will be leading the Fleet tomorrow. This will be a more specialized, technically capable, better educated, more culturally diverse and aware Navy than we have today. It will be smaller.

Unfortunately, the old model of recruiting and detailing in which we focused on simply filling specific requirements, is no longer sufficient. Today, and in the future, as we reduce the size of our force to align it with increasingly sophisticated systems in a complex security environment, we must strive to FIT the right person to match the requirements. As we eliminate excess infrastructure ashore and increase our global outreach and persistent presence forward, the ratio of sea to shore billets will become more balanced. In order to make the right FIT for each individual sailor, we must be mindful of providing geographic stability, satisfying work, personal and professional development, and, to the degree possible, predictability in their future assignments.

Admittedly, we could adapt more easily to the rapidly changing security environment if we could focus on a specific enemy or choose between effectiveness in irregular warfare or major combat operations—between asymmetric or conventional threats. Unfortunately, we cannot choose; we must prepare for both.

Nor can we make it the responsibility of each sailor to individually sort out priorities or determine how to accommodate the greater breadth of learning and the depth of experience the future requires. Rather, we must adjust our personnel strategies to account for the dynamic nature of the demands on our people while assuring a predictable availability of current capability and future capacity suitable to the needs of the Joint Force and the Nation.

As we develop and build more efficient and automated ships, planes, and combat systems, personnel reductions are inevitable, and as crew sizes decrease, the skill level and specialization requirements increase. The Navy has reduced its active end strength by some 35,000 sailors over the last 4 years. In 2003 our Active component consisted of 375,700 sailors; at the end of fiscal year 2007 we will have 340,700; and, by the end of fiscal year 2008 we will have 328,400. As we look ahead to the smaller, more capable ships entering service in the FYDP, we anticipate a stabilization of that trend at an active end-strength between 320,000 and 325,000. We are also trimming our Reserve component which will have gone from a total of 87,800 in 2003 to a total of 71,300 at the end of fiscal year 2007 and 67,800 by the end of fiscal year 2008. But these reductions are more about shaping the right force, than simply trimming its size. Our priority, then, is to recruit some 45,000 active sailors with the right mix of diversity, education, and skill sets necessary to serve our Fleet in 2009 and beyond.

The Strategy for our People provides the framework through which we will size, shape, and stabilize the Navy Total Force. The execution of Navy's overarching Strategy for Our People focuses on six goals: capability driven management; a competency based workforce; an effective Total Force; increased diversity; being competitive in the Marketplace; and, being agile and cost efficient. The achievement of these goals depends on our ability to execute our programs of record. This strategy will satisfy future Joint warfighting needs by attracting, retaining, and better educating sailors and civilians capable of adapting and responding to mission needs anytime, anyplace, anywhere. [Figure 2]

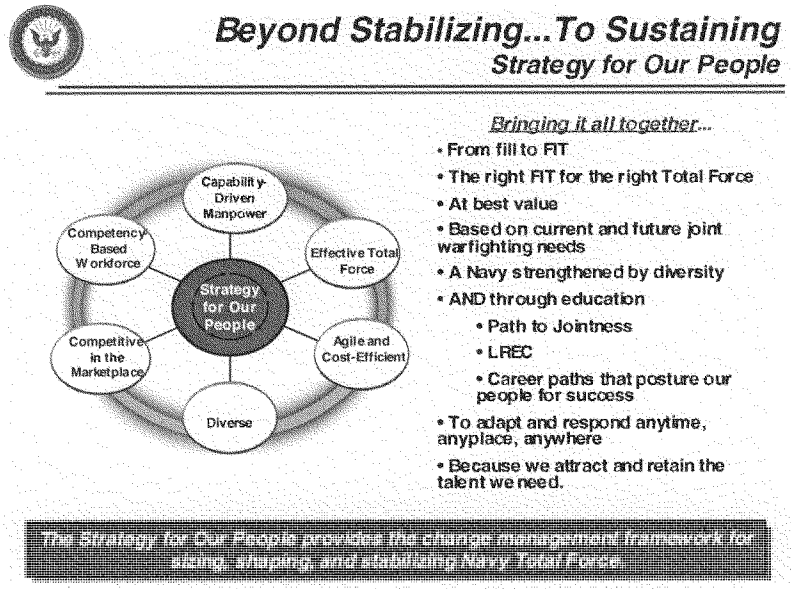


FIGURE 2

Capability driven manpower. . . . Warfighting missions and operations have become more complex and uncertain. Navy work and workforce requirements are constantly shifting and evolving with changes in required operational, political and strategic capabilities. Basing manpower requirements on current and projected warfighting needs will ensure we meet today's operational requirements while continuously updating and balancing the workforce as needs change.

A competency based workforce. . . . The Force Planning Concept suggests the joint force must develop unique capabilities that fall outside the realm of conventional warfighting. This means an expansion of the Navy workforce requirements beyond traditional roles (e.g. Maritime Civil Affairs Group). Developing the workforce based on competencies allows the Navy to continuously evaluate critical skills and create a workforce well-matched to the needs of the warfighters. A competency-based workforce also enables the Navy to determine where there is workforce commonality (or exclusivity) across a range of military operations so efficiencies can be realized.

An effective Total Force. . . . A constrained fiscal environment and workforce reductions demand our focus on applying the best resources to jobs as creatively as necessary. Viewing workforce components as one integrated team of sailors and civilians provides flexibility and reduces risk while better meeting warfighting needs. Leveraging the strength of the Total Force provides maximum flexibility in applying the right skill-set to a requirement in the most cost-efficient manner.

Diversity. . . . The changing demographics of the American population and the diversity of our missions in the world demand Navy take proactive steps to ensure it has access to the full range of the Nation's talent. Leveraging the strength of the Nation's diversity creates an environment of excellence and continuous improvement, in which artificial barriers to achievement are removed and the contributions of all participants are valued.

Being competitive in the Marketplace. . . . The Navy is faced with recruiting and retention challenges in an era of increased military operations, a strong civilian economy, and a decreasing propensity for military service. To remain competitive with the other Services, academic institutions, and corporate America the Navy must revise and update its personnel policies and programs so it is attractive to the desired talent base and successfully competes with the private sector for the best talent.

Being agile and cost efficient. . . . Expanding capability-driven workforce requirements and fiscal constraints require the Navy to deliver a more capable, versatile force. Agility means swiftly developing and implementing strategies, policies and processes to proactively meet evolving needs and challenges while focusing on the skills and abilities most in demand right now. Cost-efficient means we do this economically and without fiscal waste.

Education is another area that will be treated as a strategic investment in our future. Our Education Strategy must reflect the technological basis of our core warfighting skills, the interdependence of joint and combined operations, the complexity of decisionmaking, and the sophisticated regional knowledge and grasp of political-military issues expected of Navy leaders. The objective of the Education Strategy is to enhance overall performance excellence in current and future joint operations and operations support by addressing the individual needs of those who are currently serving as well as the future force.

C. Requirements to Develop 21st Century Leaders

The challenges we face in shaping the force are considerable. We must deliver on the strategy for our people.

To develop 21st century leaders, we seek congressional support in the following areas:

- Combat Casualty Care. The objective of Navy's combat casualty care is to maximize the continuum of quality care with lifesaving interventions as close to the battlespace as possible and with no decrease in quality of service during rehabilitation and recuperation. On the battlefield this includes forward surgical access and capabilities that have resulted in dramatically improved survival rates; diagnosis of mild/moderate traumatic brain injury/closed-head injury; improved patient care during transport; and, careful monitoring of mental health surveys administered during and after deployment to combat areas. After leaving the combat area, there is a 99.2 percent survival rate once an injured sailor reaches a Navy Medical Treatment Facility. Navy supports the Secretary's ongoing review of Walter Reed Army Medical Center and the National Naval Medical Center at Bethesda and is currently and seperately evaluating, through our Inspector General, the material condition and Quality of Service at each of our Navy Medical Treatment Facilities.

  Our highest priority is to win the global war on terror. Second only to this is our determination to take care of those wounded in this fight and their families.

- Health Care Cost Control. The Navy is committed to ensuring our sailors and their families receive top quality health care throughout the continuum of service. By 2009 our Navy will not only be smaller, it will be leaner. Health care costs continue to rise at a rate disproportionate to inflation. DOD TRICARE costs have more than doubled in 5 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). Yet this problem extends beyond our active duty, or even our Reserve, health care costs. One of the significant drivers of this increased cost is the TRICARE for Life program 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. Despite greatly increased utilization rates, 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. In fact, from fiscal year 2008 to fiscal year 2013, Navy's accrual costs for future retirees alone are expected to increase by $4 billion (a 16-percent increase) despite a flattened and stabilized end strength over that same period of time.

  There is no longer any tolerance for inefficiencies in our manpower system and very little flexibility in our MPN account. This has a carry-over effect by further pressurizing our procurement accounts. We again urge Congress to implement the initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.

- DOPMA Relief. While Navy end strength is reduced and stabilizes across the FYDP, the demand continues to increase for experienced officers to fill

joint requirements, core mission areas and jobs related to the war on terror. Navy is already operating at or near control grade limits imposed by Title 10, resulting in billet-grade suppression. Navy currently suppresses 106 captain, 279 commander, and 199 lieutenant commander billets at a lower pay grade (a total of 584 control grade billets). If title 10 limits were increased by 5 percent, Navy would be authorized to grow 131 captains, 304 commanders, and 478 lieutenant commanders. Funding to current control-grade requirements would give Navy the authority to grow 25 captains, 25 commanders, and 279 lieutenant commanders as future control-grade requirements emerge. This legislation is critical to Navy's ability to carry out the National Military Strategy.

- Special Pay and Incentives. Navy will continue to seek funding for special pay, recruitment and retention bonus to maintain the right balance of skills out workforce.
- Sailor for Life. Navy requires assistance in providing sufficient flexibility in transitioning between our Active and Reserve components as we pursue our sailor-for-life initiatives.
- Path to Jointness. The Navy is committed to pursuing a Path to Jointness—developing Joint leaders both in the officer and senior enlisted communities. We are pursuing initiatives that will: establish the professional military education (PME) requirements for the ranks of E–1 through O–8 across our Active and Reserve components; ensure that PME graduates are closely tracked and assigned to billets that exploit their education and accelerate their development as Joint leaders; assess policy effectiveness by tracking the number and percentages of PME graduates assigned to career enhancing billets, and require 100 percent fill of Navy resident student billets at all joint, Service and foreign war colleges.
- Tuition Assistance. The Navy is committed to supporting its sailors who choose education as a path to personal and professional development. The Navy provides 100 percent reimbursement up to $250 and $50 per semester hour for up to 16 credit hours. This is an increase from previous policy which only allowed reimbursement up to 12 credit hours. Tuition assistance is capped by DOD at $4,500 per person per fiscal year.
- National Security Personnel System (NSPS). NSPS is a new personnel system that will create new civil service rules for the 750,000 Defense Department civilian workers. It strengthens our ability to accomplish the mission in an ever-changing national security environment. NSPS accelerates efforts to create a Total Force (Active-Duty military personnel, civilian personnel, Reserve, Guard, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills and the Department's priorities. The Department of the Navy needs a Human Resource system that appropriately recognizes and rewards employees' performance and the contributions they make to the mission. NSPS gives us better tools to attract and retain good employees.

  Department of the Navy deployment of the remaining portions of NSPS continues. Pay and performance provisions have so far been deployed to approximately 4,000 employees and another 16,000 will be done by spring 2007. Further deployment of non-enjoined portions of the law will continue. Specifically, the pay, performance, recruiting, workforce shaping and other provisions of this new personnel system will be enacted throughout 2007–2008.

IV. Conclusion

Our Navy is truly a bargain, costing the taxpayers less than 1 percent of the GDP. Though we are increasingly stretched, the Navy is in great shape and our people are remarkable. But as we strive to sustain combat readiness, build a fleet for the future and develop 21st century leaders we cannot allow ourselves to take this for granted. We must be mindful of the need to maintain a strong Navy now, with our ground forces stretched thin in Iraq and Afghanistan, but also after they return home.

Our Nation depends upon a strong Navy with the global reach and persistent presence needed to provide deterrence, access, and assurance, while delivering lethal warfighting capacity whenever and wherever it is needed. Our Navy is fighting the global war on terror while at the same time providing a Strategic Reserve worldwide for the President and our unified and combatant commanders. As we assess the risks associated with the dynamic security challenges that face us, we must ensure we have the battle force, the people, and the combat readiness we need to win our Nation's wars.

We have put the rudder over, and I believe we have the course about right. Simply reacting to change is no longer an acceptable course of action if our Navy is to successfully wage asymmetric warfare and simultaneously deter regional and transnational threats: Two Challenges, One Fleet. Our nation's security and prosperity depend upon keeping our shores safe and the world's maritime highways open and free.

ANNEX I

PROGRAMS AND INITIATIVES TO ACHIEVE CNO PRIORITIES

Sustain Combat Readiness

Programs and practices of particular interest include (listed in order of fiscal year 2008 dollar value):

Mobile User Objective System (MUOS)

MUOS is the next generation Ultra High Frequency (UHF) narrowband satellite communications (SATCOM) system, replacing UHF Follow-On (UFO). MUOS supports communications-on-the-move to small and less stable platforms (handhelds, aircraft, missiles, UAVs, remote sensors) in stressed environments (foliage, urban environment, high sea state). UHF SATCOM provides critical command and control connectivity and is the essential common denominator for all forces. $828 million in fiscal year 2008 keeps MUOS funded to meet all Threshold requirements and is on track to meet an Initial Operational Capability (IOC) in 2010.

Nimitz-Class Refueling Complex Overhaul (RCOH)

RCOH subjects *Nimitz*-class aircraft carriers to comprehensive modernization upgrades, maintenance work, and nuclear refueling to extend the service life of a *Nimitz*-class carrier out to approximately 50 years, about 20 years longer than its originally planned service life. Execution of RCOH is required to maintain an 11 aircraft carrier force and provide Naval Tactical Air with an overmatch capability against any potential adversary. A notional RCOH consists of 3.2 million man-days and a 36-month execution period conducted at Northrop Grumman Newport News, Virginia facilities. While U.S.S. *Carl Vinson* (CVN–70) completes RCOH in fiscal year 2008–2009, the fiscal year 2008 Shipbuilding and Conversion, Navy (SCN) funding of $297 million primarily supports the advance funding and sequencing of follow-on overhauls for CVNs–71–73.

Cobra Judy Replacement (CJR)

$133 million in CJR funds the acquisition of a single ship-based radar suite for world-wide technical data collection against ballistic missiles in flight. This unit will replace the current *Cobra Judy/U.S.N.S. Observation Island,* which is due to leave service in 2012. Upon achieving Initial Operating Capability, Navy will transfer the CJR to the U.S. Air Force for operation and maintenance. The CJR program has entered production stage.

Cooperative Engagement Capability (CEC)

CEC is an advanced sensor netting system enabling real-time exchange of fire-control quality data between battle force units. CEC provides the integrated, precision air defense picture required to counter the increased agility, speed, maneuverability, and advanced design of cruise missiles, manned aircraft; and in the future, tactical ballistic missiles. Funding requested for fiscal year 2008 is $123 million.

CEC's acquisition strategy implements Open Architecture based hardware with re-hosted existing software. A critical element is the P3I hardware that reduces cost, weight, cooling, and power requirements. The Integrated Architecture Behavior Model (IABM) will be implemented as a host combat system software upgrade replacing the cooperative engagement processor functionality enabling joint interoperability with common track management across the Services.

Distributed Common Ground/Surface Systems (DCGS)

DCGS–N is the Navy's Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) system. Funded at $107 million in fiscal year 2008, DCGS–N will support the new Maritime Headquarters/Maritime Operations Center (MHQ/MOC). DCGS–N will receive and process multiple data streams from various ISR sources to provide time-critical aim points and intelligence products. It will enhance the warfighter's Common Operational Picture (COP) and Maritime Domain Awareness (MDA).

Deployable Joint Command and Control (DJC2)

DJC2 is a Secretary of Defense and Chairman of the Joint Chiefs of Staff priority transformation initiative providing Combatant Commanders (COCOMs) with a standardized, deployable, and scalable Joint C2 headquarters capability tailored to support Joint Task Force (JTF) operations. DJC2 enables a COCOM to rapidly deploy and activate a JTF headquarters equipped with a common C2 package with which to plan, control, coordinate, execute, and assess operations across the spectrum of conflict and domestic disaster relief missions. This budget request of $31 million provides operations and sustainment for the six existing systems and continued development efforts.

Navy Special Warfare (NSW) Support

NSW programs provide critical service common support to eight SEAL teams, two SEAL Delivery Vehicle Teams, three Special Boat Teams and five NSW Groups.

During fiscal years 2007 and 2008, six pre-positioned operational stocks will be procured and staged, hundreds of common small arms, weapons mounts and visual augmentation systems will be provided to NSW combat elements, up to 20 standard boats will continue to replace an aging fleet of 61 NSW training support craft and 4 Navy-mandated management support systems will be funded. A total of $21 million in various procurement and operations support accounts is dedicated in fiscal year 2008.

Navy Computer Network Attack (CNA)

Navy Computer Network Attack develops force structure for operations in the cyberspace environment. This is the programmatic continuation of Navy Cyber Attack Team (NCAT) initiative which is endorsed by several Combatant Commanders. Program focus is on unique capabilities to address Navy warfighting gaps. Our $11 million fiscal year 2008 investment is required to develop the capability to access adversary networks and enable Information Operations (IO) in asymmetric warfare.

Marine Mammal Research/Sound in Water Effects

The Navy is committed to following proactive compliance strategies to meet legal requirements and to identify and fund marine mammal research requirements—especially related to potential effects of mid-frequency active sonar. In support, Navy has requested $10 million in funding for these efforts in fiscal year 2008. Compliance with Marine Mammal Protection Act (MMPA), Endangered Species Act (ESA), Coastal Zone Management Act (CZMA), and National Environmental Policy Act (NEPA) related to potential effects to marine animals from sound in the water are dependent on filling gaps in scientific data and continued research on acoustic criteria. However, increasing pressures related to restricting the use of active sonar are adversely impacting Navy training and readiness. Clearer, science-based standards are needed in future MMPA amendments to ensure environmental protection while not endangering our sailors.

Forward Deployed Naval Forces (Japan)

U.S.S. *George Washington* (CVN–73) will replace U.S.S. *Kitty Hawk* (CV–63) as the forward deployed aircraft carrier in Yokosuka, Japan in 2008. The move represents a strong and continuing commitment to the security of the Asian Pacific region and our alliance.

George Washington will be the first nuclear aircraft carrier to join the Navy's permanently forward deployed naval forces (FDNF), replacing the conventionally powered the *Kitty Hawk* that will retire after 47 years of superb service. Funding of $9 million in fiscal year 2008 supports the final of several years investments for *George Washington*'s anticipated 2008 FDNF arrival.

TRIDENT

TRIDENT is maritime intelligence production capability within the Office of Naval Intelligence providing tailored, focused, timely intelligence support to Naval Special Warfare (NSW) and other joint special operations forces operating in the maritime arena. For a relatively small investment in fiscal year 2008 of $9 million, TRIDENT production directly supports the Global War on Terror and is a response to ongoing initiatives to improve intelligence support to NSW. TRIDENT deployed its initial two Tactical Intelligence Support Teams (TIST) in support of Naval Special Warfare in the Spring and Fall of 2006. They are currently providing both forward deployed and reach back support to NSW forces.

Undersea Warfare Training Range (USWTR)

The proposed USWTR is a 500-square nautical mile instrumented underwater training range in shallow littoral waters on each coast. USWTR will support under-

sea warfare (USW) training exercises for the Atlantic and Pacific Fleet Forces. Undersea hydrophone sensors will provide a suite to deliver real time tracking and a record of participants' activities used to evaluate tactics, proficiency and undersea warfare combat readiness. The instrumented area would be connected to shore via a single trunk cable.

Pending signature of the environmental Record of Decision (ROD) for the east coast USWTR in April 2008, the Navy will commence hardware procurement and installation in fiscal year 2008. Supporting this, Navy has requested $7 million in fiscal year 2008. The west coast ROD is scheduled for signature in September 2008. The shallow water ranges planned for both coasts will be completed in fiscal year 2013.

Tactical Aircraft (TACAIR) Integration (TAI)

Our TACAIR Integration initiative merges Navy and Marine Corps Tactical Aviation into a seamless Naval Aviation force at sea and ashore. This is an organizational change that "buys" increased combat capability without requiring additional investment.Naval Aviation force projection is accomplished by increased integration of Marine tactical squadrons into Carrier Air Wings and Navy squadrons into Marine Aircraft Wings. Successful integration, also leveraging the common characteristics of the F/A–18s, further enhances core combat capabilities providing a more potent, cohesive, smaller and affordable fighting force.

Build a Fleet for the Future

Programs and practices of particular interest (listed in order of fiscal year 2008 dollar value):

RDT&E Development and Demonstration Funds

Navy's $15.9 billion investment in various technology, component, and system development funds, as well as our operational development and testing programs provide a balanced portfolio. Not only do they ensure successful development of programs for our Fleet for the Future, they also leverage the Fleet, Systems Commands, warfare centers, and others to align wargaming, experimentation, and exercises in developing supporting concepts and technologies.

DDG–1000

This 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. DDG–1000 will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littoral. The program provides the baseline for spiral development to support future surface ships. Our fiscal year 2008 request is for $3.3 billion in shipbuilding and research funds.

With the Advanced Gun System (AGS) and associated Long Range Land Attack Projectile (LRLAP) DDG–1000 will provide volume and precision fires in support of Joint forces ashore. A Global Positioning System (GPS) guided, 155 millimeter round, LRLAP will provide all weather fires capability out to 83 nautical miles. Its 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 retrofit to legacy ships.

Facilities Recapitalization and Sustainment

Facilities Recapitalization is comprised of modernization and restoration. Modernization counters obsolescence by renewing a facility to new standards or functions without changing the fundamental facility size. Restoration includes efforts to restore degraded facilities to working condition beyond design service life or to fix damage from natural disaster, fire, etc. Restoration and modernization funding in fiscal year 2008 is requested at $2.0 billion.

Facilities Sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life.

Navy's sustainment rate, and fiscal year funding request of $1.1 billion, is at the level at which facilities can be maintained and still remain mission capable. Navy's intent is to aggressively scrub requirements, reduce facilities footprint and drive down costs. Our goal is to provide the resources required to execute wartime missions. Our planning and footprint reduction initiatives are intended to ensure that adequate facilities are available to support our mission requirements.

CVN–21

The CVN–21 Program is designing the next generation aircraft carrier to replace U.S.S. *Enterprise* (CVN–65) and *Nimitz*-class aircraft carriers. CVN–78-class ships will provide improved warfighting capability and increased quality of life for our sailors at reduced acquisition and life cycle costs. $2.8 billion in shipbuilding funds for fiscal year 2008 supports acquisition of U.S.S. *Gerald R. Ford* (CVN–78), the lead ship of the class, scheduled for delivery in late fiscal year 2015. Additionally, the program has $232 million in research and development supporting work on the Electromagnetic Aircraft Launch System and other warfighting capability improvements.

F–35 Joint Strike Fighter (JSF)

F–35 is a joint cooperative program to develop and field family of affordable multimission strike fighter aircraft using mature/demonstrated 21st century technology to meet warfighter needs of the Navy, Marines, Air Force, and international partners including the U.K., Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada. Navy's fiscal year 2008 $1.2 billion in procurement buys six short takeoff and landing variants. An additional $1.7 billion in research and development continues aircraft and engine development.

Virginia Class Fast Attack Nuclear Submarine (SSN)

Navy needs to maintain a SSN force structure to meet current operational requirements, prosecute the global war on terror, and face any potential future threats. The *Virginia* class emphasizes affordability and optimizes performance for undersea superiority in littoral and open ocean missions.

Lead ship operational performance exceeded expectations. Follow-on submarine performance has been even better:

- U.S.S. *Texas* (SSN–775) INSURV trial was best performance by the second SSN of any class.
- Third ship (*Hawaii,* SSN–776) was the most complete submarine ever at launch (greater than 90 percent complete), had the best INSURV trial of the class, and was delivered on the original contract delivery date.

$2.6 billion in fiscal year 2008 procures one submarine. Additionally, the budget requests $137 million for technical insertions and cost reduction developments. Navy is working closely with industry to bring the cost per hull down to $2 billion (in fiscal year 2005 dollars) and increase the build rate to two ships/year starting in fiscal year 2012. Authorization of MYP will help facilitate this. This will help mitigate future force level deficiencies and achieve cost reduction goals through Economic Order Quantity (EOQ) savings and better distributed overhead costs.

F/A–18E/F Super Hornet

The Navy's next generation, multi-mission Strike Fighter replaces aging F–14s, older model F/A–18s, and assumes the S–3 aircraft carrier-based aerial refueling role. F/A–18E/F provides a 40-percent increase in combat radius, 50 percent increase in endurance, 25 percent greater weapons payload, three times more ordnance bring-back, and is five times more survivable than F/A–18C models. Approximately 55 percent of the total procurement objective has been delivered (254 of 460). F/A–18E/F is in full rate production under a second 5-year multi-year contract (fiscal years 2005–2009). $2.3 billion in fiscal year 2008 procures 24 aircraft as part of this contract.

MV–22 Osprey

MV–22 Osprey is the Marine Corps medium-lift assault support aircraft being procured to replace legacy CH–46Es and CH–53Ds. Current operational projections hold CH–46Es in service through fiscal year 2018, and CH–53Ds through fiscal year 2013. The CH–46Es are playing a critical role in the war on terror, flying more than four times their peacetime utilization rate making delivery of the MV–22 even more critical. The MV–22's improved readiness, survivability and transformational capability (twice the speed, three times the payload, and six times range of the airframes it is replacing) will vastly improve operational reach and capability of deployed forces. The aircraft is approved for Full Rate Production and enters a congressionally approved joint 5-year, multi-year procurement in fiscal year 2008 with $2.0 billion procuring 21 aircraft. The total Marine requirement is 360 MV–22s; Navy 48 MV–22s; SOCOM 50 CV–22s.

DON Science & Technology (S&T)

The Department of the Navy S&T supports Navy/Marine strategy and guides the S&T investment portfolio to meet the future needs of the Navy, the Marine Corps,

and combatant commands. The fiscal year 2008 budget of $1.7 billion is a balanced portfolio comprised of discovery and invention, leap-ahead innovations, acquisition enablers, quick reaction S&T and Defense Department partnerships. A long-term strategy will help balance future risks.

EA–18G Growler

The Growler is the Navy's replacement for the EA–6B. Inventory objective is 84 aircraft for test, Fleet Replacement Squadron, attrition, pipeline and 10 operational carrier airwing squadrons to provide the Navy's carrier-based Airborne Electronic Attack (AEA) capability. The program is on schedule and budget. All Key Performance Parameter (KPP) and Technical Performance Measure (TPM) thresholds are being met or exceeded. Program achieved first flight in August 2006; 1 month ahead of schedule. $1.6 billion supports development and procurement of 18 aircraft in fiscal year 2008.

MH–60R/S Multi-Mission Helicopter

The MH–60R is a cornerstone of the Navy's Helicopter Concept of Operations (CONOPs), which reduces from six to two the helicopter variants in use today. The MH–60R Multi-Mission Helicopter program will replace the surface combatant-based SH–60B, carrier-based SH–60F, and anti-surface capabilities of the S–3 with a newly manufactured airframe and enhanced mission systems. Sea control missions include Undersea and Surface Warfare. The MH–60R provides forward-deployed capabilities to defeat area-denial strategies, allowing joint forces to project and sustain power. Full Rate Production was approved in March 2006. $998 million in fiscal year 2008 procures 27 aircraft.

The MH–60S is designed to support Carrier and Expeditionary Strike Groups in Combat Logistics, Search and Rescue, Vertical Replenishment, Anti-Surface Warfare, Airborne Mine Countermeasures, Combat Search and Rescue, and Naval Special Warfare mission areas. This program is in production. This fiscal year, Block 2 of the program will see the IOC of the first of five Organic Airborne Mine Countermeasures (OAMCM) systems (AQS–20). The remaining four airborne mine countermeasure systems will IOC between fiscal years 2008–2010. An armed helicopter capability is also expected to enter IOC this year. $504 million in fiscal year 2008 procures 18 aircraft.

LPD–17

LPD–17 functionally replaces LPD–4, LSD–36, LKA–113, and LST–1179 classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, amphibious vehicles, or by a combination of these methods. $1.5 billion in this budget's shipbuilding request procures LPD–25.

LHA(R)

LHA(R) replaces four aging LHA Class ships which are reaching the end of their administratively extended service lives. LHA(R) Flight 0 is a modified LHD–1 Class variant designed to accommodate aircraft in the future USMC Aircraft Combat Element (ACE) including JSF and MV–22. The fiscal year 2008 request for $1.4 billion supports procurement of the lead ship in the class.

Littoral Combat Ship (LCS)

Designed to be fast and agile, LCS will be a networked surface combatant with capabilities optimized to assure naval and joint force access into contested littoral regions. LCS will operate with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral ASW, anti-surface warfare (SUW) and mine countermeasures (MCM). LCS will possess inherent capabilities including homeland defense, Maritime Interception Operations (MIO) and Special Operation Forces support. LCS will employ a Blue-Gold multi-crewing concept for the early ships. The crews will be at a ''trained to qualify'' level before reporting to the ship, reducing qualification time compared to other ships.

The Navy has recently identified significant cost increases for the lead ship in the LCS class (Lockheed Martin variant). A series of increases in the contractor estimated cost of completion, the most recent in December, highlighted the problem and initiated a thorough analysis by both Navy and industry. After nearly 2 months of in-depth study, the Navy has revalidated the warfighting requirement and developed a restructured program plan for the LCS that improves management oversight, implements more strict cost controls, incorporates selective contract restructuring, and ensures delivery within a realistic schedule.

Construction of LCS Hull #3 (Lockheed Martin) will be resumed under revised contract terms that rebalance cost growth risk between government and industry.

Construction on LCS Hull #4 (General Dynamics) will continue as long as costs remain defined and manageable. This plan will provide for best value to the Navy for the completion of the first four LCS ships, procurement of existing designs in fiscal years 2008–2009 to fill critical warfighting gaps, and establishment of a sound framework for transition to a single design in fiscal year 2010. The Navy will work closely with Congress on reprogramming actions necessary to bring this program forward.

P–8A Multi-mission Maritime Aircraft (MMA)

The P–8A replaces the P–3C Orion on a less than 1:1 basis. This aircraft provides lethality against submarine threats, broad area maritime and littoral armed ASW patrol, Anti-Surface Warfare, and Intelligence Surveillance Reconnaissance. The P–8A is the only platform with this operationally agile capability set. It fills combatant commander requirements in major combat and shaping operations, as well as the war on terror and homeland defense. The program has been executed on time and on budget. Preliminary Design Review has successfully completed and is now in the detailed design phase. $880 million in research and development funds is included in the fiscal year 2008 budget. Initial Operational Capability (IOC) is planned in fiscal year 2013.

E–2D Advanced Hawkeye

The E–2D Advanced Hawkeye (AHE) program will modernize the current E–2C weapons system by replacing the radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral surveillance and Theater Air and Missile Defense capabilities against emerging air threats in the high clutter, electromagnetic interference, and jamming environments. $866 million in fiscal year 2008 continues development work and procures three Pilot Production Aircraft. 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.

ASW Programs

The Navy continues to pursue research and development of Distributed Netted Sensors (DNS); low-cost, rapidly deployable, autonomous sensors that can be fielded in sufficient numbers to provide the cueing and detection of adversary submarines far from the Sea Base. Examples of our fiscal year 2008 request of $24 million in these technologies include:

- Reliable Acoustic Path, Vertical Line Array (RAP VLA). A passive-only distributed system exploiting the deep water propagation phenomena. In essence, a towed array vertically suspended in the water column.
- Deep Water Active Distributed System (DWADS). An active sonar distributed system optimized for use in deep water.
- Deployable Autonomous Distributed System (DADS). A shallow water array, using both acoustic and non-acoustic sensors to detect passing submarines. DADS will test at sea in fiscal year 2008.
- Littoral ASW Multi-static Project (LAMP). A shallow water distributed buoy system employing the advanced principles of multi-static (many receivers, one/few active sources) sonar propagation.

Further developing the Undersea Warfare Decision Support System will leverage existing data-links, networks, and sensor data from air, surface, and subsurface platforms and integrate them into a common ASW operating picture with tactical decision aids to better plan, conduct, and coordinate ASW operations. We are requesting $23 million in fiscal year 2008 towards this system.

To engage the threat, our forces must have the means to attack effectively the first time, every time. The Navy has continued a robust weapons development investment plan including $293 million requested in the fiscal year 2008 on such capabilities as:

- High-Altitude ASW Weapons Concept (HAAWC). Current maritime patrol aircraft must descend to very low altitude to place ASW weapons on target, often losing communications with the sonobuoy (or distributed sensor) field. This allows the aircraft to remain at high altitude and conduct an effective attack while simultaneously enabling the crew to maintain and exploit the full sensor field in the process. This capability will be particularly important in concert with the new jet-powered P–8A MMA. A test is scheduled for May 2007.
- Common Very Lightweight Torpedo (CVLWT). The Navy is developing a 6.75" torpedo suitable for use in the surface ship and submarine anti-tor-

pedo torpedo defense, and the offensive Compact Rapid Attack Weapon (CRAW) intended for the developing manned and unmanned aerial vehicles.

Finally, to defend our forces, key defensive technologies being pursued include:

- Surface Ship Torpedo Defense (SSTD). Program delivers near-term and far-term torpedo defense. The planned fiscal year 2008 $16 million R&D investment supports ongoing development of the 6-inch CVLWT which supports both the Anti-Torpedo Torpedo (ATT) and the Compact Rapid Attack Weapon (CRAW). Also, several capability upgrades to the AN/SLQ–25A (NIXIE) are being incorporated to improve both acoustic and non-acoustic system performance to counter current threat torpedoes. These enhancements also support their use in the littorals and are scheduled to complete in fiscal year 2009. The AN/WSQ–11 System uses active and passive acoustic sensors for an improved torpedo Detection Classification and Localization (DCL) capability, and a hard kill Anti-Torpedo Torpedo (ATT) to produce an effective, automated and layered system to counter future torpedo threats. DCL improvements include lower false alarm rates and better range determination.
- Aircraft Carrier Periscope Detection Radar (CVN PDR). An automated periscope detection and discrimination system aboard aircraft carriers. System moves from a laboratory model, currently installed on U.S.S. *Kitty Hawk,* to 12 units (1 per carrier, 1 ashore) by fiscal year 2012. Fiscal year 2008 funds of $7 million support this effort.

Platform Sensor Improvements. Against the quieter, modern diesel-electric submarines, work continues on both towed arrays and hull mounted sonars. Our $410 million request in fiscal year 2008 includes work on the following:

- TB–33 thin-line towed array upgrades to forward deployed SSN's provides near-term improvement in submarine towed array reliability over existing TB–29 arrays. TB–33 upgrades are being accelerated to Guam based SSNs.
- Continued development of twin-line thin line (TLTL) and vector-sensor towed arrays (VSTA) are under development for mid-far term capability gaps. TLTL enables longer detection ranges/contact holding times, improves localization, and classification of contacts. VSTA is an Office of Naval Research project that would provide TLTL capability on a single array while still obviating the bearing ambiguity issue inherent in traditional single line arrays.

Modernization

Achieving full service life from the fleet is imperative. Modernization of the existing force is a critical enabler for a balanced fleet. Platforms must remain tactically capable and structurally sound for the duration of their designed service life.

Cruiser (Mod)

AEGIS Cruiser Modernization is key to achieving the 313 ship force structure. A large portion of surface force modernization (including industrial base stability) is resident in this modernization program. $403 million across several appropriations in fiscal year 2008 supports this program.

A comprehensive Mission Life Extension (MLE) will achieve the ship's expected service life of 35+ years and includes the All Electric Modification (replacing steam systems), SMARTSHIP technologies, Hull Mechanical & Electrical (HM&E) 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 on board.

Destroyer (Mod)

The DDG 51 modernization program is a comprehensive 62 ship program designed to modernize HM&E and Combat Systems. These upgrades support reductions in manpower and operating costs, achieve 35+ year service life, and allows the class to pace the projected threat well into the 21st century. Our fiscal year 2008 request contains $159 million for this effort.

Key upgrades to the DDG 51 AEGIS Weapon System (AWS) include an Open Architecture computing environment, along with an upgrade of the SPY Radar signal processor, addition of BMD capability, Evolved Sea Sparrow Missile (ESSM), improved USW sensor, Naval Integrated Fire Control-Counter Air (NIFC–CA) and additional other combat systems upgrades.

Lewis & Clark Dry Cargo/Ammunition Ship (T–AKE)

T–AKE is intended to replace aging combat stores (T–AFS) and ammunition (T–AE) ships. Working in concert with an oiler (T–AO), the team can perform a "substitute" station ship mission to allow the retirement of four fast combat support ships (AOE–1 Class). $456 million in fiscal year 2008 supports funding the 11th T–AKE (final price will be determined through negotiations expected to be completed during the summer 2007). Lead ship was delivered in June 2006 and has completed operational evaluation (OPEVAL).

CH–53K

The CH–53K Heavy Lift Replacement (HLR) is the follow on to the Marine Corps CH–53E Heavy Lift Helicopter. The CH–53K will more than double the current CH–53E lift capability under the same environmental conditions. The CH–53K's increased capabilities are essential to meeting the Marine Expeditionary Brigade of 2015 Ship-to-Objective Maneuver vision. fiscal year 2008 research and development funds of $417 million supports major systems improvements of the new helicopter including: larger and more capable engines, expanded gross weight airframe, better drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and survivability enhancements.

Tomahawk/Tactical Tomahawk (TACTOM)

Tomahawk and Tactical Tomahawk missiles provide precision, all weather, and deep strike capabilities. Tactical Tomahawk provides more flexibility and responsiveness at a significantly reduced life cycle cost than previous versions and includes flex-targeting, in-flight retargeting, and two-way communications with the missile.

Our $383 million in this years request sustains the Tomahawk Block IV full-rate, multi-year procurement contract for fiscal years 2004–2008, yielding approximately 2,100 missiles. The projected inventory will accommodate campaign analysis requirements given historical usage data and acceptable risk.

F/A–18 A/B/C/D Hornet

The F/A–18 Hornet is Naval Aviation's principal strike-fighter. This state-of-the-art, multi-mission aircraft serves the Navy and Marine Corps, as well as the armed forces of seven allied countries. Its reliability and precision weapons delivery capability are documented frequently in news reports from the front lines. $331 million in fiscal year 2008 supports improvements to the original Hornet A/B/C/D variants provide significant warfighting enhancements to the fleet. These improvements include the Global Positioning System (GPS), Multi-functional Information Distribution System (MIDS), AIM–9X Sidewinder Missile/Joint Helmet-Mounted Cueing System (JHMCS), Combined Interrogator Transponder, Joint Direct Attack Munition/Joint Stand-Off Weapon delivery capability, and a Digital Communication System (DCS) for close-air support. Through these improvement and upgrades, the aircraft's weapons, communications, navigation, and defensive electronic countermeasure systems have been kept combat relevant.

Although the F/A–18 A/B/C/D are out of production, the existing inventory of 667 Navy and Marine Corps aircraft will continue to comprise half of the carrier strike force until 2013, and are scheduled to remain in the Naval Aviation inventory through 2022.

CG(X)

CG(X) is envisioned to be a highly capable surface combatant tailored for Joint Air and Missile Defense and Joint Air Control Operations. CG(X) will provide airspace dominance and protection to all joint forces operating in the Sea Base. Initial Operational Capability (IOC) is 2019. $227 million in research and development for fiscal year 2008 supports CG(X) development. The ongoing analysis of alternatives is considering various propulsion options. CG(X) will replace the CG–47 Aegis class and improve the fleet's air and missile defense capabilities against an advancing threat—particularly ballistic missiles.

Standard Missile-6 (SM–6)

The Navy's next-generation Extended Range, Anti-Air Warfare interceptor is the SM–6. Supporting both legacy and future ships, SM–6 with its active-seeker technology will defeat anticipated theater air and missile defense warfare threats well into the next decade. The combined SM–6 Design Readiness Review/Critical Design Review was completed 3 months ahead of schedule with SM–6 successfully meeting all entrance and exit criteria. Ahead of schedule and on cost targets, our fiscal year 2008 budget plan of $207 million will keep this development effort on track for Initial Operational Capability in fiscal year 2010.

Conventional TRIDENT Modification (CTM)

CTM transforms the submarine launched, nuclear armed Trident II (D5) missile system into a conventional offensive precision strike weapon with global range. This new capability is required to defeat a diverse set of unpredictable threats, such as Weapons of Mass Destruction (WMD), at short notice, without the requirement for a forward-deployed or visible presence, without risk to U.S. forces, and with little or no warning prior to strike. $175 million is included in the fiscal year 2008 request. The program and related policy issues are currently under review by the Office of the Secretary of Defense as part of the New Strategic Triad capability package.

Navy Unmanned Combat Air System (UCAS)

The former J–UCAS program transferred from Air Force to Navy lead. The Navy UCAS will develop and demonstrate low observable (LO), unmanned, air vehicle suitability to operate from aircraft carriers in support of persistent, penetrating surveillance, and strike capability in high threat areas. $162 million in fiscal year 2008 research and development funds advance the programs objectives.

Joint Standoff Weapon (JSOW)

JSOW is a low-cost, survivable, air-to-ground glide weapon designed to attack a variety of targets in day/night and adverse weather conditions from ranges up to 63 nautical miles. All variants employ a kinematically efficient, low-signature airframe with GPS/INS guidance capability. JSOW is additionally equipped with an imaging-infrared seeker, Autonomous Targeting Acquisition (ATA) software, and a multi-stage Broach warhead to attack both hard and soft targets with precision accuracy. The $156 million in fiscal year 2008 funding continues production to build to our inventory requirements. A Block III improvement effort will add anti-ship and moving target capability in fiscal year 2009.

Ohio-Class SSGN

Ohio-Class SSGN is a key transformational capability that can covertly employ both strike and Special Operations Forces (SOF) capabilities. *Ohio* (SSGN–726) and *Florida* (SSGN–728) were delivered from conversion in December 2005 and April 2006 respectively and are conducting modernization, certification, and acceptance evaluation testing prior to deployment. *Georgia* (SSGN–729) is in conversion at Norfolk Naval Shipyard with delivery scheduled for September 2007. The $134 million in the fiscal year 2008 budget request is primarily for testing, minor engineering changes, and to procure the final replacement reactor core.

Broad Area Maritime Surveillance (BAMS), Unmanned Aircraft System (UAS)

BAMS is a post-September 11, Secretary of the Navy directed transformational initiative. $117 million in research and development funding continues Navy's commitment to provide a persistent (24 hours/day, 7 days/week), multi-sensor (radar, Electro-Optical/Infrared, Electronic Support Measures) maritime intelligence, surveillance, and reconnaissance capability with worldwide access. Along with Multi-Mission Aircraft, BAMS is integral to the Navy's airborne intelligence, surveillance, and reconnaissance (ISR) recapitalization strategy. BAMS is envisioned to be forward deployed, land-based, autonomously operated and unarmed. It will sustain the maritime Common Operational Picture (COP) and operate under the cognizance of the Maritime Patrol and Reconnaissance Force.

Long-Range Land Attack Projectile (LRLAP)

LRLAP is the primary munition for the DDG–1000 Advanced Gun System (AGS). AGS and LRLAP will provide Naval Surface Fire Support (NSFS) to forces ashore during all phases of the land battle. All program flight test objectives have been met. Six of nine guided test flights have been successfully completed. Test failures have been isolated and corrective actions implemented with successful re-tests fired.

$74 million in fiscal year 2008 supports continued development. Current ammunition inventory estimates are based on conventional ammunition calculation methods. A pending ammo study will account for increased LRLAP range and precision to better inform decisions regarding procurement schedule and total inventory objective.

MQ–8B Fire Scout Vertical Takeoff UAV (VTUAV)

The Navy Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to operate from all air capable ships, carry modular mission payloads, and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time reconnaissance, surveillance and target acquisition capabilities as well as communications relay and battlefield management

to support the Littoral Combat Ship (LCS) core mission areas of Anti-Submarine, Mine, and Anti-Surface Warfare. It will be part of the LCS mission module packages supporting these warfare missions. $71 million in development and procurement funding supports engineering manufacturing development, operational testing and achievement of initial operational capability in fiscal year 2008.

Maritime Prepositioning Force (MPF) (Future)

$68 million in research and development in fiscal year 2008 supports our first year of procurement with (4) MPF(F) ships in fiscal year 2009. MPF(F) provides a scalable, joint seabased capability for the closure, arrival, assembly, and employment of up to the Marine Expeditionary Brigade of 2015 sized force. It will also support the sustainment and reconstitution of forces when required. MPF(F) is envisioned for frequent utility in lesser contingency operations, and when coupled with Carrier or Expeditionary Strike Groups, will provide the Nation a rapid response capability in anti-access or denial situations.

Direct Attack (DA) Munitions: JDAM, LGB, Dual Mode LGB, and Direct Attack Moving Target

Inventories of direct attack munitions include Laser Guided Bombs (LGB) and Joint Direct Attack Munitions (JDAM) weapons; both are guidance kits for General Purpose bombs and strike fixed targets only. The LGB guides on a laser spot which provides precise accuracy in clear weather. JDAM provides Global Positioning / Inertial Guidance Systems (GPS/INS) giving accurate adverse weather capability ($34 million in fiscal year 2008). The Dual Mode LGB retrofit to LGB kits, procured in fiscal years 2006–2007, increases flexibility by combining laser and GPS/INS capabilities in a single weapon. The next evolutionary upgrade, Moving Target Weapon (MTW), will combine laser and GPS/INS guidance with moving target capability. Procurement is planned via a capability-based competition, with MTW upgrading existing JDAM and/or LGB kit inventories. $29 million supports this ongoing MTW effort in fiscal year 2008.

Harpoon Block III Missile

Harpoon Block III represents the only long range, all weather, precise, ship and air launched, Surface Warfare anti-ship capability. $44 million in fiscal year 2008 supports development of a kit upgrade to existing Harpoon Block IC, the addition of a data link and GPS that will provide increased target selectivity and performance in the cluttered littorals.

Pioneer Tactical Unmanned Aircraft Sensor (UAS)

The Pioneer UAS System is a transportable Intelligence, Surveillance, and Reconnaissance (ISR) asset capable of providing tactical commanders with day and night, battlefield, and maritime reconnaissance in support of Marine expeditionary warfare and maritime control operations. The fiscal year 2008 budget requests $38 million in operations and maintenance sustainment and $90 million in procurement for the Army's Shadow RQ–7B UAS as an interim replacement for the currently fielded Pioneer.

Language, Regional Expertise & Culture (LREC)

Achieving Navy's global strategy depends in part on our ability to communicate with and comprehend adversaries, enduring allies, and emerging partners. To facilitate this capability, Navy has developed a way forward to transform LREC in the force. Consistent with the Defense Language Transformation Roadmap and the Navy Strategic Plan (NSP), the program incentivizes language proficiency, increases regional content in NPME, provides non-resident language instruction to all sailors and delivers in-residence training to more Officers.

Incentivization through higher foreign language proficiency pay rates began June 2006. $33 million requested in fiscal year 2008 continues existing efforts and begins new initiatives of enhanced non-resident (online) and resident (for officers) language training.

Extended Range Munition (ERM)

The concept for expeditionary operations relies on sea-based surface fire support to aid in destruction and suppression of enemy forces. The Extended Range Munition (ERM) is a 5-inch rocket assisted guided projectile providing range and accuracy superior to that of conventional ammunition. The projectile uses a coupled GPS/INS Guidance System and unitary warhead with a height-of-burst fuze. $30 million in fiscal year 2008 research and development funding includes a 20-reliability demonstration before land-based flight and qualification testing. The pro-

gram includes modifications to existing 5 inch guns and fire control systems. ERM will utilize the Naval Fires Control System as the mission planning tool.

Automatic Identification System (AIS)

AIS is a commercially available shipboard broadcast Very High Frequency (VHF) maritime band transponder system capable of sending and receiving ship information, including Navigation Identification, and Cargo. AIS significantly increases the Navy's ability to distinguish between normal and suspicious merchant ships headed towards U.S. and allied ports. Navy warships using AIS have observed dramatic increases in situational awareness, safety of ship and intelligence gathering capability. Programmed funding started in fiscal year 2007. Initially funded in fiscal year 2006 from ONR Rapid Technology Transition initiative and reprogramming, AIS shifted to programmed funding in fiscal year 2007, and with our request of $28 million in fiscal year 2008, it transitions to become a program of record.

Global Hawk Maritime Demonstration (GHMD)

Using an existing Air Force production contract, the Navy procured two GHMD Unmanned Aerial Vehicles (UAV) and associated ground control equipment. GHMD will be used for developing Concept of Operations and Tactics, Training and Procedures for a persistent ISR maritime capability in conjunction with the manned P–3 aircraft. The GHMD return on investment will be risk reduction for the BAMS UAS Program. GHMD provides a limited, high altitude, endurance UAV platform capability 8 years before the planned fiscal year 2014 IOC of BAMS. $18 million in operations and maintenance and $6 million in procurement of spares sustains the program in fiscal year 2008.

Remote Minehunting System (RMS)

RMS utilizes a diesel-powered, high endurance, off-board, semi-submersible vehicle to tow the Navy's most advanced mine hunting sonar, the AN/AQS–20A. The system will be launched, operated, and recovered from surface ships. RMS will provide mine reconnaissance, detection, classification, localization, and identification of moored and bottom mines. $23 million in fiscal year 2008 supports the fielding plan commencing this year providing limited systems for use on select DDGs, 48 RMSs for the Littoral Combat Ship (LCS) Mine Warfare Mission Packages, and an additional 16 vehicles as part of the LCS ASW Mission Packages.

Joint High Speed Vessel (JHSV)

Navy, along with the Army, SOCOM and Marine Corps, is working to acquire a Joint High Speed Vessel (JHSV) that provides the required intra-theater lift capability necessary to meet each service's requirements. The acquisition of JHSV will address high-speed, intra-theater surface lift capability gaps identified to implement Sea Power 21, the Army Future Force operational concepts and SOCOM future operational plans. Additionally, it will improve intratheater lift currently provided by Westpac Express and other leased vessels. JHSV is currently in the Technology Development Phase with Joint Requirements Oversight Council (JROC) approval of the Capabilities Development Document (CDD) anticipated soon. Navy's research and development contribution in fiscal year 2008 is $19 million. Ultimate delivery of the first vessel is anticipated in 2010.

Aerial Common Sensor (ACS)—Future EPX (EP–3E Replacement)

Navy is on a path to recapitalize the EP–3 airborne electronic surveillance aircraft, and our $17 million in fiscal year 2008 research and development funding contributes to this effort. ACS is the Navy's premier manned Airborne Intelligence, Surveillance, Reconnaisance (AISR) platform tailored to the maritime environment. ACS will provide data fusion and a robust reach-back capability allowing onboard operators to push intelligence to tactical commanders and operators in mission support centers. With a network-centric approach, ACS represents a significant capability in the Maritime Patrol and Reconnaissance Force Family of Systems including MMA and BAMS UAS.

Aegis Ballistic Missile Defense (BMD)

Aegis Ballistic Missile Defense is the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept Short and Medium Range Ballistic Missiles with ship-based interceptors (SM–3 missiles). The recently started Gap Filler Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM–2 Block IV missiles from Aegis BMD capable ships. While all development funding is covered under the MDA budget, Navy has committed $13 million in fiscal year 2008 for op-

erations and sustainment of Aegis BMD systems as Navy assumes operational responsibility.

In May, 2006, U.S.S. *Lake Erie* (CG–70) successfully engaged and intercepted a Lance short-range test target with a modified SM–2 Block IV missile in a Navy-sponsored BMD demonstration. As a result, the Navy is modifying the remaining inventory of 100 SM–2 Block IV missiles, and MDA is modifying the Aegis BMD program to support sea-based terminal engagements.

In June 2006, Navy successfully achieved a second engagement of a separating SRBM target with the Aegis BMD system. This successful engagement brings the tally to seven successful intercepts in nine flight tests as of December 2006. Aegis BMD has been installed on 3 Cruisers and 13 Destroyers. All the Cruisers and three Destroyers are engagement capable. The balance of the Destroyers are Long-Range Surveillance and Track (LRS&T) capable. Additional installations are planned for 2007.

In actual operations last July, U.S. and Japanese Aegis radar-equipped Destroyers successfully monitored North Korea's ballistic missile tests.

21″ Mission Reconfigurable Unmanned Underwater Vehicle System (MRUUVS)

21″ MRUUVS is a submarine launched and recovered, reconfigurable UUV system that will improve current capabilities in enabling assured access. It will provide a robust capability to conduct clandestine minefield reconnaissance and general Intelligence, Surveillance, and Reconnaissance (ISR) in denied or inaccessible areas. The MRUUVS program has been restructured, moving Initial Operational Capability (IOC) from fiscal year 2013 to 2016 when clandestine mine countermeasure capability from *Los Angles* Class submarines will be delivered. Accordingly, the fiscal year 2008 funding request has been adjusted to $13 million. ISR capability and *Virginia* Class host compatibility will arrive in follow-on increments approximately 2 years after IOC.

Tactical Control System (TCS)

Research and development funding of $9 million in fiscal year 2008 continues work on the Tactical Control System. The program provides interoperability and commonality for mission planning, command and control, and interfaces for tactical and medium altitude UAV systems. TCS software provides a full range of scaleable 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 will be fielded with the Vertical Takeoff Unmanned Air Vehicle (VTUAV) system and key to supporting the LCS.

Utilities Privatization (UP)

The Navy and Marine Corps have 645 utilities systems eligible for privatization on 135 activities/installations worldwide. Of these, 394 have been determined to be exempt, 22 have been awarded for privatization, and 95 have received a Source Selection Authority (SSA) decision and are being processed for exemption or award. 122 systems are still being reviewed for an SSA decision. $3 million requested in our fiscal year 2008 budget supports these ongoing initiatives.

Develop 21st Century Leaders

Programs and practices of particular interest include (listed in order of fiscal year 2008 dollar value):

Health Care

Combat Casualty Care. Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units, in Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and VA hospitals. Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evacuation have led to improved survival rates and enhanced combat effectiveness.

Since the start of OEF/OIF the Marine Corps has fielded new combat casualty care capabilities, including: updated individual first aid kits with QuikClot and advanced tourniquets, robust vehicle first-aid kits for convoy use, Combat Lifesaver training, and new systems to provide forward resuscitative surgery and en route care. Navy Fleet Hospital transformation is redesigning expeditionary medical facilities to become lighter, modular, more mobile, and interoperable with other Services' facilities.

Naval S&T funds of $18 million in fiscal year 2008 in advanced technology and applied research for combat casualty care sustain our overall level of effort and focus on this mission. Additionally, mental health services have been expanded

through post-deployment screenings, expanded briefings, and proactive interactions between providers and sailors and marines.

Safe Harbor Program. Our care for combat wounded does not end at the Military Treatment Facility (MTF). The Navy has established the Safe Harbor Program to ensure seamless transition for the seriously wounded from arrival at a CONUS MTF to subsequent rehabilitation and recovery, whether through DOD or the VA. Since its inception, 114 sailors including 103 Active and 11 Reserve members have joined the program. Currently, 92 are being actively tracked and monitored including 34 severely injured last year in OIF/OEF. Senior medical staff personally visit and assist our seriously injured sailors and their families to ensure their needs are being met.

Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)

The Navy has focused much attention on these complex conditions that have resulted from combat operations. With PTSD, early identification and intervention are critical elements of successful treatment and prevention. Closely aligned with warfighters while in garrison, health care providers instruct self-aid and buddy-aid training. When intervention is necessary, treatment occurs via embedded mental health personnel in deployed units (e.g. via USMC Oscar teams and Carrier Group Clinical Psychologists). All sailors receive in-theater assessment through a Behavioral Health Assessment Tool (BHAT) and receive a Post Deployment Health Assessment (PDHA) immediately following deployment, and again 90—180 days later. This treatment coverage is comprehensive for both Active and Reserve members.

Navy is partnering with the other Services to establish a Center for Deployment Psychology to provide further education and training on PTSD treatment and other combat stress disorders. Our continuum of care in this area before, during, and after deployment, coupled with a review of policies and practices to ensure treatment for PTSD is "destigmatized," are critical steps in addressing the health needs of our deployed sailors.

The science associated with the diagnosis and treatment of traumatic brain injuries (TBI) is evolving and the military is at the leading edge in research and treatment. Military Acute Concussion Evaluation (MACE) has been developed as part of field assessments and all casualties transitioned to Bethesda receive neuro-psychological evaluations with database tracking and follow-up as required.

When members with TBI transition from military service, they may be transferred to one of the four Veterans Administration (VA) poly-trauma centers in Palo Alto, California; Richmond, Virginia; Minneapolis, Minneapolis; and Tampa, Florida—whichever facility is closest to the member's home of record. The four VA poly-trauma centers are among the premier treatment facilities for TBI in the country. In addition to VA tracking, when service members are transferred to the VA, they are also tracked by case managers from the referring Navy MTF at least bimonthly by the MTF Case Manager to maintain a coordinated care effort. Occasionally, the medical case management team determines in consultation with an individual patient and their family that the patient's specific condition and/or family needs dictate that the best location for their continued care is at a civilian hospital rather than a VA or an MTF.

Quality Medical Care

While continuing to support OIF/OEF with medical personnel, Navy Medicine remains committed to providing quality care for all beneficiaries, both in deployed settings and at home. One of the main challenges has been ensuring sufficient numbers of providers in critical specialties. We continue to focus on refining and shaping our force to recruit, train, and retain the right mix of uniformed and civilian health providers thus sustaining the benefits of our healthcare system and meeting our obligations during this time of war. Despite high demands, Navy medicine meets 100 percent of its operational commitments, and maintains quality care to our beneficiaries, without any sacrifice in quality.

Post-Deployment Health Care

Navy Medicine has developed new delivery models for deployment-related concerns and is working with the Office of Seamless Transition to improve coordination with the Veterans Administration. These include thirteen Deployment Health Clinics in areas of Fleet and Marine concentration to support operational commands in ensuring medical care for those returning from deployment.

Navy Education

Professional Military Education (PME). Our Professional Military Education continuum provides career-long educational opportunities for professional and personal development that supports mission capabilities. It supports development of 21st century leaders who have the capacity to think through uncertainty; develop innovative

concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct operations as a coherently joint force. Navy PME provides a common core of knowledge for all sailors. A primary level program was implemented via distance learning in June 2006. The initial targeted audience is junior unrestricted line officers and senior enlisted members. Additional content is in development for all junior officers. Introductory and basic levels for more junior sailors is also under development.

Joint Professional Military Education (JPME). Joint Professional Military Education provides an understanding of the principles of Joint warfare. Our path is designed to create a change in Navy culture so that it values jointness and therefore systematically develops a group of Navy Leaders who are strategically minded, capable of critical thinking, and skilled in naval and joint warfare. JPME Phase I is a requirement for screening unrestricted line officers for commander command beginning in fiscal year 2009. In August 2006, Naval War College began in-residence instruction of JPME Phase II. The Naval War College has implemented a Joint Maritime Component Commander's Course to prepare future Flag Officers to serve as Maritime Component Commanders. $150 million requested in fiscal year 2008 sustains our expanded commitment to this vital professional development.

The Naval Reserve Officers Training Corps (NROTC). The NROTC Program comprises 59 active units at 71 host institutions of higher learning across the Nation. With $173 million requested in fiscal year 2008, the program is adequately funded to provide 4 and 2 year scholarships to qualified young men and women to prepare them for leadership and management positions in an increasingly technical Navy and Marine Corps with service as commissioned officers. The program continues to be a key source of nuclear power candidates, nurses, and increased officer corps diversity. Focus is now on increasing strategic foreign language skills and expanding cultural awareness among midshipmen.

The United States Naval Academy (USNA). USNA gives young men and women the up-to-date academic and professional training needed to be effective Navy 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). NPS is the Navy's principal source for graduate education. It provides Navy and DOD relevant degree and non-degree programs in residence and at a distance to enhance combat effectiveness. NPS provides essential flexibility in meeting Navy and Department of Defense emergent research needs, and the development of warfighters with otherwise demanding career paths and deployment cycles making graduate education opportunities difficult to achieve. NPS also supports operations through naval and maritime research, and maintains expert faculty capable of working in, or serving as advisors to operational commands, labs, systems commands, and headquarters activities. The $84 million requested in fiscal year 2008 sustains this unique national asset and provides increases for lab upgrades, distance learning, and IT maintenance and support.

The Naval War College (NWC). The Naval War College provides professional maritime and joint military education, advanced research, analysis, and gaming to educate future leaders. Its mission is to enhance the professional capabilities of its students to make sound decisions in command, staff and management positions in naval, joint, and multinational environments. The $56 million requested in fiscal year 2008 is a significant increase to support Joint Forces Maritime Component Command/Coalition Forces Maritime Component Command analysis and gaming capability, the China Maritime Studies Institute, initial investment for Maritime Headquarters (MHQ)/Maritime Operations Center (MOC), support for JPME II accreditation, funding for JPME I at Naval Postgraduate School, and for NWC Maritime Operations curriculum development.

Enlisted Retention (Selective Reenlistment Bonus)

Retaining the best and brightest sailors has always been a Navy core objective and key to success. Navy retains the right people by offering rewarding opportunities for professional growth, development, and leadership directly tied to mission readiness. Navy has experienced significant reenlistment improvement since a 20-year low in fiscal year 1999, reaching a peak at the end of fiscal year 2003. This improved retention is part of a long-term trend, allowing us to be more selective in ensuring the right number of strong performers reenlist in the right ratings. Selective Reenlistment Bonuses (SRBs) are a key tool enabling us to offer attractive incentives to selected sailors we want to retain. $359 million requested in fiscal year 2008 will provide for nearly 79,000 new and anniversary payments helping ensure the Navy will be able to remain selective in fiscal year 2008.

Sexual Assault Victim Intervention (SAVI)

SAVI has three major components: (1) awareness and prevention education, (2) victim advocacy and intervention services, and (3) collection of reliable data on sexual assault. Per the fiscal year 2005 National Defense Authorization Act requirements, the Navy SAVI Program was transitioned from a program management to case management focus. Existing installation program coordinator positions were increased and became Sexual Assault Response Coordinators (SARCs), which is a standard title and position across the Department of Defense. SARCs are accountable for coordinating victim care/support and for tracking each unrestricted sexual assault incident from initial report to final disposition. Navy also provides 24/7 response capability for sexual assaults, on or off the installation, and during deployment through the use of Victim Advocates who report to installation SARCs. The $3 million requested in the fiscal year 2008 budget enables us to maintain this expanded SAVI program fleet-wide.

Family Advocacy Program (FAP)

The Family Advocacy Program addresses prevention, identification, reporting, evaluation, intervention and follow-up with respect to allegations of child abuse/neglect and domestic abuse involving active duty and their family members or intimate partners. Maintaining abuse-free and adaptive family relationships is critical to Navy mission readiness, maintenance of good order and discipline, and quality of service for our active duty members and their families.

Sea Warrior Spiral 1

Sea Warrior comprises the Navy's training, education and career management systems that provide for the growth and development of our people. The first increment, or "Spiral 1", of Sea Warrior is Interactive Detailing. This system allows sailors to have greater insight and engagement in identifying and applying for Navy positions of interest to them professionally and personally. Spiral 1 Sea Warrior is a funded Navy program and its' develop follows the standard, rigorous acquisition engineering and program management processes. Additional Sea Warrior spirals will be developed in accordance with future capability needs and as clear requirements are defined.

Because of Sea Warrior's complexity, many issues related to sea and shore connectivity are still being worked out. Further, before fielding a usable model, the Navy plans to conduct extensive beta testing of selected ratings. Sea Warrior is funded through the FYDP and is not expected to reach FOC until 2016.

Chairman LEVIN. Admiral, thank you very much for that powerful statement.

General Conway?

STATEMENT OF GEN. JAMES T. CONWAY, USMC, COMMANDANT OF THE MARINE CORPS

General CONWAY. Mr. Chairman, Senator McCain, and distinguished members of the committee: Thank you for the opportunity to report to you on the status of our Marine Corps. In our recent meetings as well as previous testimony before this Congress, I have pledged to provide you with frank and honest assessments and I come here today with that again as my watchword.

For the past 5 years your Marine Corps has been immersed in the first battles of a long war, a generational struggle against Islamic extremists.

Our freedom is threatened, not by Nazis or Communists as it was in the past, but by terrorists who are determined to destroy us and our way of life. Further, the full array of our security threat is daunting. But rest assured, this generation's young Americans are answering the call. Over two-thirds of our Corps enlisted or reenlisted since September 11, knowing full well what their Nation expects of marines in time of war.

Our marines are being pushed hard by the high operational tempo and frequency of combat deployments. They have been oper-

ating at full bore now for almost 5 years. Despite this, in fact maybe because of it, I can report firsthand that their morale has never been higher. I attribute this fact to the belief that they are making a difference. They see the evidence of your support everywhere, tangible support, in the fielding of new material, the latest equipment to protect them while in harm's way, and your support of the proposal to grow our end strength.

Increasing to 202,000 marines will reduce the strain both on the individual marine and on our institution as a whole. It will require additional infrastructure, but more importantly, it will gradually improve the deployment-to-dwell ratio in some of our most critical units. Currently many of these units are deployed for 7 months, then home for only 7 months, some even less time than that, before they return to combat.

This end strength increase addresses much more than the current battles in Iraq and Afghanistan. It ensures that our Corps will be able to deal with the uncertainties of the long war. Our Corps is by law to be most ready when the Nation is least ready; the Nation's shock troops. Additional marines allow the dwell time needed to train and sharpen the skills that will be required of us in the next contingency, reducing our operational and strategic risks.

As over 70 percent of our proposed end strength increase is comprised of first-term marines, we are making the necessary increases in recruiting and retention. This is a challenge, but our standards will remain high. We need your continued support for recruiting programs such as advertising, which are essential for us to continue to bring aboard the best in America.

Our Nation has an enduring commitment to her marines long after they have returned from the battle, particularly if they are physically or mentally scarred. Our moral imperative is to ensure that this support is seamless even as a marine leaves our uniformed ranks. To this end, we have formed a Wounded Warrior Regiment with battalions on each coast, that will ensure that we hold to the maxim that we 'never leave a marine behind.'

Ladies and gentlemen, your marines are honored to be serving this Nation during such an important time in our history. They are truly a special breed of patriots and it is on their behalf that I come before you today to answer your questions and to help all understand how we can best support these tremendous young Americans.

I look forward to your questions.

[The prepared statement of General Conway follows:]

PREPARED STATEMENT BY GEN. JAMES T. CONWAY, USMC

Chairman Levin, Senator McCain, and distinguished members of the committee, thank you for the opportunity to report to you the state of your Marine Corps.

Your Marine Corps is currently engaged in what we believe to be the opening battles in a generational struggle against Islamic extremists. Our commitment is characterized by diverse and sustained employment around the globe, particularly the central campaigns in Iraq and Afghanistan. Your marines are fully engaged in this fight, and it is through their tremendous sacrifices—serving shoulder-to-shoulder with their fellow service men and women—that we will ultimately prevail. It is our moral imperative to support them to the hilt—always mindful that our forward-deployed marines and sailors in combat must be our number one priority.

Though marines in the operating forces have been pushed hard by the tempo and frequency of operational deployments, their morale has never been higher—because they believe they are making a difference. Thanks to you, ladies and gentlemen,

your marines know that the people of the United States and their Government are behind them. Support has been exceptional—from the rapid fielding of life-saving equipment to the proposed increase in end strength, and with your continued support, mission accomplishment will remain completely viable and achievable.

The Long War is taking a considerable toll on our equipment and we have tough choices ahead of us—we must support our marines and their families, while deciding whether to replace our rapidly aging equipment with similar platforms or to modernize with next generation equipment.

We know these next few years will be challenging—not only in the immediate conflict in Iraq, but in subsequent campaigns of the Long War. Therefore, the Corps will balance our skill sets in order to remain prepared for crisis outside of Iraq and Afghanistan—to be where our country needs us, when she needs us, and to prevail over whatever challenges we face. I am confident that with your steadfast support, our Corps will continue to remain the Nation's force in readiness and fulfill its congressionally-mandated mission of being the most ready when the Nation is least ready.

I. MARINE CORPS COMMITMENTS IN THE LONG WAR

Over the past year, your marines deployed to all corners of the globe in support of our Nation. With more than 24,000 marines ashore throughout the U.S. Central Command's Area of Responsibility, Operations Iraqi Freedom and Enduring Freedom remain our largest commitment. In addition to those operations, the Marine Corps also deployed forces to: support humanitarian and disaster relief efforts in Pakistan and the Republic of the Philippines; participate in over fifty Theater Security Cooperation events ranging from small Mobile Training Teams in Central America to the first deployment of the Marine Forces Special Operations Command's Foreign Military Training Unit supporting our African partner nations; protect our Embassies by providing Fleet Antiterrorism Security Teams to East Timor and Lebanon; and respond to a Noncombatant Evacuation from Lebanon—the largest since Vietnam.

Achieve Victory in the Long War

The Defense Department's 2006 Quadrennial Defense Review directed that we enhance our counterinsurgency capabilities. Our enhanced Marine Air Ground Task Forces (MAGTFs) and the Marine Corps component to Special Operations Command are part of this commitment. Other types of forces, unique to counterinsurgency operations, may also need to be formed. However, we will maintain robust contingency response forces satisfying Congress' intent to be "the Nation's shock troops"—always ready and always capable of forcible entry.

I view the inherent power of the MAGTF as an irreplaceable component of this Nation's plan for success in the Long War. This war demands flexible organizations that apply a mix of combat and nonlethal actions; interagency capabilities and joint warfare applications; innovative use of airpower; and synchronization of intelligence activities. For rapid integration of these capabilities—as well as providing the critical boots on the ground—the MAGTF is better prepared than any other military formation to execute the full range of operations required by the current conflict. This is the Corps' fundamental fighting organization, providing the joint force a unique, additive capability—one that is much greater than the sum of its parts.

To further expand the MAGTF's contribution to our Nation's security, I have directed my staff to develop a series of exercises that will further enhance the MAGTF's ability to integrate interagency and coalition operations throughout the spectrum of conflict. Our goal will be to provide a forum to develop diverse yet cohesive teams that can best overcome the challenges we are most likely to face in pre- and post-war phases of operations. These exercises will serve our Nation well in the Long War, in future conflicts, and in our ongoing security cooperation efforts.

In February 2006, we established Marine Corps Forces, Special Operations Command (MARSOC) within the U.S. Special Operations Command. MARSOC is already employing its five major subordinate elements: the Foreign Military Training Unit, two Marine Special Operations Battalions, the Marine Special Operations Support Group, and the Marine Special Operations School, and is on track to achieve full-operational capability by the end of fiscal year 2008. Its personnel and equipment assignment plan is designed to best support our combatant commanders in their prosecution of the Long War. The Foreign Military Training Unit was activated in 2005 and has been incorporated into MARSOC, the 2d Marine Special Operations Battalion was activated in May of 2006, followed by the 1st Marine Special Operations Battalion in October 2006.

MARSOC deployed Foreign Military Training Unit teams to the European and Southern Command areas of responsibility last summer and fall. Through the end

of fiscal year 2007, the Foreign Military Training Unit is scheduled to make 27 deployments to 12 countries to conduct foreign internal defense and counter narcotics training to improve the indigenous military forces of those countries. Additionally, MARSOC began deploying Marine Special Operations Companies, associated with Marine Expeditionary Units and assigned to Expeditionary Strike Groups in January of this year. MARSOC provides a unique combination of land component and maritime expeditionary capabilities across a wide range of missions. As special operations forces continue to prosecute the Long War, MARSOC will be a significant partner in Special Operations Command.

To aid in both the current execution of the campaign in Iraq as well as the long-term irregular warfare capability of the Marine Corps, we are establishing a Center for Irregular Warfare. This organization will serve as the focal point for integration of concepts, doctrine, training, education, and equipment capability development. This Center will also maintain close coordination with our sister Services and external agencies. Our goal is to enhance the MAGTF's capabilities by training and equipping small-unit leaders to handle the demanding complexities and possess the adaptive mindset necessary to operate across the spectrum of conflict—empowering our "strategic corporals" as well as all of our junior leaders to fight, operate, and win in this challenging security environment.

Supporting the Plus-up for Operation Iraqi Freedom

Currently, the Marine Corps has approximately 4,000 marines affected by the pending plus-up operation in Iraq. The units affected will be extended for approximately 45–60 days. This change will impact our marines and their families, but we believe that the support systems that we have in place within the units and family support systems back home will help our marines and their families meet the challenges associated with this extension on deployment. Furthermore, between their return and next deployment, the addition of new infantry battalions will allow these units to lengthen the time at their home station.

Battalions moved forward in the rotation cycle will complete all required predeployment training that fully qualifies them for employment. These battalions will be subject to the same predeployment training standards as their fellow marines. We have accelerated the normal cycle through our main mission rehearsal exercise, Mojave Viper, to accommodate consistent training for all units rotating into theater.

The accelerated battalions will deploy with equipment from their home stations, and the additional equipment required will be provided by cross-leveling assets in theater as well as leveraging equipment already positioned forward. This has resulted in some home station shortfalls and has hindered some stateside units' ability to train for other missions and contingencies. While the readiness of deployed units remains high, we have experienced a decrease in the readiness of some non-deployed units.

There are no Marine Corps Reserve units involved in the plus-up operations.

II. RIGHT-SIZE OUR MARINE CORPS

To meet the demands of the Long War as well as the inevitable crises that arise, our Corps must be sufficiently manned in addition to being well trained and properly equipped. Like the Cold War, the Long War is a continuing struggle that will not be measured by the number of near-term deployments or rotations, and while we seek to capitalize on advances in technology, we know it is our magnificent marines who invariably decide the outcome.

In order to protect our most precious asset, the individual marine, we must ensure that our personnel policies, organizational construct, and training are able to operate at the "sustained rate of fire." Operating at the ″sustained rate of fire″ means that the Corps will be able to maintain operations indefinitely without drastic changes to procedures, policies, organization, or operations. The proposed Active component end strength increase will significantly enhance our ability to operate at the "sustained rate of fire."

Strain on the Individual

Despite an unparalleled Personnel Tempo, the morale of our marines and their families remains high. To avoid an adverse toll on our marines and their families, and to prevent a decrease in readiness, the former Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all Active component forces. This ratio relates to how long our forces are deployed versus how long they are at home—the goal being for every 7 months a marine is deployed, they will be back at their home station for 14 months. We need to relieve the strain on those superb Americans who have volunteered to fight the Nation's battles.

Strain on the Institution

The current deployment cycle requires commanders to focus solely on those skill sets required to accomplish the mission in Iraq and Afghanistan. This deterioration of capabilities is exacerbated by individual augments and training team requirements and by many units being deployed for missions outside of their normal duties. The result of this strain is evident in the Marine Corps' limited ability to provide trained forces to project power in support of other contingencies. Reduced training time and a necessarily singular focus on current contingency requirements prevents significant opportunities for units to train to the full range of military operations in varied operating environments, such as jungle or mountain terrain. To fulfill our mandate to be "most ready when the Nation is least ready," our deployment cycles must not only support training for irregular warfare, they must also provide sufficient time for recovery, maintenance, and training for other contingency missions. By increasing the dwell time for our units and allowing them additional time at home stations, we can accomplish the more comprehensive training needed for the sophisticated skill sets that have enabled MAGTFs to consistently achieve success in all types of military operations and operating environments. Our goal is to increase dwell time and achieve a 1:2 deployment-to-dwell ratio for our Active Forces—our Operating Forces are routinely falling short of this target.

Reducing the Stress

I would emphasize, the underlying requirement for an end strength increase is separate from, indeed it pre-dates, the plus-up operation in Iraq. The proposed increase to our Active component end strength to 202,000 marines will go a long way to reducing the strain on the individual marines and the Institution. Our first task will be to build three new infantry battalions and their supporting structure—approximately 4,000 marines. The resources for this force have been included in our fiscal year 2007 supplemental. These funds will pay for initial costs associated with the stand up of these infantry battalions as well as critical enablers, which are vital not only for the current fight, but are also critically needed to support long-term Marine Corps capabilities to accomplish other missions. These enablers include combat support and combat service support such as intelligence, military police, and civil affairs capabilities. We will systematically build the additional individuals and units on a schedule of approximately 5,000 per year. This plan will gradually increase the deployment-to-dwell ratio of some of our habitually high operational tempo units—enabling us to recover our ability to respond in accordance with timelines outlined in war plans for our combatant commanders; thereby, reducing future operational risks. We are initially funding this initiative with supplemental and baseline funding in fiscal year 2008, but have included all future costs in our baseline budget as of fiscal year 2009.

Reserve Component End Strength

Our efforts in the Long War have been a Total Force effort, with our Reserves once again performing with grit and determination. Recent policy changes within the Department of Defense match up very well with our existing policies and will allow us to use the Reserve Forces as they were structured to be employed—to augment and reinforce our Active component forces. To this end, my goal is to obtain a 1:5 deployment-to-dwell ratio within our Reserve component. We currently believe our authorized Reserve component end strength of 39,600 Selected Reserve Marines is adequate. As with every organization within the Marine Corps, we continue to review the make-up and structure of the Marine Corps Reserve in order to ensure the right capabilities reside within the Marine Forces Reserve units and our Individual Mobilization Augmentee program across the force. Finally, as our Active Force increases in size, our reliance on the Reserve Forces should decrease—helping us achieve the desired deployment-to-dwell ratio.

Manning the Force

An equally important factor in sustaining a viable force is continuing to recruit and retain qualified young men and women with the right character, commitment, and drive to become marines. With over 70 percent of the end strength increase comprised of first-term marines, both recruiting and retention efforts will be challenged. A major part of this effort will involve programming increased funding for both the Enlistment Bonus and the Selective Reenlistment Bonus Programs. We will need the continued strong support of Congress to achieve ongoing success.

Our recruiting standards will remain high. While exceeding DOD quality standards, we continue to recruit the best of America into our ranks—in fiscal year 2006, the Marine Corps achieved over 100 percent of our Active component accession goal. The Marine Corps Reserve also achieved 100 percent of its recruiting goals, but Re-

serve officer numbers remain challenging because our primary accession source is from officers who leave active duty. We appreciate the continued authorization for Selected Reserve Officer Affiliation Bonuses in the National Defense Authorization Act for Fiscal Year 2007—they continue to contribute in this crucial area.

We forecast that both Active and Reserve recruiting will remain challenging in fiscal year 2007, particularly when viewed through the lens of accession missions to meet the increased end strength of the Marine Corps. We will need the continued support of Congress for programmed enlistment bonuses and other recruiting efforts, such as advertising, which will be essential to us continuing to meet these challenges.

Retention is the other important part of manning the force. In fiscal year 2006, the Marine Corps exceeded its retention goals for both the First Term and Career Forces. For fiscal year 2007, we expect to exceed our goals again. This success can be attributed to the Marine Corps' judicious use of the Selective Reenlistment Bonus, and we now offer qualified first term and career enlisted marines $10,000 in Assignment Incentive Pay to reenlist. To keep the very best of our marines, we must increase the size of our reenlistment bonus program in order to ensure that we have the right grade and MOS mix to support the growing force. Not only will we have to retain more first-term marines, but we will also have to increase the number of marines reenlisting at the 8- and 12-year mark. This will require a shift toward more programmed funding in targeted key areas in the career force.

Military-to-Civilian Conversions

Military-to-civilian conversions continue to provide a valuable source to send additional marines back to the operating force in support of our warfighting initiatives and help reduce stress. We will continue to pursue sensible conversions and transfer marines from nonessential billets.

National Security Personnel System

The Marine Corps is committed to successful implementation of the National Security Personnel System. The Marine Corps is actively participating with the Department of Defense in the development and implementation of this new personnel system and is cooperating with the sister Services so that our civilian employees receive the training opportunities and support necessary for a successful transition. The National Security Personnel System will enable the Marine Corps to better support the warfighter by providing a civilian workforce that is flexible, accountable, and aligned to the Marine Corps mission.

III. RESETTING THE FORCE AND PREPARING FOR THE NEXT CONTINGENCY

To meet the demands of the Long War, we must reset the force in order to simultaneously fight, train, and sustain our Corps. To support our marines in combat, we have routinely drawn additional equipment from strategic stocks, which need to be replenished to remain responsive to emerging threats. Congress has responded rapidly and generously to our requests for equipment and increased protection for our marines and sailors. It is our responsibility to manage these resources prudently as we transition to the modernization of our force.

Equipment Readiness

Extended combat operations have severely tested our materiel. While the vast majority of our equipment has passed the test of sustained combat operations, it has been subjected to more than a lifetime's worth of wear stemming from vehicle mileage, operating hours, and harsh environmental conditions. This increased maintenance requirement is a consequence of not only operational tempo and operating environments, but also the sheer amount of equipment employed in operations. Approximately 30 percent of all Marine Corps ground equipment and nearly 25 percent of our active duty aviation squadrons are currently engaged overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, used on a near-continuous basis at an operating tempo that far exceeds normal peacetime usage.

As our priority for equipment is to support marines serving in harm's way, we have drawn additional equipment from the Maritime Prepositioning Ships and prepositioned stores from the caves in Norway; we have also retained equipment in theater from units that are rotating back to the United States. The operational results of these efforts have been outstanding—the average mission capable rates of our deployed forces' ground equipment remain above 93 percent—but there is a price.

The cost of this success is a decrease in nondeployed unit readiness as well as an increase in the maintenance required per hour of operating time. Equipment

across the Marine Corps is continuously cross-leveled and redistributed to ensure that units preparing to deploy have sufficient equipment to conduct our rigorous predeployment training programs. Because the stateside priority of equipment distribution and readiness is to units preparing to deploy, there has been a trade-off in unit training for other types of contingencies. The timely delivery of replacement equipment is crucial to sustaining the high readiness rates for the marines in theater, as well as improving the rates for the forces here at home. Although funded, much of this equipment is still many months from delivery.

Ground Equipment

Operations in Iraq and Afghanistan are placing demands on ground equipment far beyond what is typically experienced during training or home station operations. Some of these demands rise from higher usage rates, others from the rigors of extended operations in harsh environments. These higher demands increase the maintenance requirements for equipment employed in theater and continue when this equipment is redeployed to home stations.

Absolute Increases in Utilization for Selected Marine Corps Systems Employed in OIF

Category	Usage		Optempo Ratio
	Pre OIF	OIF	
HMMWV	183	550	3.0
MTVR	500	2000	4.0
LVS	375	1500	4.0
AAV	83	417	5.0
Rotary-Wing Aircraft	18	41	2.2
KC-130	43	83	1.9

NOTE: Usage rates for ground vehicles are in miles per month; aircraft in flight hours per month.

Table 1

For example, in Operation Iraqi Freedom (OIF) crews are driving Light Armored Vehicles in excess of 8,700 miles per year—3.5 times more than programmed annual usage rates of 2,480 miles per year. Our tactical vehicle fleet is experiencing some of the most dramatic effects of excessive wear, operating at five to six times the programmed rates.

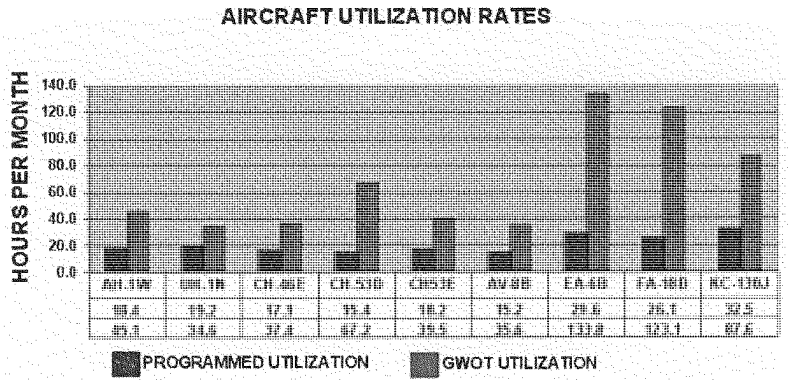
Aviation Equipment

The operationally demanding and harsh environments of Iraq, Afghanistan, and Djibouti have highlighted the limitations of our aging fleet of aircraft. In order to support our marines, sister Services, and coalition partners successfully, our aircraft have been flying at two to three times their designed utilization rates. Despite this unprecedented utilization, the yeoman efforts of our maintenance and support personnel have sustained an aviation mission capable rate for deployed marine aircraft at 79 percent over the past 12 months. The corresponding aviation mission capable rates for our units in garrison, who have either recently returned from deployment or are preparing to deploy again, have averaged 75 percent over the past 12 months. To maintain sufficient numbers of aircraft in deployed squadrons, our home squadrons have taken significant cuts in available aircraft and parts as they prepare for deployment. Reset funding has partially alleviated this strain, but continued funding is needed as we continue to recapitalize our aircraft fleets due to age, attrition, and wartime losses. Maintaining the readiness of our aviation assets while preparing our aircrew for their next deployment is and will continue to be a monumental effort and constant challenge for our marines.

We have mitigated aircraft degradation through specific aircraft modifications, proactive inspections, and additional maintenance actions enabled by reset programs. Sustaining aircraft material condition drives aircraft readiness and is the de-

termining factor in combat aviation support provided to our marines in harm's way. While these efforts have successfully bolstered aircraft reliability, sustainability, and survivability, additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities.

Resetting Marine Aviation means not merely repairing and replacing damaged or destroyed aircraft, but getting more capable and reliable aircraft into the operational deployment cycle sooner. Your marines rely on these aircraft on a daily basis to provide a wide array of missions including casualty evacuation for our wounded and timely close air support for troops in contact with the enemy. Production lines to replace legacy aircraft lost in support of the Long War are no longer active; therefore, it is urgent and imperative for the Marine Aviation Plan to remain fully funded and on schedule.



Additionally, to ensure marine aviation is postured to support the current needs of our country, the Marine Corps is working to restore war reserve aircraft and accelerate the upgrades of pre-production aircraft to help maintain aircraft inventories at minimal acceptable operating levels. For example, the Marine Corps is modifying pre-production MV–22s to ensure the transition schedule meets operational demands and deployment timelines. Resetting our full aviation capability will require a significant increase in programmed funding for repair, restoration, and upgrades of destroyed or damaged airframes, recovery of Pioneer unmanned aerial vehicle components, refurbishment of air traffic control equipment, replacement of targeting pods, and numerous other efforts to restore capability degraded in support of the Long War.

Reset of Prepositioning Programs

Eleven Maritime Prepositioning Force (MPF) vessels from all three Maritime Prepositioning Force Squadrons (MPSRON) were downloaded and used in theater during initial OIF operations. As these operations concluded, the Marine Corps reconstituted two of three MPSRONs to meet potential contingencies in other areas of the world. This reconstitution was conducted both in theater and at the U.S. Marine Corps (USMC) facilities in Jacksonville, Florida. In February 2004, MPSRON–2 was downloaded in support of OIF II and has been partially reconstituted.

Since the MPF offloads in support of Operations Iraqi Freedom I and II, MPSRON–1 and MPSRON–2 have gone through a complete maintenance cycle for attainment and supply rotation. Attainment for major end items is 91 percent and 48 percent respectively. Some of our major end item shortfalls are a result of ongoing OIF/Operation Enduring Freedom equipment requirements and availability from the manufacturer. Our end item shortfalls in the MPF program will be reset during the ship's maintenance cycle as equipment becomes available. Readiness for all equipment loaded aboard the MPS is historically 98 percent or better. MPSRON–3 is currently undergoing its maintenance cycle and we project an attainment above 98 percent for equipment when completed in June 2007. MPSRON–2's maintenance cycle should begin in April 2008 and be completed by June 2009.

Equipment from Marine Corps Prepositioning Program-Norway (MCPP–N) was used in support of Long War operations and to reset other Marine Corps shortfalls

with a higher operational priority. The USMC will reset MCPP–N as soon as practical in line with USMC operational priorities.

Costs of Resetting the Force

Last year, our cumulative reset cost estimate was $11.7 billion, of which Congress appropriated $5.1 billion toward that amount. To date, Congress has appropriated a total of $10.2 billion for global war on terror reset costs. The $11.7 figure is based on a point in time (1 October 2005) snapshot of the funding necessary to refit the Marine Corps to a pre-Long War level of equipment readiness. During the summer of 2006, the Secretary of Defense standardized the definition of reset costs across the Services. As a result, the Marine Corps stopped identifying two major expenses—depot maintenance and attrition losses—as "Cost of War" and moved them into our reset the force estimate. This definitional change and some additional requirements have changed our estimate as noted in Table 2.

The first expense to be recategorized is the estimated cost of residual depot maintenance after the termination of hostilities. Our analysis shows that we will require at least 4 to 6 years of post-conflict depot maintenance to bring our force to a fully reset state. Given the status of our equipment at this time, we estimate additional programmed funding will be required for post-conflict ground and aviation depot maintenance costs.

The second item recategorized because of definition changes is attrition losses. Prior to the redefinition, the Marine Corps had considered replacement and repair of attrition losses to be a cost of war, and had not included them in our reset estimate. We have increased our reset estimate to include forecasted attrition losses.

The net effect is that the Marine Corps reset estimate, once a fixed point in time estimate, has now become a rolling estimate that includes future attrition losses and future depot maintenance estimates. The following table (Table 2) depicts the definitional changes:

Changes to Reset Definition

Category	Traditional Marine Corps	New OSD Definition
Depot Maintenance	Reset	Reset
Additional 4-6 yrs after OIF I	Not Included	Reset
Field Level Maintenance	Cost of War	Cost of War
Consumables	Cost of War	Cost of War
Combat Losses	Cost of War	Reset
Annually Expended Munitions	Cost of War	Cost of War
T/E Recapitalization	Reset	Reset
Prepositioning Assets	Reset	Reset

Table 2

Not all of the reset the force requirement can be executed in a single fiscal year. Some items such as attack and utility helicopters cannot be replaced until acquisition production decisions are made. Other requirements such as light armored vehicles cannot be fulfilled in a single year due to production capacity issues. Resourcing costs must be phased over several years. The table (Table 3) below highlights specific examples of this challenge.

Equipment Delivery Lag Time						
Capability	First Loss		Funding	Replacement		Delay*
	Equip	Date	Appropriated	Equip	Date	Months
Utility Helo	UH-1N	Dec 01	Oct 06	UH-1Y	Apr 09	88
Transport	KC-130R	Jan 02	Oct 06	KC-130J	Apr 10	99
Attack Helo	AH-1W	Jan 03	Oct 06	AH-1Z	Apr 09	75
Medium Lift Helo	CH-46E	Mar 03	Jul 06	MV-22	Sep 09	78
Wheeled Recon	LAV-25	Apr 03	May 05	LAV-25	Dec 07	56
Medium Wheeled Transport	MTVR	May 03	May 05	MTVR	Apr 06	35

Table 3

IV. MODERNIZE FOR TOMORROW, TO BE "THE MOST READY WHEN THE NATION IS LEAST READY"

As prudent stewards of our Nation's resources, we must decide the most effective way to modernize the Total Force. We are actively working through the tough decisions of whether to replace aging equipment with similar platforms or to procure next generation capabilities—such as cutting edge platforms like the STOVL Joint Strike Fighter, the MV–22 Osprey, and the Expeditionary Fighting Vehicle (EFV). Foremost and throughout our modernization efforts, we will maintain our Congressionally mandated contingency response forces to be always ready and always capable of forcible entry.

Marine Aviation Plan

The Marine Aviation Plan is designed to posture Marine Corps Aviation for future warfighting requirements in the near-term (2007–2009), the mid-term (2010–2012) and the long-term (2013–2015). The Marine Aviation Plan addresses these challenges by restructuring the force and managing current aircraft procurement Programs of Record.

We will rebalance our existing Assault Support and Tactical Aircraft (TACAIR) structure in the Reserve and active components in order to boost future HMH (heavy lift CH–53), HMLA (light attack UH–1 and AH–1), and VMU (unmanned aerial vehicle) capacity. Increases to aviation manpower structure at the squadron, group, and wing levels will enhance operational readiness and better posture these units for combat operations and their transitions to the new H–1s, MV–22, F–35, KC–130J, and CH–53K. We will incorporate a fully functional and resourced Aircrew Training System that will align a new Training Transformation Plan to each Assault Support and TACAIR community as they transition to new aircraft in the coming years. Marine aviation command and control modernization will leverage our new aircraft capabilities by streamlining command and control functions and radar inventory to ensure aviation command and control remains agile, efficient, and responsive to the needs of the MAGTF across the spectrum of conflict. Marine aviation logistics process modernization applies an overarching approach to understanding readiness, related costs, and the removal of performance barriers with the goal of enhancing our warfighting capabilities while husbanding resources.

The Marine Aviation Plan shapes the future of Marine Aviation to meet the diverse missions of today's and tomorrow's battlefields, and provides the MAGTF with improved capabilities, unit manning, and a thorough safety training system to better overcome known and foreseeable challenges. This plan sets in place tomorrow's Marine Aviation as a viable and efficient force in support of the MAGTF on the battlefield.

Joint Strike Fighter

F–35 development is on track, and will act as an integrated flying combat system in support of our ground forces and will be the centerpiece of Marine Aviation. The manufacture of the first test aircraft—Conventional Take-off and Landing—(CTOL) variant—is well underway, assembly times are much better than planned, and exceptional quality has been demonstrated in fabrication and assembly. The first CTOL aircraft flew in December 2006. Five STOVL and six CTOL aircraft are currently in production. The JSF acquisition strategy, including software development, reflects a block approach. The F–35B Short Take-Off/Vertical Landing (STOVL) variant is a fifth generation aircraft that will provide a quantum leap in capability, basing flexibility, and mission execution across the full spectrum of warfare. The Marine Corps remains committed to its vision of an all STOVL tactical aircraft force.

Fulfilling this vision will best posture the Marine Corps to support our Nation and the combatant commanders, by enabling the future MAGTF to accomplish its expeditionary warfighting responsibilities.

MV–22

The MV–22 is replacing the CH–46E and CH–53D aircraft. The CH–46E is over 40 years old, with limited lift and mission capabilities to support the MAGTF and the Long War. In September 2005, the V–22 Defense Acquisition Board approved Full Rate Production. To date, 29 Block A and 15 Block B aircraft have been delivered. Much like the F–35, the MV–22 program uses a three-block strategy in its procurement. Block A aircraft are training aircraft. Block B are operational aircraft. Block C aircraft are operational aircraft with mission enhancements. To date, the one V–22 Fleet Replacement Training Squadron, one test squadron, VMX–22, and two tactical VMM squadrons have stood up with the third tactical MV–22 squadron scheduled for March 2007. MV–22 Initial Operational Capability is scheduled for the summer of 2007 with a continued transition of two CH–46E squadrons per year thereafter. The MV–22's revolutionary assault support capability allows the MAGTF to maximize our capstone concept of Expeditionary Maneuver Warfare. Our forces in harm's way deserve the best assault support aircraft in the world—without question, the MV–22 is that aircraft.

KC–130J

The KC–130J has continuously deployed in support of OIF since February 2005 and has provided the warfighter a state-of-the-art, multi-mission, tactical aerial refueling, and fixed wing assault support asset. The introduction of the aerial refuelable MV–22, combined with the forced retirement of the legacy KC–130F/R aircraft due to corrosion, fatigue life, and parts obsolescence, significantly increases the requirement for accelerated procurement of the KC–130J. Twenty-five new aircraft have been delivered, and the Marine Corps is contracted to procure a total of 45 aircraft by the end of fiscal year 2013, with 4 KC–130J aircraft requested in the fiscal year 2008 budget. This is 6 aircraft less than the inventory objective of the 51 aircraft needed to support the operational requirements of MAGTF, joint, and combined forces. As the aviation workhorse of the MAGTF, the KC–130J's theater logistical support reduces the requirement for resupply via ground, limiting the exposure of our convoys to IEDs and other attacks.

CH–53K

The CH–53K program has reached "Milestone B" status-initiation of system development and demonstration. The current fleet of CH–53E Super Stallion aircraft will reach 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. The CH–53K is one of the elements that will enable the MAGTF and joint force to project and sustain forces ashore from the sea. A post Milestone B System Development and Demonstration contract was awarded in April 2006 and IOC is planned for fiscal year 2015.

H–1 Upgrade

The H–1 Upgrade Program (UH–1Y/AH–1Z) is a comprehensive program to resolve existing operational power margin issues, while significantly enhancing the tactical capability, operational effectiveness, and sustainability of the attack and utility helicopter fleet. The Corps' fleet of UH–1N Hueys is reaching the end of their useful life. Due to airframe and engine fatigue, the Vietnam-era Huey routinely takes off at maximum gross weight with no margin for error. This aircraft is long overdue for replacement; degrading our ability to support our marines in harm's way. Due to significant GWOT operational demands on the existing squadrons and aircraft attrition, the Marine Corps has adapted the "build new" strategy for the UH–1Y in fiscal year 2006 and our first two production aircraft have now been delivered. We are also examining a "build new" strategy for the AH–1Z to preclude significant inventory shortfalls. The H–1 Upgrade Program will be restructured pending a Defense Acquisition Board in March 2007.

Command and Control (C2) Harmonization

The C2 harmonization strategy incorporates joint integrating concepts and C2 mandates, and is a holistic approach that integrates warfighter requirements into a common capability to deliver an end-to-end, fully integrated, cross-functional set of capabilities including forward-deployed and reach-back functions. The strategy's end state is a seamless capability that crosses warfighting functions and supports marines from the supporting establishment to our marines in contact with the

enemy, taking the best of emerging capabilities and joint requirements to build a single solution.

The first step in this direction is the ongoing development of the Common Aviation Command and Control System (CAC2S). CAC2S fuses data from sensors, weapon systems, and C2 systems into an integrated display. It allows rapid, flexible operations in a common, modular, and scalable design by reducing the current five stovepipe systems into one hardware solution with streamlined equipment training. CAC2S will enable MAGTF commanders to control timing of organic, joint, or coalition effects, assault support, and ISR in their battlespace while operating within a joint task force. With CAC2S and C2 harmonization, a Joint Task Force Commander will discover that his MAGTF's battlespace offers maximum flexibility due to its seamless integration with joint and coalition partners.

Persistent Intelligence, Surveillance, Reconnaissance

The persistent Intelligence, Surveillance, Reconnaissance (ISR) strategy is a component of the Marine Corps ISR-enterprise supporting marines across the spectrum of military operations. Its focus is the capability to integrate the network of air, ground, and space sensors with sufficient fidelity to detect, locate, identify, track, and target threats. This capability also reduces the effectiveness of improvised explosive devices (IEDs) through the identification of personnel, activities, and facilities associated with the manufacture and emplacement of IEDs. The network is enabled through unmanned aerial and ground systems, human intelligence exploitation teams, ground signals intelligence/electronic warfare, tactical fusion centers, and predeployment training programs. We continue to develop capabilities in coordination with the Joint IED Defeat Organization's point, route, and area targeting concepts. Some capabilities under development include unmanned aerial systems, unmanned ground sensors, wide field of view persistent surveillance (Angel Fire), and the Ground-Based Operational Surveillance System (G–BOSS). Angel Fire provides enhanced situational awareness and support to urban warfare, disaster relief, and other operations. The initial deployment of this capability is scheduled for late spring/summer 2007. G–BOSS is a force protection camera system that provides a 24 hour day/night persistent surveillance capability. The G–BOSS System of Systems concept is to integrate command and control; commercial off the shelf and government off the shelf sensors to ground, airborne, and space-based platforms. The military objective of G–BOSS is to detect, identify, and track insurgent activities, specifically associated with the emplacement of IEDs. The initial employment of autonomous camera tower systems has performed admirably in theater. The integration of a fully networked G–BOSS system of systems is anticipated to begin in spring/summer 2007.

Ground Mobility

The Army and Marine Corps are leading the Services in developing tactical wheeled vehicle requirements for the joint force. The defined capabilities reflect an appropriate balance in survivability, mobility, payload, network enabling, transportability, and sustainability for the light tactical wheeled vehicle supporting the future joint force. The Army/Marine Corps Board has proven a valuable forum for coordination of tactical wheeled vehicle development and fielding, the production of Central Command armoring kits and up-armored HMMWVs, and rapid response to combatant commander's requests for Mine Resistant Ambush Protected vehicles. Additionally, the Army/Marine Corps Board has been the focal point for development of the joint requirements for a Joint Light Tactical Vehicle (JLTV) focused on providing protected, sustained, networked, and expeditionary mobility to the joint force in the light tactical vehicle weight class.

Mine Resistant Ambush-protected (MRAP) vehicles

MRAP vehicles are designed with a "V" shaped hull and are employed to protect against the three primary kill mechanisms of mines and improvised explosive devices—fragmentation, blast overpressure, and acceleration. These vehicles provide the best available protection against improvised explosive devices and experiences in theater have shown that a marine is four to five times safer in a MRAP than in an uparmored HMMWV. There will be three categories of new near-term MRAP vehicles. Category I, a Mine Resistant Utility Vehicle, will accommodate up to six personnel and will be employed in urban operations. Category II vehicles are similar to Cougar/Joint Explosive Ordnance Disposal Rapid Response Vehicles, and will accommodate up to ten personnel, and will be multi-mission capable. Category III, Buffalo vehicles, will be used for route clearance and explosive ordnance disposal missions.

The MRAP is an example of our adaptation to evolving threats. It is an attempt to acquire the very best technology available in the shortest amount of time in order

to protect our marines. The USMC requirement is 3,700 MRAP vehicles and we are aggressively pursuing the acquisition of this rapidly emerging requirement.

Joint Light Tactical Vehicle (JLTV)

In November 2006, the Army's Training and Doctrine Command and Marine Corps Combat Development Command, in collaboration with Navy, Air Force, and Special Operations Command representatives, received Joint Staff approval of the Ground Combat Forces Light Tactical Mobility Initial Capability Document, documenting joint forces' capability needs for the light tactical wheeled vehicle fleet. During December 2006, Army and Marine Corps combat developers staffed the JLTV Capability Development Document, defining requirements for the long-term HMMWV replacement.

Marine Personnel Carrier (MPC)

MPC development is on schedule. In January 2007, the Marine Corps staffed the Initial Capabilities Document, framed the Capabilities Development Document and initiated planning for the Analysis of Alternatives leading to a Marine Personnel Carrier material solution, moving toward an Initial Operational Capability in the 2012 timeframe. The MPC will possess a balance between performance, protection, and payload and will increase infantry battalion protected mobility and light armored reconnaissance battalion striking power. It will serve as a balanced expeditionary armored personnel carrier easily optimized for irregular warfare, but effective across the range of military operations.

M1114 HMMWV-Upgrade via Fragmentation Kit 2 and Fragmentation Kit 5

The Corps' already fielded M1114 fleet is undergoing an upgrade with Fragmentation Kits 2 and 5. Fragmentation Kit 2 enhances ballistic protection in the front driver and assistant driver wheel-well. Fragmentation Kit 5 degrades improvised explosive device effects and reduces armor debris that results from overmatch. Installation of both Fragmentation Kits is underway, with anticipated completion in March 2007. We will continue to evaluate the U.S. Army's objective kit development and share information and lessons learned. All new Marine Corps deliveries of M1114, M1151, M1152, and M1165 HMMWV's will have Fragmentation Kits 2 and 5 level capability integrated.

MAGTF Fires

Several innovative systems related to fire support significantly enhance the warfighting efficiency and effectiveness of the MAGTF. Such systems include the M777 Lightweight Howitzer, High Mobility Artillery Rocket System, Expeditionary Fire Support System, Advanced Field Artillery Tactical Data System, and the Target Location, Designation, and Handoff system.

M777 Lightweight Howitzer

The new M777 lightweight howitzer replaces the M198 howitzers. It can be lifted by the MV–22 Osprey and the CH–53E helicopter and is paired with the Medium Tactical Vehicle Replacement truck for improved cross-country mobility. The M777, through design innovation, navigation, 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 (HIMARS)

The HIMARS fills a critical range and volume gap in Marine Corps fire support assets by providing 24-hour, all-weather, ground-based, indirect precision and volume fires throughout all phases of combat operations ashore. We will field 40 HIMARS (18 to the Active component, 18 to the Reserve component, and 4 to the Supporting Establishment). 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 (EFSS)

The EFSS will be the principal indirect fire support system for the vertical assault element of MAGTFs executing Ship-to-Objective Maneuver. It is a towed 120mm mortar and when paired with an internally transportable vehicle, will be 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 during calendar year 2007, and full operational capability is planned for fiscal year 2010.

Target Location, Designation, and Handoff System (TLDHS)

TLDHS is a modular, manportable equipment suite that will provide the ability to quickly acquire targets and digitally transmit data to supporting arms elements for attack, as well as designate targets for laser-seeking precision guided munitions and laser spot trackers. The system will be capable of providing target location within fifty meters and designating targets at 5,000 meters. TLDHS will be fielded to forward observer teams, naval gunfire spot teams, tactical air control parties, and reconnaissance teams. Block II, scheduled for fielding in late fiscal year 2007, will communicate with all Naval Strike aircraft, the AFATDS, and the Naval Fire Control System.

Counter-Sniper technology

The Marine Corps Warfighting Laboratory is leading a four-pronged approach to counter the sniper threat. Focused on increasing our ability to sense and warn, deny, protect, and respond, we are leveraging the cooperative efforts of Defense Advanced Research Projects Agency, our sister Services, the Marine Corps Intelligence Activity, and the National Ground Intelligence Center.

Future sense and warn capabilities may include optical, acoustic, and infrared detection and location. We are examining different obscurant technologies, while our protection effort focuses on improving individual armor and new tactics, techniques, and procedures. Detection of threat optics will provide indications and warning of impending sniper or IED attacks, and a predictive capability to avoid or engage prior to sustaining friendly casualties. One potential denial method is through use of glare aversion devices which apply a non-injurious, but discomforting, bright light. Assessment of the response can help determine hostile intent, and the glare aversion effect may be effective in prohibiting a sniper from visually targeting friendly forces. Our response capability efforts include examination of counter-sniper vehicles and the Defense Advanced Research Projects Agency's sniper rifle program. Finally, we are using experimentation to combat the sniper threat through advanced equipment and improved tactics, techniques, and procedures. Ongoing joint and interagency cooperation, coupled with industry collaboration, will shape our future experiments.

Secure Internet Routing Protocol Network

The continuing evolution and maturation of network threats, along with the asynchronous nature of network intrusions and vulnerabilities, requires the Marine Corps to seek improvements in network defense. The Secure Internet Routing Protocol Network (SIPRNET) is a highly secure network, physically and logically separate from unclassified networks and the Internet. In the near future, we foresee greater reliance on the SIPRNET to enhance the security of Marine Corps war fighting and business operations. This effort will require additional resources, which will prove well worth the investment as we secure our networks and provide for better operational and force protection.

V. NAVAL OPERATING FORCES AND CONCEPTS

As the "Arc of Instability" is substantially a maritime domain, a naval force is uniquely suited to respond and provide forward-deployed expeditionary combat forces in response to crises. It is the Marine Corps' obligation to provide our Nation a naval force that is fully prepared for employment as a MAGTF operating across the spectrum of conflict. The Nation invests tremendous resources knowing that the ability to project power from the sea is a prerequisite for defending our sovereignty. To maneuver from the freedom of the seas provides timely and reliable response solutions to our Nation. In concert with the U.S. Navy, we support the Law of the Sea Convention, which preserves our ability to maneuver from the sea.

As demonstrated by the Navy-Marine Corps responses to Hurricanes Katrina and Rita, tsunami relief in southern Asia, and noncombatant evacuation operations in Lebanon, maneuvering from the sea is a relevant capability possessing the flexibility to meet our country's needs both around the world and at home. Marines and sailors embarked from amphibious platforms provide asymmetric, sustainable, and rapidly responsive solutions to our combatant commanders.

Working closely with our Navy and Coast Guard partners, we will advance the amphibious and expeditionary capabilities the combatant commanders rely on to meet their emerging challenges, strengthen concepts and training that enhance naval contributions to the Long War, and provide a naval force that is fully prepared for employment across the full spectrum of conflict.

Concepts to Capabilities

In September 2006, the Navy and Marine Corps published a new Naval Operations Concept (NOC), which provides our unified vision for the future and broadly describes how naval power and influence can be applied at and from the sea, across the littorals, and ashore. In tandem, we revised our Marine Corps Operating Concepts (MOC) for a Changing Security Environment, incorporating our lessons learned and the unified vision provided in the NOC. Building on the conceptual foundation for littoral power projection provided in Operational Maneuver from the Sea, the Naval and Marine Corps Operating Concepts call for more widely distributed forces to provide increased forward presence, security cooperation with an expanding set of international partners, preemption of nontraditional threats, and a global response to crisis in spite of challenges to access. Collectively, these concepts provide the foundation for selectively conducting either distributed or aggregated operations.

Due to changes to the security environment and the effects of globalization, the Navy, Coast Guard, and Marine Corps have all concurred with the need to reexamine our maritime strategy. Early this summer, we intend to produce a new maritime strategy in order to articulate the ways and means by which maritime forces will support the Nation's strategic ends in the new security era.

Amphibious Warfare Ships

Amphibious warfare ships are the centerpiece of the Navy-Marine Corps' forcible entry and Seabasing capability, and have played an essential role in the Long War. These ships are equipped with aviation and surface assault capabilities, which coupled with their inherent survival and self-defense systems, makes them ideally suited to support a broad range of mission requirements. This survivability is critical to ensure the Nation has the widest range of response options. 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 Long War requirements, crisis response, and humanitarian assistance missions on short notice around the world.

For forcible entry, the Marine Corps' requirement is a single, simultaneously-employed two Marine Expeditionary Brigade (MEB) assault capability. One MEB requires seventeen amphibious warfare ships; however, given the fiscally constrained environment, the Navy and Marine Corps have agreed to assume risk by only using 15. Historical amphibious ship availability rates dictate a minimum of 11 ships of each of the current types of amphibious ship—a minimum of 33 total ships—resulting in a Battle Force that provides 30 operationally available amphibious warfare ships. In that Battle Force, 10 aviation-capable big deck ships (LHA/LHD/LHA(R)) and 10 LPD–17 class ships are required to accommodate the MEB's aviation combat element.

Amphibious Transport Dock (LPD)

The LPD–17 San Antonio class of amphibious warfare ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet that will enable our naval force to operate across the spectrum of warfare. The Navy took delivery of the first LPD–17 in the summer of 2005 and operational evaluation is scheduled to begin in the summer of 2007. The LPD–17 class replaces four classes of older ships—the LKA, LST, LSD–36, and the LPD–4—and will have a 40-year expected service life. LPD–17 class ships will play a key role in supporting the ongoing Long War by forward deploying marines and their equipment to 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 MAGTF far into the future.

Amphibious Assault Ship (Replacement) (LHA(R))

The *Tarawa* class amphibious assault ships reach the end of their service life during the next decade (2011–2015). An eighth *Wasp* class LHD (multi-purpose amphibious assault ship) is under construction and will replace one Tarawa class ship during fiscal year 2008. 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 enhanced hangar and maintenance spaces to support aviation maintenance and increased jet fuel storage and aviation ordnance magazines. The lead ship, LHA–6, is on track for detailed design and construction contract award during fiscal year 2007, with advanced procurement funds already provided in the fiscal year 2005 and 2006 budgets.

The Maritime Prepositioning Force

Our proven MPF—capable of supporting the rapid deployment of three Marine Expeditionary Brigades—is an important complement to our amphibious warfare capability. Combined, these capabilities provide the Marine Corps the ability to rapidly react to a crisis in a number of potential theaters and the flexibility to employ forces across the battlespace. The natural progression of this capability set, the Maritime Prepositioning Force (Future) (MPF(F)), is a key enabler of Seabasing and will build on the success of the legacy MPF program. MPF(F) will provide support to a wide range of military operations with capabilities such as at-sea arrival and assembly, selective offload of specific mission sets, and long-term, sea-based sustainment. The squadron will be capable of prepositioning the Marine Expeditionary Brigade's critical equipment and sustainment; but this capability does not constitute a forcible entry capability. The MPF(F) squadron composition decision was made by the acting Secretary of the Navy in May 2005; the program is currently in the technology development phase of acquisition, with a Milestone B decision planned in fiscal year 2008.

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: intertheater, the Joint High Speed Sealift, which provides strategic force closure for CONUS-based forces; intratheater, the Joint High Speed Vessel that enables rapid closure of Marine forces and sustainment; and the Joint Maritime Assault Connector, to move troops and resources from the 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.

Ship-to-Shore Mobility

For decades, Marine power projection has included a deliberate buildup of combat power ashore. Only after naval forces fought ashore and established a beachhead would the MAGTF begin to focus its combat power on the joint force's operational objective. Advances in mobility, fires, and sustainment capabilities will enable greater penetration and exploitation operations from over the horizon, by both air and surface means, with forces moving rapidly to operational objectives without stopping to seize, defend, and build up beachheads or landing zones. The EFV, MV–22 Osprey, and CH–53K heavy lift helicopter are critical to achieving the necessary forcible entry capabilities of the future.

Expeditionary Fighting Vehicle

The Marine Corps provides the Nation's joint warfighting forces with a unique, flexible, and effective capability to conduct forcible entry operations from the sea. The EFV, the Corps' largest ground combat system acquisition program, is the sole ground combat vehicle that enables projection of combat power from a sea base. It will replace the aging Assault Amphibious Vehicle that has been in service since 1972 and will become a complementary component of our modernized fleet of tactical vehicles that include the JLTV, the Marine Personnel Carrier, and the Internally Transportable Vehicle. The EFV's amphibious mobility, day and night lethality, enhanced force protection capabilities, and robust communications will help the joint force meet security challenges across the spectrum of conflict. The over-the-horizon capability of the EFV will also enable amphibious ships to increase their standoff distance, no longer requiring them to close within the striking distance of many coastal defense systems in order to launch their amphibious assault platforms. The EFV will be specifically well suited to maneuver operations conducted from the sea and sustained operations in the world's littoral regions.

The Marine Corps recently conducted a demanding operational assessment of the EFV. It successfully demonstrated most critical performance requirements, but the design complexities are still providing challenges to system reliability. To that end, we conducted a comprehensive requirements review to ensure delivery of the required capability while reducing complexity of the system where possible. For example, the human stresses encountered during operations in some high sea states required us to reevaluate the operational necessity of exposing marines to those conditions. Based upon this review, and a subsequent engineering design review, we will tailor final requirements and system design to support forcible entry concepts while ensuring the EFV is a safe, reliable, and effective combat vehicle.

Supporting Capabilities

Logistics Modernization is the largest coordinated and cross-organizational effort ever undertaken to transform Marine Corps logistics. A three-pronged improvement

and integration initiative focusing on Marine Corps personnel, processes, and technology, Logistics Modernization is integrating and streamlining supply, maintenance, and distribution. As our roadmap for more effective and efficient expeditionary logistics, Logistics Modernization is multiplying our ability to support the MAGTF across the spectrum of conflict, in all environments and across all levels of theater maturity.

VI. BEYOND THE HORIZON—POSTURING THE MARINE CORPS FOR THE FUTURE

History has proven that we cannot narrowly define the conditions for which our military must be ready. With little warning, our Nation has repeatedly called its Corps front and center—in the southern Pacific after Pearl Harbor, in Korea after the communist invasion in 1950, in the mountains of Afghanistan after September 11, and in southern Asia in the wake of the catastrophic tsunami of 2004. Each of these strategic surprises demonstrates the broad range of possibilities for which the Marine Corps must be prepared.

The Long War requires a multi-dimensional force that is well trained and educated for employment in all forms of warfare. Historically, our Corps has produced respected leaders who have demonstrated intellectual agility in warfighting. Our current deployment tempo increasingly places our Professional Military Education programs at risk. No level of risk is acceptable if it threatens the steady flow of thinkers, planners, and aggressive commanders who can execute effectively across the entire spectrum of operations.

The Future of Training and Education

Looking ahead to the challenges of the Long War, we have enhanced our counterinsurgency capabilities while remaining vigilant that our MAGTFs must remain ready to launch robust forcible entry operations and succeed across the spectrum of conflict with our naval partner. With Marine forces so closely engaged in an irregular fight, we will have to take extraordinary steps to retain this ability to serve as the Nation's shock troops during major conventional combat operations. Your support of our training and education needs will allow us to remain faithful to our enduring mission: to be where the country needs us, when she needs us, and to prevail over whatever challenges we face.

The Training Continuum

Some things remain constant—we continue to ensure that all marines, regardless of occupational specialty, gain the self-confidence and skills derived from our warrior ethos "Every Marine a Rifleman." The experience at boot camp remains legendary; this transformation of young Americans is a national treasure—one that we must preserve and guard carefully. The core values of Honor, Courage, and Commitment—imprinted on their souls during recruit training and strengthened thereafter—mark a marine's character for a lifetime. To reinforce this transformation, we have focused the emphasis of our officer and enlisted professional military education on combat leadership.

Marine training is built along a continuum that is well defined, well structured, and of which we are extremely proud. Marines are forged in the furnace of recruit training and tempered by shared hardship and tough training. This transformation process begins the day they meet their recruiter, who introduces them to the concept of total fitness: body, mind, and spirit. It continues through their common experiences at Recruit Training and its Crucible, and Marine Combat Training. It moves on to skill training at one of our schools or at a sister Service school. It culminates with assignment to an operational unit with its own demanding training, where a powerful bond of trust develops between fellow warriors as they experience the rigors of combat against a diverse and adaptive foe.

The Infantry Battalion Enhancement Period Program (IBEPP)

Long War operations have significantly increased our training requirements. Marines must now train to a broader range of skills; however, due to high operational tempo, we face ever-decreasing timetables for marines to achieve mastery of these skills. Our first major initiative to maximize effective use of available time was the establishment of a standardized and well-defined Pre-deployment Training Program. To bolster home station training, we took an additional step by establishing the IBEPP. The primary goal of the IBEPP is to facilitate better small unit leader training within the infantry battalion. Highlights of the IBEPP include expanded quotas for rifle squad leader courses (sergeants) and a new tactical small unit leader course focused on fire team leaders (corporals). Additionally, we have updated our School of Infantry curriculum to incorporate the additional equipment added to our new in-

fantry battalion table of equipment and increased the instructor base at our Schools of Infantry to support the new IBEPP.

Expansion of our Weapons and Tactics Training Program

We find ourselves in a cycle of rapid innovation of weapons and tactics with our enemies. This cycle challenges the creativity and knowledge of staff officers in our ground and combat logistics battalions who must direct training programs or staff combat operations. Our aviation squadrons experienced this during the Vietnam conflict. To address those challenges, we created the Weapons and Tactics Training Program to develop and field a cadre of aviators with advanced understanding of weapon and tactical innovations as well as the concepts and requirements to train other aviators to adapt to these trends. This program placed prestige on training expertise and now provides an effective means by which Marine Aviation stays current on battlefield innovations. We will soon apply the fundamentals of that program to our ground staffs. The ground and logistics Weapons and Tactics Training Program will produce ground marines expert in training and warfighting functions who will improve their units' ability to fight. Though we are assessing detailed requirements, we anticipate this effort could require up to 150 instructors, and increased demands on combined arms ranges, artillery and aviation units, simulation centers, and suites of operations center equipment.

Marine Corps Lessons Learned Management System

This adaptive enemy requires us to have a responsive and collaborative dialogue across the Corps. Our interactive and effective lessons management system promptly captures and disseminates the lessons being learned by our marines and sailors in complex combat actions around the globe. Our web-based lesson input support tool—selected by the Joint Staff last year to serve as the Department standard—guides this learning process. Capitalizing on the institutional agility that has been a hallmark of our success, last year we implemented changes in such areas as crew-served weapons use, tactical questioning, evidence gathering procedures, command and control equipment training and procedures, civil-military operations, and detainee handling.

Center for Advanced Operational Culture Learning

An example of adaptation for the Long War includes our Center for Advanced Operational Culture Learning, which we established during May 2005 and recently reached its full operational capability. Both officer and enlisted marines now receive education in the operational aspects of culture at nearly every phase of their career development. This year, the Center is establishing Language Learning Resource Centers at our eight largest bases and stations. These centers provide language instruction using mobile language training shelters and contracted professional language trainers. These efforts support the Defense Language Transformation Roadmap increasing our interoperability with partner nations around the globe. We are also expanding our Foreign Area Officer program, creating language and culture experts from all occupational specialties who can be integrated into Marine units deployed worldwide. We thank Congress for its support in this venture, as recent supplemental funding has proved instrumental to this effort.

Advisor Training

During 2006, we institutionalized the structure, resources, and equipment to advance the individual skills and education of marines selected to serve as advisors to partner military units. Our Security Cooperation and Education Training Center had already trained over 50 deploying advisor teams during 2004 and 2005. This formal establishment allowed us to increase our efforts, as we trained 77 advisor teams during 2006. Additionally, we expanded advisor skills with upgrades to training in such areas as foreign weapon handling, medical procedures and survival, evasion, resistance, and escape. This year we are establishing a Civil Military Operations Center of Excellence within this Center, as the Marine Corps' focal agency for civil-military operations training and education.

Training MAGTFs

Our continuing adaptations and investments in Core Values are checked once more prior to deployment with a series of unit mission rehearsals. These exercises occur during the culminating block of our formal Predeployment Training Program, which we expanded during 2004 to serve all deploying MAGTFs. These mission rehearsals present all deploying personnel with increasingly complex situations designed to replicate the confusing swirl of combat on a complex battlefield. Role players, many of whom are Iraqi-Americans, portray battlefield civilians and insurgents alike, presenting exercise-worn marines with sudden "shoot-don't shoot" decisions

and forging within our marines a sense of common cause with the civilians they will soon protect. The culmination of our pre-deployment training consists of three distinct exercises: Mojave Viper, Desert Talon, and Mountain Warrior—each specifically tailored to the deploying unit's destination combat environment.

During 2006, we continued to modify this program with expanded training in force escalation and with increased integration of logistics combat units. To better prepare marines to counter the threat of improvised explosive devices, we added more training devices, built new ranges, and employed electronic warfare specialists at our rehearsal sites. This year we are focusing our enhancements on the training of advisor teams and of MAGTF staffs by increasing the use of simulation. Our planned improvements promise to deliver Marine forces ready to more effectively meet the emerging challenges faced by the Combatant Commanders as a naval force in readiness in joint, combined, and interagency operations.

Modernization of Training Ranges

With the support of Congress, we also recently began the most ambitious modernization of our training ranges since World War II. From larger and more realistic urban training facilities to increased opportunities to evaluate advanced air-ground coordination, we have significantly improved the realism, safety, and capacity of our ranges and training areas. While our immediate focus has been to acquire infrastructure and modern technology, our long-term investment is in people, largely civilian, to both operate and maintain these facilities and to form the critical training cadres capable of maintaining the realism our MAGTFs require. Your continued support of our range modernization efforts, as well as the support for the Department's programs to ensure future access to adequate sea, air, and land space for our training ranges, remains vital to our ability to prepare for the challenges of the future with our joint, coalition, and interagency partners.

Marine Aviation Training Systems Program

The Aviation Training Systems Program (ATSP) plans, executes, and manages Marine Aviation Training to achieve individual and unit combat readiness through standardized training across all aviation core competencies. Through the ATSP, Marine Aviation develops aircraft systems that enhance operational readiness, improve safety through greater standardization, and significantly reduce the life cycle cost of maintaining and sustaining aircraft.

Core Values and Ethics Training

During this past year, we also reviewed our efforts to instill in marines those core values necessary to guide them correctly through the complex ethical demands of armed conflict. We have ensured that every marine, at every phase of the training continuum, studies ethical leadership, the Law of War, escalation of force, and Rules of Engagement. Our entry-level training first presents these concepts in the classroom, and then tests for proper application of these principles under stressful field exercises. We further reinforce confident, ethical decision-making through the Marine Corps Martial Arts Program that teaches our Core Values and presents ethical scenarios pertaining to restraint and proper escalation of force as the foundation of its curriculum. We imbue our marines with the mindset that "wherever we go, everyone is safer because a US marine is there."

Building Esprit and Warrior Pride

The Marine Corps dress blue uniform is as legendary as the marines who wear it. However, while this well-known uniform is one of the most admired uniforms in the world, owning one is out of the reach of most enlisted marines—it simply costs too much for them to buy on their own.

No marine should be denied the honor of wearing this symbol of more than two centuries of bravery and sacrifice. Therefore, I have ordered that every marine recruit now be issued a dress blue uniform before they graduate from boot camp, and all enlisted marines are to receive an appropriate clothing allowance so that they are able to purchase and maintain a dress blue uniform. They have earned this privilege.

VII. IMPROVE THE QUALITY OF LIFE FOR OUR MARINES AND OUR FAMILIES

Enhancing Individual Survivability-Personal Protective Equipment. The Corps will continue to pursue technological advancements in personal protective equipment—our marines deserve nothing less. Fully recognizing the trade-off between weight, protection, fatigue, and movement restriction, we are providing marines the latest in personal protective equipment—such as the Modular Tactical Vest (MTV), Quad Guard, Lightweight Helmet, and Flame Resistant Organizational Gear.

Body Armor

Combat operations in Iraq and Afghanistan have highlighted a need to evolve our personal protective vest system. Therefore, in February, we started transitioning to a newly designed MTV. This vest is virtually the same weight as its predecessor, the Outer Tactical Vest, but it more easily integrates our other personal protection systems. It provides greater comfort through the incorporation of state-of-the-art load carriage techniques that better distributes the combat load over the torso and onto the hips of the marine. The acquisition objective for the MTV is 60,000 systems, with anticipated completion of deliveries in December 2007. The MTV also incorporates our existing Enhanced Small Arms Protective Inserts (E–SAPI), and Side SAPI plates. These plates are currently provided to every marine in theater. The E–SAPI provides the best protection available against a wide variety of small arms threats, to include protection against 7.62mm ammunition threats.

QuadGard

The QuadGard system is designed to provide ballistic protection for a marine's arms and legs when serving as a gunner on convoy duty. This system, which integrates with other personal ballistic protection equipment such as the MTV, Enhanced SAPI, and Lightweight Helmet, reduces minimum standoff distances from the marine to ballistic threats, particularly improvised explosive device fragmentation.

Lightweight Helmet

We are committed to providing the best head protection available to our warfighters. The lightweight helmet weighs less than its predecessor, and provides a high level of protection against fragmentation threats and 9mm bullets. We now require use of the pad system as study results demonstrated it provides greater protection against nonballistic blunt trauma than the sling suspension system. We are retrofitting more than 150,000 helmets with the pad system and have already fielded enough helmet pads for every deployed marine. Beginning in January, all lightweight helmets produced by the manufacturer are now delivered with the approved pad system installed.

Flame Resistant Organizational Gear (FROG)

In February, we began fielding FROG to all deployed and deploying marines. This life saving ensemble of clothing items—gloves, balaclava, long-sleeved fire resistant shirt, combat shirt, and combat trouser—is designed to mitigate potential injuries to our marines from flame exposure. These clothing items provide protection that is comparable to that of the NOMEX combat vehicle crewman suit/flight suit.

With this mix of body armor, undergarments, and outerwear, operational commanders can determine what equipment their marines will employ based upon mission requirements and environmental conditions.

Taking Care of our Marines and Their Families

Just as every marine makes a commitment to the Corps and the Nation when they earn the title marine, we make an enduring commitment to every marine and Marine family. Marines are renowned for "taking care of our own." Part of taking care of our own means we will provide for marines and their families through appropriate pay and compensation, housing, health care, infrastructure, and community services. Strong congressional support for many administration initiatives has made possible the significant investments required to improve each of the components of quality of life. This support requires continuous assessment to ensure that it is both sufficient and relevant, particularly during war. These programs must be on a wartime footing to seamlessly sustain our marines and their families for the duration—long past the redeployment of our marines and sailors.

We are scrutinizing the support for our marines and their families to ensure our family support programs remain on a wartime footing—particularly those that assist in integrating civilian, military, charitable, and Veterans Affairs programs. This support targets both marines who suffer from the physical costs of this war, and those who carry unseen scars—those suffering from Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD). As I testified in my confirmation hearing, I feel strongly that these wounds of war should be characterized as any other wound—and our commitment to those marines who suffer from these ailments will not falter.

We continue to aggressively monitor post-deployment mental health screenings, suicides, domestic violence, and divorce rates. Marine commanders and noncommissioned officers at every level are charged to monitor these indications closely and to stay engaged on these issues. Our Casualty Assistance, Marine For Life, and

Combat/Operational Stress Control Programs continue to be the frontline of support to our wartime efforts.

Casualty Assistance

Each fallen marine is a tragic loss to the survivors, the Corps, and our Nation. We endeavor to honor their sacrifices with sincerity and commitment. Our Casualty Assistance Calls Officers are trained to treat next of kin and other family members as they would their own family. Rendering casualty assistance begins with the basic tenet that there is no standard casualty call; each case is distinct, as families grieve in different ways. Assistance to surviving families is individually tailored to facilitate their transition through the stages of grief and the completion of the casualty assistance process.

Wounded Warrior Regiment

While the support to our Marine Corps and families has been exceptional, I intend to increase this support through the creation of a Wounded Warrior Regiment. This new regimental headquarters will provide centralized oversight of the care for our wounded marines and assist in the integration of their support with military, Department of Veterans Affairs, charitable, and civilian systems. The regiment will have a battalion headquarters on each coast, commanded by officers personally selected by me. My criteria for this leadership will be rigorous, as I will seek to select only those officers with previous command experience. My staff is reviewing the fiscal program requirements for this unit now—to include facilities, manning, and support requirements. I view this initiative as a personal priority to fulfill our commitment to these valiant Americans.

Traumatic Brain Injury (TBI)

As the quality of individual combat armor has increased, so have the number of blast survivors and Marines with TBI. Mild to moderate traumatic brain injuries can be difficult to diagnose and yet can cause changes in personality, cognition, and memory that significantly impair a service member's ability to make the life and death decisions required of them while in a combat environment. TBI and PTSD have many symptoms in common, and TBI can co-occur with PTSD. Recent measures to mitigate the impact of traumatic brain injuries to individual marines and their units include the release of a medical guidance letter from the Medical Officer of the Marine Corps outlining proper diagnosis and treatment strategies.

Post-Traumatic Stress Disorder (PTSD)

The science of diagnosing and treating PTSD continues to evolve. The Marine Corps Combat Development Command, Training and Education Command, Naval Health Research Center, and others are studying ways to identify risk and protective factors for PTSD and to increase our resilience to stress. By improving the awareness of both individuals and our leaders, we can provide early identification and psychological first aid to those who are stress-injured. Better screening and referral of at-risk marines is underway via pre- and post-deployment standard health assessments that specifically screen for mental health problems. Navy Medicine has established new Deployment Health Centers with additional mental health providers readily available to treat PTSD and other combat stress injuries. The Department of Veterans Affairs and the Department of Defense have established comprehensive guidelines for managing Post-Traumatic Stress, which are available to all services. The Marine Corps, Navy Medicine, and Veterans Affairs have coordinated a Seamless Transition program to help our Marine veterans move smoothly into the Veterans Affairs treatment system to get the help they need and deserve. In addition, Veterans Affairs Readjustment Centers at 209 communities around the country now provide mental health services for eligible active and discharged veterans and their families.

Combat/Operational Stress Control

Battlefields are familiar territory for marines—we train marines to excel in chaotic and unpredictable surroundings. Yet all marines will experience combat/operational stress to some extent, as transient symptoms for most, but as persistent stress injuries for others. Managing combat stress is vital to the operation of the Marine Corps as a fighting force and the long-term health and well-being of marines and their families. All deploying marines receive warrior preparation, transition briefs, and health assessments. In addition, mental health professionals or specially trained medical officers brief marine leaders on the prevention and management of adverse stress reactions. We have also implemented the innovative Operational Stress Control and Readiness (OSCAR) program, which embeds mental health providers with ground forces. OSCAR provides early identification and treatment of

combat/operational stress problems, attempts to defeat the stigma of combat stress, and overcomes the barriers to care.

The Combat/Operational Stress Control deployment cycle resources for families include the Family Deployment Support Program. The program's components consist of Family Readiness Days, family crisis support services, Return and Reunion Briefs for spouses, and building a sense of community among our military families.

Marine For Life

The Marine For Life Injured Support program assists seriously and very seriously injured marines, sailors who served with marines, and their families. This program bridges the gap between military medical care and the Department of Veterans Affairs by providing individualized support through the transition period.

Individual case tracking and enduring support for our injured marines and sailors complements the Office of the Secretary of Defense's Military Severely Injured Center, which enables the program to provide around-the-clock injured support service. Marine For Life provides support tailored to an individual's needs, including pre- and post-service separation case tracking, assistance with the physical evaluation board process, and an interactive website that acts as a clearinghouse for all disability and benefit information. The program also provides employment assistance through a preexisting Marine For Life network that establishes local coordination with veterans, public, private, and charitable organizations that provide support to our injured warriors.

In April 2005, Marine For Life integrated Marine Corps and Department of Veterans Affairs' handling of Marine cases by assigning a marine field grade officer to the Department of Veterans Affairs Headquarters' Seamless Transition Office. This integrates marines into the Department of Veterans Affairs system and provides service oversight of Veterans Health Administration care and Veterans Benefits Administration benefits delivery. The Marine For Life program provides the direct point of contact for problem resolution for marines within the Veterans Administration system.

Military Construction-Bachelor Enlisted Quarters Initiative

Bachelor housing is my top military construction priority for Program Objective Memorandum 2008. Barracks are a linchpin in the quality of life for our single marines. With the help of Congress, we have tripled the funding for bachelor housing from fiscal year 2006 to 2007, and if the President's request is funded, we will double the 2007 funding in fiscal year 2008. We are funding barracks' furnishings on a 7-year replacement cycle and prioritizing barracks repair projects to preempt a backlog of repairs. Our $1.7 billion barracks investment plan in support of a 175,000 marine end strength provides adequate billeting for our unmarried junior enlisted and noncommissioned officer marines by 2012.

Public Private Venture Family Housing

Our efforts to improve housing for marines and their families continue. Thanks to continuing congressional support, the Marine Corps will have contracts in place by the end of fiscal year 2007 to eliminate all inadequate family housing.

VIII. CONCLUSION

This Nation has high expectations of her Corps—as she should. Your marines are answering the call around the globe, performing with distinction in the face of great hardships. As they continue to serve in harm's way, our moral imperative is to fully support them—we owe them the full resources required to complete the tasks we have given them. Now more than ever they need the sustained support of the American people and Congress to simultaneously maintain our readiness, reset the force during an extended war, modernize to face the challenges of the future, and fulfill our commitment to marine families. On behalf of your marines, I extend great appreciation for your support to date and thank you in advance for your ongoing efforts to support our brave countrymen and women in harm's way. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

Chairman LEVIN. General, thank you for your statement and again to all of you for your service.

Let me first start with the question about the 2007 and the 2008 supplementals. Let me ask you both, Admiral and General, whether or not the supplementals adequately fund your requirements to support the war effort. Admiral, let me start with you.

Admiral MULLEN. Yes, sir, they do. They are very heavily focused, obviously, on the flying hours and steaming days and the area of equipment particularly support for Seabees, whose equipment, we are running through pretty quickly, as well as the manpower support. So the supplemental request is adequate in that regard.

Chairman LEVIN. Thank you.

General?

General CONWAY. My response is the same, sir. It is adequate. We will include some of our end strength growth and as a byproduct of that, some equipment. We will put some of it toward the MRAP Vehicles again to get them in the hands of our troops as soon as possible.

Chairman LEVIN. Thank you both.

By the way, we are going to have an 8-minute first round here.

Secretary Winter, the LCS program has had some real problems. It was supposed to be a relatively inexpensive program. It was supposed to be a relatively quickly delivered program. But we have cost growth which is significant and apparently the Service changed its requirements after the design and construction contract was signed.

Why did that happen? We have had so much experience with changes in the requirements after contracts have been entered into. Why was that allowed to occur here?

Secretary WINTER. Sir, I believe that there was in general an overly optimistic view of what could be accomplished. That said, we are still getting a first lead ship here in a lot shorter time period than we normally have. However, that over optimism has created some obvious issues in terms of decisions to proceed forward before the requirements were fully definitized and we are now having to deal with the consequences of that.

Chairman LEVIN. What actions are we taking to avoid that or correct that?

Secretary WINTER. I think, sir, first of all in terms of the LCS, we are working very hard to enhance the Navy's oversight of the activity. We have added personnel both to the program office and also to the supervisor of shipbuilding that has the responsibility of directly overseeing the activities at the shipyards. We have also worked very hard to complete the definitization of the requirements and design development process and we are at the very end, I believe, of that aspect of it. We are also using a negotiation of the contract type to force both the Navy and the contractor to come to final agreement on a number of these items.

Chairman LEVIN. The EFV was projected to enter production this year. Now we are going to have to go back into research and development (R&D) for 4 years more if that program is continued. Apparently the vehicle design was too fragile and unreliable. That should have been foreseeable and preventable. Apparently the program manager got a major promotion just before the real status of this project became known via testing.

What is going on? Why don't we start with you, Mr. Secretary?

Secretary WINTER. I think again we have an issue here where the program got going in an overly optimistic form. I think there was an objective to try to bring this program in for dollars which

were not achievable. The net of that was that certain basic systems engineering functions that should have been performed at the beginning of the program were not undertaken. The net result is we wound up having a design that did not have a firm basis in particular for some of the reliability and maintainability objectives that are core to this program.

We are now in the process of having to go back into the design and develop the appropriate models, and undertake the appropriate systems engineering activities to see whether or not we can in fact convert the current configuration into a configuration that will provide us with the reliability and maintainability that is core to this program.

Chairman LEVIN. Is there any accountability for these failures?

Secretary WINTER. Sir, one of the things that we are going to have to take a look at is exactly how we got into this situation. We have been doing that on the LCS. We have not yet done that on EFV, but it is my intention to do that there as well.

Chairman LEVIN. Will you keep this committee informed on an ongoing basis of both of those reviews?

Secretary WINTER. Most definitely, sir.

Chairman LEVIN. Servicemembers with a disability that is rated 30 percent or higher, as you all know, qualify for medical retirement. Those with less than 30 percent are separated with severance pay and the consequences are very significant, particularly in terms of family health care. The Center for Naval Analysis reviewed the disability ratings of all of the Services and they report that 26 percent of airmen determined to be unfit for duty received disability ratings of 30 percent or higher. The other Services award ratings of 30 percent or more to far, far fewer servicemembers. The Army awards this rating 4.3 percent of the time, the Navy 4.1 percent of the time, and the Marines only 2.7 percent of the time.

I am wondering, Mr. Secretary, is there an explanation for why the Marine Corps number is less than the Navy's number? Also, can you explain why both the Navy and Marine Corps numbers are so far below the Air Force number?

Secretary WINTER. Sir, this is an area that we are still trying to get our hands around in terms of the overall assessment. We do use a common board approach and we have been going through to reassess that board approach, both in terms of what is known as the "informal" and the "formal" board aspects. I think we have gone a long way in terms of understanding how to move through the process in a fairly expeditious manner, but I do not have a specific answer to you, for you today in terms of those differences. We will be working towards that end, however.

Chairman LEVIN. We are going to have a hearing with the Senate Veterans' Affairs Committee and one of the issues that is going to come up is this issue. So we would hope in the next 2 weeks that you would have that answer ready for us.

Secretary WINTER. We will work to that end, sir.

Chairman LEVIN. Thanks.

We have been using sailors in lieu of the shortfall of persons who are trained to do the specialties that these sailors are now engaged in. As of February 2007, 12,000 Navy personnel were engaged on the ground in the CENTCOM and 79 percent of the personnel on

the ground are deploying and supporting ground forces in their traditional military specialties, such as base and port operations support, medical services, and explosive ordnance disposal. But the others are being used for convoy security or for detention facility guards. They are performing well, but using sailors outside of their primary military duties must have an impact on both the institutional Navy as well as on individual servicemembers.

Admiral, how would you describe the pace and scope of sailors being used in lieu of ground combat forces for those types of assignments in Iraq and Afghanistan?

Admiral MULLEN. Mr. Chairman, this is something that I have made a priority from the standpoint of supporting the ongoing effort for the country. In my travels in theater, I would tell you first of all that the sailors I have seen in the performance of these duties are very proud of what they do and they know they are making a big impact. They are also highly praised by the ground forces from both the Marine Corps and the Army.

In addition, this is not just Navy. I think you are aware that the Air Force is also doing this as well.

Clearly it is pressure on us as an institution but I do not consider myself close to red lines yet with respect to that. In fact, today it is over 13,000 sailors that are on the ground and over 5,000 specifically who are in Iraq.

We also have some particular skills. Prison security capability is a natural skill for us, so that maps literally 100 percent. We have some technical skills that have made a huge difference with respect to improvised explosive device (IED), countering the IED problem.

But from a philosophical standpoint, I come at this having grown up through Vietnam and knowing what long deployments can do. This is the fight we are in right now and I want to provide as much relief as I can. I am comfortable that the training they are getting before they go and that the missions they are performing are well within their capability to perform.

Chairman LEVIN. Thank you.

Finally, General Conway, can you assure us that deploying marines will be fully equipped and trained before they enter combat in Iraq?

General CONWAY. Absolutely, sir. There is a five-phased training program that all of our deploying units have to experience before they are deployed. Based upon the recent surge operations, we have had to rework some schedules in order to be able to make that happen. But it is a service requirement that no marine or sailor deployed with our units will go overseas without those kinds of experiences.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman. This is the third time in a row that I have imposed upon Senator Warner to allow me to go first, and I thank him very much. I will make it much shorter than I otherwise would.

Senator WARNER. We both serve on the Senate Environment and Public Works Committee, where you are the ranking member, and you have a lot of work.

Senator INHOFE. Yes, that is right.

Senator WARNER. I congratulate you on getting that legislation out this morning.

Senator INHOFE. It is very significant. Thank you, Senator Warner.

Back during the 1990s, I was pretty stressed out over what China was doing, not just with nuclear weapons but also the conventional forces. At the same time we were downsizing substantially, in the 1990s, they actually increased their procurement by 1,000 percent. Now, when you look at what is going on right now with what they are doing with their navy, one example you would have is, we have around 55 fast attack submarines and they are projected to go down during the next 20 years. At the same time, China, it is my understanding, will be outproducing us about seven to one.

Now, I think that is accurate information. Do you agree with that?

Admiral MULLEN. They are certainly outproducing us. I am not sure on the ratio.

Senator INHOFE. Does this really concern you?

Admiral MULLEN. Yes, sir, it does. The amount of their investment concerns me and what they are doing with their navy, and the technology they are investing in, concern me. That is a very important part of the world. We need it to be stable. We have a strong presence there. We will continue to do that.

Senator INHOFE. I am glad you said the technology because qualitatively we have been superior, but they are making headway.

Admiral MULLEN. Yes, sir, they are. That is very evident to us. They are also making headway operationally. We see them operating better than they were just a few years ago. So the issue and I think it has been discussed widely, is that their strategic intent here is not clear and more transparency is important. One of the things we are doing is engaging them more militarily to try to understand, to have relationships. Additionally, we try to understand where they are headed.

Senator INHOFE. Yes, because it is not just in your end, Mr. Secretary.

Admiral MULLEN. No, sir.

Senator INHOFE. It is in terms of strike vehicles and everything else. They are very aggressive right now. In fact, I think they are probably greater than our published figures.

General Conway, you probably know that we took a vote just a few minutes ago on the MRAP and I am sure that pleased you. You had written a letter to General Pace saying that the MRAP could reduce our casualties by 80 percent. That is a pretty high amount. I guess the amount to get us to that point would be over $4 billion; is that correct?

General CONWAY. Sir, I want to qualify the statement to the degree that it is understood completely. Against the same blast, riding in an uparmored Humvee, which is currently the gold standard in Iraq——

Senator INHOFE. Which is flat.

General CONWAY. Yes, sir, it has a flat and arguably even concave bottom, which in some cases exacerbates the blast. Against the same blast, marines, sailors, and soldiers who are riding in the

vehicle, are judged to be 400 percent less likely to sustain death or injury. I think that is where the figure of 80 percent comes from and it was a little more clarified in the letter.

Senator INHOFE. That is good. Let us stay on top of that, because obviously that is something we want to do and it took a major step today.

I want to comment also on what you said about the two-thirds reenlistment rate. I have had occasion to spend a lot of time with your people up around Fallujah and other places and it is just incredible what they are doing. I wish the media were a little more aware of that. Maybe you can help us in that respect.

Thank you very much, Mr. Chairman, and thank you, Senator Warner.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to the three of you for your service. It is good to see you again.

Admiral Mullen, before I get to the budget I want to ask you a couple of questions about what is happening in the Persian Gulf now. Obviously, we are all following closely and with great concern the status of the British sailors who were seized. Do we have any independent evidence as to whether the two British boats were in Iranian water, as the Iranians claim, or not, as the Brits claim?

Admiral MULLEN. We are aware that the Brits have said they were not in Iraqi territorial waters.

Senator LIEBERMAN. Right. Based on the presence of two carrier battle groups of ours in the Persian Gulf and watching what is happening there, were you surprised by the Iranian seizure of these two British boats?

Admiral MULLEN. I guess I was not surprised from the standpoint of the actions of the Republican Guard Navy. The Iranian navy is made up of two separate and distinct groups. What I do not know is to what degree that was sanctioned. I do not have a feel for that at all, quite frankly.

It is a very tight water space. It is an area that has been disputed for decades and centuries. There was an accord, the Algiers Accord, in 1975, to which the Iranian and Iraqi governments did not agree, so that there is a dispute up there in these very tight waters and that certainly lends to the difficulty of sorting this out.

The *Stennis*, which is the second carrier strike group recently deployed, actually has been in the area for weeks and has transited into the Gulf in recent days, and the exercise that is ongoing there really is a training exercise to improve our capability as well as provide the kind of signal that it was originally intended to, which is one of strength and stability, and support of our allies and friends there. That is a part of the world that really needs to be stable. They are training in the middle of the Gulf. They are not up near the north, where the problem occurred.

Senator LIEBERMAN. Are we doing anything different since the seizure of the two British boats to avoid the same?

Admiral MULLEN. We are always mindful of these kinds of possibilities. There have been a significant number of Iranian incursions into these waters in recent weeks, months, and years. So we are

certainly mindful of the possibilities. This obviously, as an incident like this always does, sharpens your edge considerably.

Senator LIEBERMAN. Sure.

Admiral MULLEN. But certainly it has always been a concern.

Senator LIEBERMAN. Just one more brief question and it is worth coming back for a separate hearing perhaps. As we face the real threat that Iran represents to us, as we listen to people in the square in Teheran shouting "Death to America" and we begin to try to understand their military capabilities, what you said I think is probably little appreciated not only by the American people, but by us here. We have now become familiar with the fact that the Iranian Revolutionary Guard is in Iraq training and equipping, et cetera. We know that it is a unique group, an elite group, but not a small group. I gather that it is well over 100,000 and reports to the Supreme Leader, Ayatollah Khameini.

But you are telling us something else, which is that in some sense there is a separate Iranian Guard Navy, separate from the other navy.

Admiral MULLEN. Yes, sir, that is correct. It has been that way for a long time. We understand a lot more about the activities of the regular Iranian Navy than we do, quite frankly, about the Iranian Revolutionary Guard Corps Navy in terms of either predictability or routine operations and exercises.

Senator LIEBERMAN. I would like to come back to that on another occasion.

I have a concern about the submarine program. You mentioned the number of 48 nuclear-powered subs as a minimum. We are on a path now in construction to go down to 40 by around 2020. There is a group of us in both chambers that would like to move the year in which we go to two submarines a year from 2012 forward to 2010. The money is not in this budget.

Am I correct to conclude, Mr. Secretary, that if you had the money you would like to do this as well?

Secretary WINTER. Sir, I think first of all we are hopeful to be able to reduce the cost of these submarines. As you recall, we are running about $2.4 billion in 2005 dollars per submarine. We are looking to be able to take that down about $200 million based on the economic order quantity and about $200 million based on design improvements which are currently under way.

We think the most cost effective way of doing that is to go through that process, which we believe we will be able to achieve consistent with the 2012 two-a-year production rate program. I would just note two other aspects, one of which is that, as we go into the ramp-up from one-a-year to two-a-year, we do need to precede this by 2 years in terms of advance procurement activities, principally associated with the reactor power plant.

Senator LIEBERMAN. Right.

Secretary WINTER. So we have a process where we have to go through and ramp this up. I am also very concerned that we do this and stabilize it. I do not want to go to two-a-year for a year and then back to one-a-year and then back up to two-a-year.

Senator LIEBERMAN. Yes, no one wants that. I gather in the House that there is some significant movement toward funding the reactor core development on a time line to get to two submarines

by 2010. But you are absolutely right, it does come down to dollars. We do not want to start it and ramp up and then have to ramp down.

Secretary WINTER. Yes, sir.

Senator LIEBERMAN. That would be bad for everybody.

I want to ask you one more question about the sub program. The RAND Corporation recently did a study that concluded that extending design on the next generation submarine from 15 to 20 years will result in up to a 20 percent savings over the long-term by maintaining an experienced labor pool and the industrial base.

The fiscal year 2008 shipbuilding plan does accelerate the start of construction on the replacement of the Trident class submarine from 2022 to 2019, but there is no initial funding in it. I intend to try to add, not a large amount of money, perhaps $25 million, to the budget to begin the design on the new class of Trident submarine to meet the 2019 date. Do you have an opinion on that at this point?

Secretary WINTER. Senator, one of the things that I have been trying to do is to ensure that our SSBN replacement program has the proper systems engineering ahead of it. There is a whole set of processes. The only reason for the SSBN is to be able to carry the strategic missiles, and the only reason for the missiles is to be able to carry the warheads. So we need to make sure that we understand exactly what it is that we are going to try to do with this deterrent force in the future, what type of deployments, what type of targets, what type of ranges and accuracies we will need with those missiles, what options we have for the missiles themselves, and what implications that has for the submarines.

One of the things I have been working to do here is to establish the appropriate early partnership with Strategic Command to be able to engage in the type of early-on systems engineering which will let us go and take the first steps towards the development of appropriate designs for a future SSBN that are consistent with the future vision of what we need for a deterrent force.

Senator LIEBERMAN. I appreciate your answer. My time is up. I look forward to working with you on these two initiatives to maintain the vitality of our submarine fleet and our submarine base over the long term.

Thank you, all three of you, very much. Thanks for the extraordinary service that your folks in uniform are giving in the war on terrorism.

Secretary WINTER. Thank you, sir.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I would like to associate myself with my colleague's remarks with regard to the submarines. We are very proud that our shipyard in Newport News is a full partner in that program. I am optimistic that we can go to the two submarines. You say that you hope to achieve it through cost savings. Can you put a little earmark on that money so it does not stray out of that submarine account and drift over into another account? Is that agreed to here?

Secretary WINTER. Yes, sir.

Senator WARNER. Thank you very much. Keep those funds there.

I also was quite interested in my colleague's questions to the Admiral about the Iranian situation and our ships offshore. I really view those ships as performing the traditional mission of deterrence. We very carefully, as a consortium of nations under the banner of NATO, did precisely that with the Warsaw Pact. When questions are asked about the use of force in Iran, it seems to me before we ever get to the serious consideration of the use of force, we should simply pursue the deterrence concept of ringing Iran with ships and perhaps other military assets, just as a reminder. The presence alone, the old gunboat diplomacy, has a very remarkable impact on normal diplomacy. It would be helpful if ships from other nations that are similarly affected by the threats that Iran poses through its nuclear weapons production concept could join so that we begin to have more of a NATO-type appearance and it is just not the United States.

I am coming back to your first words, Admiral, which you uttered when you came in here. You threw up a cautionary sign on your retention and you simply said, appropriately, we are looking into it. Could you share with us some of the early signs that concern you? Is there a shift in retention that is a reflection of the understandably serious divisive consternation across this land with regard to the current operations?

Admiral MULLEN. I do not know yet if that is part of the reason, Senator Warner. This is the first time in about 7 years that we have seen our first-term retention dip below 50 percent. Our goal is 50 percent and we have been between 50 and 60 since 2000. It has been a remarkable level of achievement. In fact, I set out both recruiting and retention as a priority for us. So literally, the data just got to me within the last couple of weeks.

There is a piece of this that I do not quite understand yet, which is that we are seeing a larger number of sailors request extensions as opposed to reenlisting right now. Some of that historically is tied to their ability to get into a combat zone and reenlist for the tax-free benefit, which certainly they are deserving of and brings them a lot more cash when they reenlist.

So we are really pulling this apart. Also, there is a very slight dip in our second-term retention. So we are certainly seeing these indicators. It is the first time. It is what I have been very wary of, just because I have been here awhile and I have seen this certainly go in cycles. So we are working to try to understand the details of it.

Senator WARNER. I have to move on. I am delighted that you are going to general quarters.

Admiral MULLEN. Yes, sir.

Senator WARNER. This is a very critical situation.

Admiral MULLEN. Yes, sir.

Senator WARNER. When I was in the building during Vietnam, I began to see some of the recruiting and retention reflected because of the public concern about that conflict. We have to track that and track it instantly.

Now, General Conway, I listened to you carefully. I have gone back and re-read your statement. You seem not to be experiencing that problem; is that correct?

General CONWAY. Sir, that is correct. We annually target about 25 percent for retention. Actually, with our growth we are moving that figure up to 33 percent, and we still have a high level of optimism that we will be able to meet those figures.

Senator WARNER. Good. The Navy has, as the Admiral mentioned, some 4,000 white hats and officers in country now in Iraq?

Admiral MULLEN. 5,000.

Senator WARNER. 5,000.

Admiral MULLEN. Yes, sir.

Senator WARNER. So you are certainly doing that. You have a much larger contingent which is performing in the finest traditions.

Admiral MULLEN. About 26,000 right now, sir, with the turnover taking place.

Senator WARNER. Quickly again, let us go to the Secretary. The U.S. accession to the Law of the Sea Convention, in your prepared testimony you support it?

Secretary WINTER. Yes, sir.

Senator WARNER. Does the administration intend to seek Senate approval or ratification this year?

Secretary WINTER. I believe we are working toward that end, sir.

Senator WARNER. All right, I am glad. I think it is important that we move along on that.

Now, to the Commandant and then to the Secretary. Commandant, you have quite appropriately, I believe, responded to concerns that I and others had with regard to Marine Corps Base, Quantico, which corrected the flight safety deficiencies on your ramps. You have now put that on your unfunded requirements, is that correct?

General CONWAY. That is correct, sir.

Senator WARNER. I will personally see whether or not we cannot move that through. I have gone in and out of that little air strip many a time in my lifetime.

General CONWAY. Very functional, sir.

Senator WARNER. I think it is important to do that. I thank you very much.

Now, on the Navy shipbuilding, Admiral. The affordability of the Navy program and our ability to meet your plan of 313 ships. CBO estimates $20 billion per year, $5 billion greater than the Navy's budget estimate. In other words, you have set your goals and the CBO has set their goals. They are not consistent. What can we do to help you?

Admiral MULLEN. I think the CBO continues to put pressure on the system and I think that is a healthy thing. It is interesting that in the discussion, for instance, about the design base for SSBNs one of the challenges that we have in reconciling the two is just our assumptions about how many we are going to have and when we are going to have them. One of the changes that is on the right-hand side of the shipbuilding program in the out-years, the 2020s and 2030s, is that we have changed some numbers there so there actually is some additional cost that has gone up.

But in the new SSBN force, we for example imagine having just the number of ships that we need because we will have cores which will last the life of the ship. That clearly is not going to require us to have two additional SSBNs, which we have right now.

The affordability piece comes in great part into focus because of LCS. I really do want to applaud Secretary Winter for his leading the efforts to pull us through a very thorough understanding in what was a high-risk program, very demanding schedule, and focusing us on requirements. We have to make sure we do not change the requirements. We have to make sure we oversee it correctly, not just us but also on the industry side. So we have learned a lot. We are going to take those lessons and put it into our other major programs to make sure we are within bounds.

Senator WARNER. I only bring it to the attention of you two gentlemen. I do this in a very straightforward, professional way, nothing personal about it. I have noted of recent, and I have had the privilege of working with many Secretaries of Defense, the current Secretary of Defense moved swiftly, courageously, and decisively on the issue of accountability. Program managers do their best, but there are those who oversee program managers, and I hope both you and the Admiral handle the situation in a way that there is full accountability in the eyes of Congress and others.

Secretary WINTER. I fully understand, sir.

Senator WARNER. Good.

The new medical centers at Bethesda and Fort Belvoir. Yesterday I endeavored to put in an amendment to the current appropriations bill which simply said that we should maintain Walter Reed as best we can and put it into terms of a first-class military facility, but not amend the Base Realignment and Closure (BRAC) law. I feel very strongly that if we cannot go in for the first time in five BRAC laws and try to change it, although this program at Walter Reed has a lot of merits to it, there are many other Members of Congress here who feel that their BRAC decisions are equally meritorious and then it puts in jeopardy another BRAC round. May it not happen on my watch, but anyway it is somewhere in the future. I will let Chairman Levin and Senator McCain write the next BRAC law. I have written five of them.

So let us be cautious. I believe what we should do is accelerate the funding for the planned and proposed incremental improvements at Bethesda. I say plans; I am not sure they are in full force yet. Now, we are not going to address Belvoir, but there was a comparable situation. We can accelerate the funding so that those two physical structures can be ready to, on the BRAC schedule, receive from Walter Reed those components that are to be integrated at the different sites.

Do you feel that that is an appropriate program, Mr. Secretary?

Secretary WINTER. Sir, there are two points here that I would offer. First of all, we do believe that there is value to combining Bethesda and Walter Reed and that having that integrated capability enables many of the critical skills and the unique specialties there to reach a critical mass of capability and will avoid some of the back and forth use of the facility by many of the casualties that are coming back right now.

I would suggest, sir, that relative to the acceleration opportunities there, there probably are some opportunities to accelerate the process of the new facility. I just would caution that it not be done in such a way that we give short shrift, if you will, to the requirements development process.

Senator WARNER. All right. Would you provide for the committee, and mark it to the chairman's attention and he will see that I get it, your proposals with regard to what is feasible by way of acceleration? What are the costs associated and what if any do you feel are the advantages of doing that, namely to make that facility ready at the time the BRAC decision says Walter Reed has to phase out?

Secretary WINTER. I would be pleased to do that, sir.

Senator WARNER. That would avoid, I hope, a change in the law or a necessity to do so. But we must always put care for our wounded and care for our Active and retired community as the top priority. So let us work within those constraints.

Lastly on the question of aircraft carrier basing and Mayport. I have been following with interest the Navy's assessment of the strategic home porting and dispersal options for the Atlantic fleet surface ships. I believe it is important that all factors be considered in any large operational move, to include not only environmental concerns, but also national security requirements, the impact on the sailors, and so forth.

What is the current status and the way ahead for the current Naval Air Station (NAS) Mayport Environmental Impact Study (EIS)?

Secretary WINTER. Sir, we have proceeded on the EIS activity there. We are undergoing the initial phases of that. We are doing this in such a way as to encompass all options that have been contemplated or considered for the use of Mayport, and we are also doing it in such a way as to ensure that we factor in all aspects of the proper tradeoffs there, as we are required to do in terms of the assessment of alternatives that accompanies any EIS.

Senator WARNER. At what point in time do you feel that could be through?

Secretary WINTER. I believe we are targeting to the January 2009 time period for record of decision.

Senator WARNER. Admiral Mullen, on the assessment of the NAS, Oceana, I am going to give a question to you because my time has moved along. But I am anxious to know where that matter's status is now.

If you would answer this question for the record.

Admiral MULLEN. Yes, sir, we will do that.

Senator WARNER. I think it is important that we continue to give reassurance to the people in that community to maintain their commitments in order to bring that base into a greater operational safety and have less adverse impact on the community and fleet operations.

Admiral MULLEN. Yes, sir.

Senator WARNER. I thank you for the manner in which you have handled that thus far. It has not been an easy issue. I will put this one into the record.

[The information referred to follows:]

[See questions for the record #58 and #59.]

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

Senator LIEBERMAN [presiding]. Without objection. Thanks, Senator Warner.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

I thank you gentlemen for your service to our country as well and to all the marines and sailors that are under your commands.

This would be a question to Admiral Mullen and to Secretary Winter. With respect to the retrofitting of the SSBN fleet, in some cases to conventional weapons, what priority would you give that within your budget and your overall priorities?

Secretary WINTER. Sir, I think we have prioritized that very highly. We have three out of the four boats returned to service and the work on the fourth boat is proceeding according to schedule. Sir, are you talking SSGN or are you talking——

Senator BEN NELSON. No, the Trident.

Secretary WINTER. Oh, I am sorry, sir. My apologies. I was thinking of the SSGN conversion program.

Our discussions with Strategic Command have indicated that there is a lot of advantage to being able to provide a greater diversity of options for the President in terms of a rapid response and strategic capability. It is clear from a technical point of view that we can accomplish this through modifications of the Trident missile, and we believe that this can be done in a low risk manner and in a short period of time and we are ready to proceed on that, subject to the authorizations and appropriations.

Senator BEN NELSON. Would that SSBN be as high a priority as the SSGN, or how have you prioritized these retrofittings?

Secretary WINTER. The SSGN, as I started to say, has proceeded on through most of its activities. It is at the final stages of completion of that activity. So I do not see this as being in competition, if you will, from a funding point of view.

Senator BEN NELSON. General Cartwright has testified and has spoken to me privately as well about the importance of this conversion. Senator Sessions and I and others tried to get this done in the last go-around, but we were unsuccessful. I hope we will be far more successful with the authorization this time.

This is a question for General Conway. In your written testimony you note that the Marine Corps has approximately 4,000 marines affected by the pending plus-up operation in Iraq. Of course, these marines are going to be a vital asset to the operation, essential as we all know, and of course we wish them well and we hope that they will be able to accomplish their mission both safely and effectively.

You also note that the affected units will be extended for 45 to 60 days. Now, depending on the length of the plus-up in Iraq, will the Marine Corps be able to progress towards establishing a one to two deployment-to-dwell ratio goal? Every 7 months a marine is deployed, will they be back at their home station for 14 months? How are we going to make that goal work with the current situation?

General CONWAY. Sir, the eventual goal, of course, is to try to get to one to two—7 months deployed, 14 months home. The addition of the two infantry battalions, potentially the Marine Expeditionary Unit in Iraq, for this plus-up, of course, heads us in the other direction. So although we will continue to build infantry battalions and some of these critical units that are impacted by a high

deployment to dwell ratio, it will take us time, growing at roughly 5,000 marines a year, to be able to have that kind of impact.

Senator BEN NELSON. Will the growth of the marine end strength help take some of the pressure off this operational tempo for the marines?

General CONWAY. Absolutely, sir, in that we are looking at which units are most heavily impacted and we are building those units first.

Senator BEN NELSON. But it will take quite a while to bring the training of the new recruits up to the level that it will provide any help soon. Are you concerned about the training level of the troops? Are we having to train them faster than we would prefer to train them so that we get their efforts put in place?

General CONWAY. Senator Nelson, there is a built-in safeguard there, in that we will simply not deploy units that are not readiness category 1, across the board. It takes us about 5 months out of a 7-month cycle to be able to achieve that. But we are drawing a red line. We will simply not deploy units if they have not accomplished all of their training and those things that we expect them to have before they are deployment-ready.

Senator BEN NELSON. With respect to the new armor protection that you testified about earlier, how soon will we have that kind of protection for our force?

General CONWAY. Sir, we have some of it now. The Secretary and his procurement personnel have engineered eight other potential contractors that can provide a similar class vehicle for us. As we sit here today, tests are taking place at Aberdeen to make sure that these vehicles are blast-resistant as well as able to provide the expected road miles that we would have to have off the vehicles. Assuming success there, they are going to go on to full rate production contracts as soon as we can get them there. So we expect that, if all things go well, we could have thousands of these vehicles in the theater by the end of the year.

Senator BEN NELSON. Now, that might be for IEDs, but what about for the penetrating explosive that is being used today?

General CONWAY. Sir, probably we should not talk too much about that in open session, except to say that we are making advancements there as well with regard to technologies that can defeat that type of system.

Senator BEN NELSON. Finally, for Admiral Mullen and General Conway. What individually are your three top budget priorities this go-around? Admiral Mullen?

Admiral MULLEN. The top for me, Senator Nelson, is to continue to support the shipbuilding program, the stability there, and the investment there. I talk about making sure we have it right for our people, that our readiness stays high, but at the top of that heap has been and will continue to be to build the fleet for the future, to get to 313 ships.

Senator McCain pointed out that last year we had 281 ships. This year we have 276. By the end of this year we will actually have started going upwards as opposed to continuing down and be at 279. So we are on track. It has to be affordable and I understand that. That really is top priority.

Part of that is also how I stabilize my aviation plan as well. I need a long-term stable plan, not unlike what I have in shipbuilding. So that is really at the top of the heap and there are lots of pieces inside that. We have to make sure we have a robust industrial base, which is a real challenge for us right now. Those are national treasures for us. We have to get the investment right in that. Stability in this plan is key to that, and then everybody has to perform, the contractors and the Government, together.

Senator BEN NELSON. Your personnel reduction, is that occurring at the rate you would prefer it?

Admiral MULLEN. Yes, sir, it is. We have come down. We are in our 4th year this year, in 2007, of about 10,000 a year. There is a proposal for another 12,000. I told the committee last year at this hearing that I needed to go figure out what the end state would be. We have done that. We think we will be between 320,000 to 325,000 as we flatten out.

I remain concerned that overall in the budget sense that we as institutions have to come to grips with how we are going to continue to pay for these personnel costs which continue to rise at a very high rate. I have been flat in my personnel accounts in terms of investment because we have been coming down, but that is going to disappear in the next 2 to 3 years and I will experience that same kind of inflation.

Senator BEN NELSON. It is amazing how a budget looks good when you are going out of business. But you do not want to go out of business.

Admiral MULLEN. No, sir.

Senator BEN NELSON. General Conway?

General CONWAY. Sir, you took care of, I think, my most urgent concern this morning, and I thank you for that vote. I think that will be very helpful in terms of the moral imperative we have for taking care of our people.

Beyond that, as we grow the force, we would like to see those personnel costs into the top line as soon as we can. We are contracting people for 4 years at a time and it gets difficult if we have to look to year-to-year appropriations in order to be able to sustain that.

I would share the CNO's observations on a strong fleet. The Marine Corps needs that kind of support, particularly as it relates to the amphibious ships. We believe that we probably have to have 33 amphibious ships to have 30 available at any time. So we will work with the Navy over the out-years to see exactly how we accomplish that.

We also see, and I think the chairman mentioned it in his opening statement, that there is a bathtub out there with regard to strike aircraft. In the not-too-distant future, we are going to be short some 40 to 50 aircraft, and that will only be exacerbated if we continue to move Joint Strike Fighter right. That is the generation of aircraft we have long awaited now and we would like to see that program kept on line as much as possible.

Senator BEN NELSON. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you, Senator Nelson.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman. It is my understanding that Senator Thune has a time constraint, so I am going to ask that you recognize him before me, even though I am just dying to ask my questions.

Chairman LEVIN. We are dying to hear them, but Senator Thune?

Senator THUNE. Mr. Chairman, I will not be long.

I want to thank the Secretary and the Admiral and the General for their service and for their leadership. I am not going to be able to stay for the duration of the hearing, but I do have some questions I would like to submit for the record and get your response to them. So I would ask unanimous consent that I be able to do that.

Is anybody there to say "without objection"?

Senator COLLINS. Without objection.

Senator THUNE. I thank my colleague.

Chairman LEVIN. Whatever it was, it is granted.

Senator THUNE. Thank you, Mr. Chairman.

Senator COLLINS. Mr. Chairman, since that only took about 30 seconds, may I proceed, or do you want to recognize Senator Reed?

Chairman LEVIN. Senator Reed has graciously acknowledged that 30 seconds does not count and therefore Senator Collins is next.

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

First let me commend all three of you for your strong leadership and your outstanding service to your country. I very much appreciate your hard work and service.

Admiral Mullen, I have been concerned for some time about the impact of the transition from the DDG–51 class of destroyers to the new DDG–1000 class of ships. We need to avoid schedule slippages in order to avoid a gap in the workload that could have a significantly adverse effect on our skilled industrial base. We do not want to have a workload that has a big gap in it and thus we lose those highly skilled workers and cause problems in our capacity.

Two years ago this committee asked the Navy to evaluate this issue and the Navy reported that Navy and industry assessments of workload projections suggested that the transition had the potential to negatively impact workload at the shipyards. But the Navy went on to say that we are confident we can manage that transition and maintain the viability of the surface combatant industrial base.

What is your current judgment of our ability to avoid the kind of gap in the workload that could hurt the industrial base?

Admiral MULLEN. I think the concern as it was a couple of years ago, is well-founded, in the sense that transitions are always difficult. You more than just about everybody else know how difficult it is to move on from the DDG–51. I have been an advocate for some time, to get to the new capability and the new technology and really a 21st century Navy. So I think it is vital that we continue to press on.

Clearly at the center of that is the viability of the DDG–1000 program. We have taken extensive looks at this over the last couple of years, because of the risk that has been in that program. I am confident at this point that, with what we know, that it is going to be on schedule. At the same time, it is at a very delicate time

when you are going to design and you are really going to start building, and there are historical challenges with the first of a class, as there have always been.

So we are mindful of all that, back to the lessons that we have learned in LCS, to try to make sure we rope them, as much as they apply, into the DDG–1000 program, and very mindful, as I spoke earlier, that this is a national treasure. We have to treat it well. We need to invest in it. There needs to be a plan that can sustain itself, which I think goes to a healthier work force in the long run.

So it is a consideration in all of our deliberations to make sure we get this right.

Senator COLLINS. Thank you.

There is a lot of discussion about the higher cost of the DDG–1000 and what is often overlooked in that discussion is the tremendous cost savings that result from the smaller crew size for the DDG–1000 versus the old DDG–51. Could you comment on the potential cost savings from being able to operate this new cutting-edge destroyer with a substantially smaller crew?

Admiral MULLEN. We have a tendency in Washington to focus on what it takes to build it now and then worry about what you are referring to, which is life cycle costs, which we all have to pay, down the road. So it is an investment in technology which will greatly reduce the life cycle cost in lots of ways, including a much smaller crew size.

We talked earlier about the expense of our people. Our most important resource, our number one priority, is our people and will remain so. But this will require many, many fewer sailors to man her and sail her and fight her. So that is a big deal.

This is a program that underpins the shipbuilding, industrial, technological base. We did not have that 5, 6, or 7 years ago. In fact, in the specific costs, if you look at the cost of the last DDGs at the end of the production line, which is 1980s technology, we were still at $1.5 billion. So a lead ship would be $3 billion. It is not $5 billion, as was indicated in one of the newspaper articles this morning. To get to the technology and the kind of investment that we need is not as overwhelming in terms of expense in my mind as it could be.

We are on track at this point to bring it in at that and then to get that cost down closer to $2 billion, which I think is a significant goal, and it will be a great accomplishment when we get there.

Senator COLLINS. I agree and thank you for clarifying that issue.

Secretary Winter, we have talked many times about the challenges of allocating work load across the four public yards that the Navy has. I am very proud of the one in Kittery, Maine, the Portsmouth Naval Shipyard, which the BRAC Commission cited as being the gold standard for public shipyards.

Recently, Admiral Sullivan briefed the Maine and New Hampshire delegations on the Navy's latest shipyard business plan for 2008 through 2013 and I know you have been personally very involved in this and I want to thank you for spending so much time. I am, however, concerned that the Navy's shipyard business plan does not fully take into account the specializations that have been developed by the various shipyards. For example, our shipyard in Maine is known for its proficiency in work on attack submarines.

By contrast, Norfolk specializes more in surface combatants and aircraft carriers.

Are you taking a look at the efficiencies, the specializations, and the expertise developed by various shipyards, as you make those allocations?

Secretary WINTER. Yes, Senator. While it may not have appeared explicitly in our long-term strategic plan for the public yards, it is clearly an implicit part of the optimization that we have incorporated into our future strategy for assignment of availabilities to the yards. What we are trying to do is be able to effect the greatest availability for the lowest cost that we can for the fleet. Given the specialization, that does affect, if you will, the time frame that it takes, as well as the cost, of undergoing certain modifications, upgrades, and basic maintenance tasks at the various yards. That will be, in fact, an explicit factor in the consideration and the assessment of the assignment of the ships.

Senator COLLINS. Thank you.

I look forward to working with all of you as we proceed. I again want to congratulate you all for a very good budget proposal that I think is in our national security interest and helps move us forward. Thank you.

Secretary WINTER. Thank you.

Senator REED [presiding]. Thank you very much, Senator Collins.

Gentlemen, welcome. Admiral, in the spirit that not enough good things can ever be said about submarines, let me follow up some of the questions that Senator Lieberman raised. Do you feel confident that the submarine shipbuilders are going to meet your goal of $2 billion per submarine? I think that was the confidence of the Secretary. Do you feel that?

Admiral MULLEN. Yes, sir, I am. Actually, part of my confidence is what I see as a dramatic shift in their commitment to getting there. They believe it is possible. They believe we are going to put two submarines in in 2012. We have stayed with that. That has affected a big shift in the way they are approaching this problem, and they are on track right now.

Senator REED. Part of the confidence is a result, I think, of some factors. One is the design for affordability R&D investment that is being made. Is that critical? I think the Secretary mentioned that.

Admiral MULLEN. Yes, sir, that is critical.

Senator REED. There is also the commitment, because of these innovations, to reduce the construction cycle from about 84 to 60 months. That is another part.

Admiral MULLEN. Yes, sir. Also, actually regarding the concern that we have had about this reduction to 40 submarines in the outyears, one of the potential gap-fillers in that is to reduce the 72-month build time, which is where we are right now, down to 60 months. That in combination with an extra deployment out of a hull or two, dramatically reduces that gap.

Senator REED. One other factor is the multiyear procurement authority that you have.

Admiral MULLEN. Yes, sir.

Senator REED. One other factor is the multiyear procurement authority that you have, which allows you essentially to buy particularly significant components ahead and in a certain degree begin

to build a second ship, perhaps a virtual second ship, while you are building officially one ship, if that is accurate.

Admiral MULLEN. Yes, sir.

Senator REED. Thank you very much.

You raised the issue just in your response, Admiral, about the sufficiency of the fleet. With 313 ships overall and 48 attack submarines, that allows about 10 ships to be forward deployed on a day-to-day basis. However, it is my understanding that the combatant commanders always dial you up and ask for more, upwards to 18 if they could have them, and that raises the number. Is 48 the right number?

Admiral MULLEN. Yes, sir, 48 is the right number. We looked at that extensively, as we understand the world right now. The issue that gets adjudicated in the combatant commanders' requirements request, is that they have been fulfilled to about the 95 percent of the apportioned availability of the submarines in particular. I have also engaged them at my level and they are very comfortable with what they have right now.

Backing those 10 up is a surge capability of a significant number of submarines if we had to move forward.

Senator REED. We run into a scenario, though, between 2020 and 2033 where we drop to 40 boats. Actually, in the 2028–2029 year we are at 40 boats, which is significantly low and puts at risk, I think, even the projected plans of the moment.

Admiral MULLEN. Yes, sir, I understand that, and that is why getting to two a year is important. In addition to that, we have just completed a study which looks at other ways to mitigate this, which fills that gap up—building *Virginia* faster, getting additional deployment out of some of the submarines that have core life left, and looking at other ways to do that—that gets me, quite frankly, down to a gap of maybe 2 or 3 on that 48, as opposed to the 8 that you are talking about right now.

All that says is, as I have committed to before, I am working hard to mitigate that gap. I also have that gap coming in surface combatants. These are both classes of ships I previously built at higher levels—three a year in the case of submarines, five a year in the case of surface combatants. They are going to decommission at that rate and we are clearly not replacing them at that rate. So we are looking for ways to mitigate the gap.

Senator REED. One of the aspects that I think might suggest increased demand, even from today's tempo of operations, is the role submarines are playing in terms of covert intelligence, surveillance, and reconnaissance, covert insertion and recovery of special operations forces, covert strikes with Tomahawk cruise missiles, covert offensive and defensive mine warfare, and also in a sense I think an aspect of our commitment in Southwest Asia some economy of force missions, at least in terms of screening and intelligence gathering when you cannot have a major presence. Either you do not have the ships or you do not want to be overt.

This, I think, puts additional pressure on the bottom line number of submarines that you need.

Admiral MULLEN. Yes, sir, I do not think there is any question. The viability and the criticality of the mission sets, including those that you are describing, is not in question. I had just one thought

as you asked that question. These four SSGNs are clearly not fast attack submarines, but they bring special operations capability, they bring the stealth, they bring the striking capability, and I think they are going to bring a lot more that we do not even understand yet because of the volume that they have that we can work with.

So that mitigates against the 48 to a degree that we really have not talked a lot about in some of those capabilities.

Senator REED. Mr. Secretary, I just want to commend you for your testimony in response to Senator Lieberman's questions. I think it has been echoed by the CNO in terms of what we have to do to get our submarine fleet going forward.

Let me turn to an issue now that bridges the gap between the Navy and the Marine Corps. You mentioned it, General Conway, in what you are looking at, which is with 31 amphibious ships rather than 36 amphibious ships and your operational availability needs of 30, that does not leave a big margin. How are you going to plan to deal with that very narrow margin between available ships and operational demand?

General CONWAY. Sir, our estimate, based upon what we think is 85 percent availability historically for all Navy ships, is that the magic number is probably 33 for us, which would then in all likelihood give us that 30 operationally available in the event of a crisis or in the event of a need. It was just through dialogue with the Navy, we had a great warfighter conference with the CNO and his senior officers probably about 3 weeks, maybe about a month ago. We impressed upon them the need. We have shown them where we have accepted some level of risk already, because actually the 2015 Marine Expeditionary Brigade requires 17 ships, but we think we can get that down to 15 with some follow-on. But that is a hardline number. So just through good negotiations and comradeship, sir, we are going to work it out. It is a tough issue.

Senator REED. Admiral?

Admiral MULLEN. It is an affordability issue. We talked about the 10th LPD, which is on the UPL right now because it is a requirement that I just do not have the resources to get at. We are very committed to making sure that we deliver the Marine Corps. General Conway and I want to commend him as well and his people. We have worked very hard together to make sure we understand how we are going to operate in the future. It is clearly going to take ships. When the marines come out of Iraq, we want to get under way with them as rapidly as we can and do the work that we need to do, and it takes ships to do that.

So I know I have to provide those 30 ships. The question is whether I purchase new ones or make the ones I have more available? That is really the space that we are working hard in right now.

Senator REED. Thank you, sir.

I have a final question, General Conway, and that is on the EFV program. Can you give an assessment of the program and also the tradeoffs between that program and continuing use of the Amphibious Assault Vehicle (AAV)?

General CONWAY. Sir, first of all, as I came to this job, I was disappointed to hear that we had somehow used a series of old vehi-

cles, vehicles that had gone past their service life expectancy, to test reliability. I still do not quite understand the logic behind that, but the fact is that it has happened, and we have had some reliability problems in the vehicles that we have tested.

The requirement, I think, is a very real requirement. I do not think, based upon what we know about anti-access systems and anti-ship missiles, that the Navy is going to go closer than 25 miles to any given beach. Our AAV, which has already undergone a significant upgrade and a very successful one, I might add, still only swims at 8 miles an hour. So we have a risk factor right now as far as I am concerned, that allows our marines to get to a shore from 25 miles out.

What I am saying, sir, is that I think the requirement is real. We have to be able to get some sort of surface skimming kind of capability that gets us to the beach and then, by the way, transitions into an armored fighting vehicle. It does push the edge of industry and of science in some regards to come up with that type of vehicle. But we are pressing hard. We would like to have it sooner rather than later.

Senator REED. Thank you. Thank you very much, gentlemen.

Senator Martinez.

Senator MARTINEZ. Thank you, Senator Reed.

Good afternoon to all of you gentlemen and thank you for being here. I want to echo the other comments. I very much appreciate the service that all of you provide and I appreciate your also sliding your chairs to accommodate the last rung on the totem pole in this committee. [Laughter.]

Admiral Mullen, I do want, in the absence of my colleague from Virginia, to go back to the issue of Mayport. I realize that we have in the past discussed the importance of a diversification of our fleet as well as the need for Mayport to be available as a nuclear port, and I very much appreciate all the work that is being done with the environmental study that needs to take place. The Secretary and I and of course you and I have also discussed this some, just re-emphasizing to me the importance that I think all of us agree that there is in having more than one carrier home port on the East Coast of the United States. I presume, Secretary and Admiral, that we still all are in agreement on that?

It is kind of a question.

Admiral MULLEN. Yes, sir, I sensed that. The strategic dispersion issue still is a very high priority. I think, as the Secretary indicated earlier in his testimony, we do need to get through the EIS to get to a record of decision.

I want to emphasize that it is not just Mayport, but that part of our country—Kings Bay, Jacksonville, and Mayport—is a hub for us for lots of capabilities, surface ships, submarines, and aviation, as well as for our people and our families. So commitment to that hub, both in the near-term and in the long-term, is vital for us. We appreciate the support from you and your colleagues in letting us get through this in a measured way to make sure we get the decision right.

Senator MARTINEZ. We want to do it right, I understand that completely and am very supportive. Believe me that the Jackson-

ville area is a Navy town, and of course we are proud that Blount Island is there as well serving the Marines.

There was a mention by Senator Inhofe about the Chinese capabilities. I was concerned when I learned about the incident regarding the *Kitty Hawk* that was shadowed by a Chinese Song-class diesel-powered submarine that went undetected until it was 5 miles from our ship. I wonder, Admiral, if you can tell me what your interpretation is of that event and how have we adjusted to that eventuality.

Admiral MULLEN. Senator, it very much got our attention. We did not expect it. We did not expect that submarine to be "out of area." We follow that very closely. There were some indications and warnings that we need to go back and reassess how we do that.

I spoke to this earlier. It is indicative that they are operating better. They clearly have a navy which is growing. They are learning. I do not consider them to be 10 feet tall, but it is back to this strategic intent and engagement and making sure that diplomatically we are engaged to ensure that there is no miscalculation.

The importance of a strong naval presence in that part of the world, both Navy and Marine Corps, continues because of the stability needed there. So we are watching that very carefully. We did learn a lot. I really would not want to go into too much detail in an open hearing like this. We learned a lot and we have adjusted.

Senator MARTINEZ. That is important to know. But also I think your comments about strategic intent are vital and I think continued engagement is equally important.

General Conway, I presume it was mentioned to you, but the Senate just voted to move forward with the MRAPs, which I know are very important to you, and we hope that those will be in production and on their way to help our men and women serving in harm's way as soon as possible.

General CONWAY. I concur, sir, and thank you for the vote.

Senator MARTINEZ. Yes, sir. It was unanimous, you should know.

Back to Florida and our needs and problems. There is continuing concern about the possibility of a migrant event from Cuba relating to the events taking place on the island. The Secretary and I have spoken about this. There continue to be questions and concerns. Mr. Secretary, I know that part of this responsibility is obviously Coast Guard, but I know there is an element of cooperation.

I have spoken with Admiral Stavridis about this and I would like your take on the situation in terms of containing any attempt by Cuba to flood the United States with migrants.

Secretary WINTER. Sir, first of all I would like to give you the assurance that we have a very good working relationship with the Coast Guard there, and I have had the opportunity to review the latest status of plans in the event that such an event would occur. I think that we have a good plan to be able to deal with the matter. I think in this plan of action, obviously, the Navy is a supporting element to the Coast Guard, which would have the lead responsibility for it. I believe that all the elements that have been assessed we are in a position to be able to provide in a timely manner.

Senator MARTINEZ. We had an incident yesterday where a Haitian ship came ashore on one of our beaches right there in broad daylight. From time to time these incidents occur. I know it is a

bit unnerving to Floridians as we worry about homeland security that a foreign vessel could come right to our shores undetected until we got a cell-phone call saying they are on the beach.

Admiral, I realize that this is a shared responsibility with the Coast Guard, but what can you tell the people of Florida to reassure us that we are keeping a close eye on our shores and are reasonably protected?

Admiral MULLEN. It is a shared responsibility, and I want to echo what the Secretary said in terms of our relationship with the Coast Guard. It is particularly close with myself, Admiral Allen, and Admiral Stavridis. My components and Admiral Allen's have worked this very hard. So I am comfortable that we are prepared up to a point, but clearly there have been various estimates of if this were to occur how big the number might be, and I know that this has Admiral Stavridis' full focus.

I think that, specifically regarding yesterday, we are not in a position to surveil every nautical mile of the Florida coast and the coasts throughout our country, on a daily basis. We have not had that focus. Clearly, if we receive indications that this starts to go on, we do have the availability to adjust, and so I would feel comfortable offering the assurance that we could certainly be more predictive. This had not happened in a while. If it is the first of many, I think we will know that in short order, and that would certainly cause us to adjust our resources.

Senator MARTINEZ. Admiral, I think it is clearly an isolated event. It is not something that we have been seeing lately and it was a surprise, I think, to all of us.

Admiral MULLEN. Yes, sir.

Senator MARTINEZ. The Government of Venezuela seems to be interested in obtaining submarines. Admiral Stavridis and I discussed this a few days ago when he was here testifying. They are in a very aggressive arms-purchasing mode. How do you think we should deal with this emerging concern? Obviously, submarines are not usually for defensive purposes only. So what do you make of the intentions of the Venezuelan government?

Admiral MULLEN. I am very mindful of it. It is a concern to me. I have seen what President Chavez has certainly indicated through his rhetoric. Not unlike some other state leaders, the rhetoric concerns me. What is the strategic intent here? I share your evaluation that submarines are not anything that I think we would need in this part of the world from that regard. Certainly I do not think there is any threat from us to Venezuela.

His broader arms buildup, combined with the leverage that he has through his energy control, those are growing concerns. I am sure you spoke with Admiral Stavridis about this, but there is more of this going on in Latin America than there has been in the past. It is clear that Chavez is trying to align some other state leaders to him. So it really does have our attention.

We will be, as a naval force, much more engaged than we have in the past. We are setting up a prototype or an experiment this year for global fleet station, which is an engagement level of activity. Clearly Admiral Stavridis has asked us for more capability, and I think we will continue to fill that.

Senator MARTINEZ. The intent behind my question is the fact that this is an area of new concern and one that I do not think we can overlook, particularly when the leadership of Venezuela seems to be interested in aligning himself with Iran, which we know would be a negative force.

Admiral MULLEN. Yes, sir.

Senator MARTINEZ. I thank you for the diplomatic message that you are sending with your forces in the Persian Gulf; and General, I also appreciate your response to the issue of training. I cannot imagine that you would send a marine into battle that was not properly trained. That is just something you would not do, correct?

General CONWAY. Sir, no, we would not do that.

Senator MARTINEZ. That is why I do not take my time to ask you that kind of question. I presume that your good judgment would keep you there.

Thank you very much.

Chairman LEVIN. Thank you, Senator Martinez.

Gentlemen, thank you for your testimony and for your service to the Nation. This concludes the hearing. Thank you. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

MILITARY SEALIFT COMMAND RESOURCES

1. Senator AKAKA. Admiral Mullen, our ability to conduct operations in a foreign theater is reliant on our ability to move the equipment for our troops into the foreign theater of operations and then to sustain the troops in theater including redeployments. Military Sealift Command (MSC) assets are the primary way we move combat equipment into the theater of operations. With the Department of Defense's (DOD) change in policy regarding deployment schedules for our Active and Reserve Forces, can you describe what impact this may have on MSC's ability to support deployment schedules necessary to support Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF)? Please specifically address whether MSC has adequate resources for new deployment schedules, and indicate if they would need to contract for additional ships.

Admiral MULLEN. The MSC directly supports U.S. Transportation Command (TRANSCOM) which is responsible for the synchronization and interoperability of distribution-related activities supporting force projection, sustainment, and redeployment/retrograde of military forces and materiel. MSC has the resources to meet current demands.

2. Senator AKAKA. Admiral Mullen, if the United States were to engage in a significant and extended conflict in another theater of operations (e.g., the Far East) while we are still engaged in the Middle East, would MSC have sufficient ships to handle deployments and redeployments in two theaters of operation at the same time? Again, please address whether they would have enough of their own ships, or if they would need to contract for additional ships.

Admiral MULLEN. The MSC directly supports TRANSCOM which is responsible for the synchronization and interoperability of distribution-related activities supporting force projection, sustainment, and redeployment/retrograde of military forces and materiel. Without understanding specific requirements, yet to be identified, it would be impossible to speculate on the adequacy of MSC resources to meet future demands.

SAILORS IN NONTRADITIONAL ROLES

3. Senator AKAKA. Admiral Mullen, the Air Force indicated in a recent hearing before the Senate Armed Services Committee that they have a significant number of airmen, who are performing work that is not normally performed by the Air Force in order to support OIF and OEF. These assignments are traditionally handled by our ground forces. It is my understanding that the Air Force has been requested

to fulfill these nontraditional assignments due to shortages of available troops in the Army and the Marine Corps. How many of the sailors currently deployed to Afghanistan and Iraq are performing assignments which are traditionally non-Navy work?

Admiral MULLEN. The Joint Staff considers a full range of sourcing solutions across all Services and the Navy has optimized its force to support a wide range of mission areas. By leveraging core skills and providing tailored training, the Navy is able to provide the Joint Staff with a broader range of sourcing solutions including approximately 2,300 sailors that are currently executing traditional Army missions. The skills required to conduct these missions generally fall within the core competencies of many Navy ratings and officer sub-specialties. Each augmentee is further provided specific training to perform the mission assigned. Mission areas include Personal Security Detachments, Naval Mobile Construction Battalion support to Coalition Forces Land Component Command, counter rocket and mortar, communications, detainee operations (Camp Bucca), civil affairs, tactical UAV, interrogators, customs operations, and counter-improvised explosive devices (IED) electronic warfare.

4. Senator AKAKA. Admiral Mullen, how many sailors are performing nontraditional assignments outside the U.S. Central Command area of responsibility due to shortages of troops?

Admiral MULLEN. The Navy is not currently supporting any nontraditional assignments due to shortages of troops outside the U.S. Central Command area of responsibility.

5. Senator AKAKA. Admiral Mullen, is it anticipated that the Navy will need to continue providing resources to support these non-Navy functions in fiscal year 2008 and beyond?

Admiral MULLEN. Assuming that no new requirements are identified and the level of U.S. presence remains the same, we anticipate continuing to source current requirements through fiscal year 2008.

MEDICAL FACILITIES

6. Senator AKAKA. Admiral Mullen, in your statement, you state that you support the ongoing review of conditions at Walter Reed, and that the Navy Inspector General is separately evaluating the material condition and quality of service at each of the Navy's medical treatment facilities. Has there been any effort to integrate the solutions that the Army is initiating into the Navy's facilities in order to ensure consistency of care across the Services? This seems particularly important given the upcoming merger of Walter Reed and the National Naval Medical Center at Bethesda, Maryland.

Admiral MULLEN. Navy Medicine is currently participating in the Tricare Management Activity Health Facilities Steering Committee which is working on a common facility condition assessment process for all medical facilities across the DOD. The results of the Army's review and lessons learned will be used in the decision-making process of this committee.

The material condition of all Navy medical facilities is monitored and reported using a centrally managed continuous inspection process. Facilities requirements identified during the inspection process are documented in a single web-accessible database. Centrally funded inspections by professional engineering teams are completed for all Class II Type 2 real property assets once every 3 years using a single inspection service provider and a common health care industry standard evaluation criteria which are consistent with all applicable codes and standards.

7. Senator AKAKA. Admiral Mullen, Walter Reed has seen a significant increase in the number of patients due to the wars in Afghanistan and Iraq. Since the beginning of these wars, how much of a surge in casualties have the Navy's medical treatment facilities seen?

Admiral MULLEN. Since January 2003, 3,565 OEF/OIF Navy and Marine casualties have been evacuated from theater to Landstuhl Regional Medical Center (LRMC) and subsequently transferred to specialized continental United States (CONUS) Medical Centers and Combat Support Medical Treatment Facilities. Among these Medical Centers, Navy Military Treatment Facilities have received the following numbers of Navy and Marine Corps casualties: National Naval Medical Center (NNMC) Bethesda—1,214; NH Camp Pendleton—951; NH Camp Lejeune—727; NMC San Diego—513; and NMC Portsmouth—160.

8. Senator AKAKA. Admiral Mullen, was the Navy able and did they absorb some of the surge in casualties from the Army?

Admiral MULLEN. Since March 2003, approximately 70 0EF/OIF Army casualties have been transferred from LRMC directly to NNMC Bethesda for treatment.

NAVY DOWNSIZING AND MARINE CORPS INCREASE

9. Senator AKAKA. Admiral Mullen, in your statement, you address the downsizing of the Navy over the past couple of years and the additional decreases in end strength in fiscal years 2007 and 2008. It seems that many of the sailors in the Navy Active and Reserve components who are leaving the Service due to reductions in end strength may be quality candidates that are desirable for retention in military service. Since the Marine Corps and the Army are increasing their end strength in fiscal years 2007 and 2008, has there been any effort to look at potential candidates who may be interested in transferring to the Army or Marine Corps?

Admiral MULLEN. The Blue to Green program was established in October 2004 to generate Army enlistments for personnel separating from all other Services; however, there is not a similar program for the Marine Corps. On a monthly basis, Navy Personnel Command provides the Army access to sailors who will be separating from the Navy for the following reasons:

- Involuntary separations under perform to serve
- E–4 High Year Tenure
- Sailors with less than 12 years of service who are opting to separate from the Navy

The lists include sailors who are recommended for retention and evaluated as promotable, must promote, or early promote on most recent enlisted performance evaluation. The lists exclude individuals with discipline problems or substandard performance.

Sailors are advised of the Army Blue to Green program by Navy Career Counselors at individual units and stations, on separation orders, and during the Transition Assistance Program classes.

Army statistics reflected below show the number of sailors who have converted to the Army via this program:

Enlisted: (as of 19 April 2007)

- 101 Navy contracts in fiscal year 2007 (412 total since implementation).

Officer: (as of 19 April 2007)

- 11 Navy Officer interservice transfers in fiscal year 2007 (119 total since implementation).

PUBLIC VS. PRIVATE SHIPYARD EFFICIENCIES

10. Senator AKAKA. Secretary Winter and Admiral Mullen, Admiral Mullen's statement says that the Navy needs Congress to ensure that legislation and policy support best business practices and efficiencies. It says that funding quotas for public Navy shipyards "potentially" diverts efficiency opportunities away from the private sector. I find this an interesting statement given the serious cost overruns with the Littoral Combat Ship (LCS) program, and I find it hard to see how work being performed at public Navy shipyards potentially reduces "efficiencies" in the private sector. Please explain the connection between funding requirements for public Navy shipyards and private shipyard efficiencies.

Secretary WINTER and Admiral MULLEN. The Navy completed a Naval Shipyard Business Plan in February. This plan was created to determine the workload necessary to efficiently and effectively operate the four naval shipyards, while ensuring compliance with statutory requirements. The issue now emerging is a potential reduction in the overall Navy projected ship depot maintenance workload in fiscal year 2010 and beyond.

Within this plan, there are several workload-shaping options that potentially reallocate work from the private ship repair/modernization vendor base, including an option to reduce subcontracted work from the public shipyards. There is also a potential for shifting nontraditional naval shipyard work to the naval shipyards only in those years necessary to comply with the 50/50 statute. By doing this, the Navy would potentially impact funding to the private sector vendor base, which may impact their incentive to make the investments to improve their efficiency in support of Navy workload.

In order to mitigate these issues and motivate the private shipyards, the Navy has already begun several initiatives to focus on improving our ability to work with

private repair and modernization shipyards. The initiatives range from a new contracting strategy to streamlining our business through Lean Six Sigma and new business practices.

11. Senator AKAKA. Secretary Winter and Admiral Mullen, please explain what you believe would happen to our Navy shipyards if funding quotas were to be removed.

Secretary WINTER and Admiral MULLEN. If the statute for funding quotas (i.e., the 50/50 statute) were removed, the Navy would still need to comply with requirements for a core logistics capability. 10 U.S.C. 2464 requires a core logistics capability (skills, processes, and infrastructure) that is government-owned and government-operated, to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response for all weapons systems. Naval shipyards have a critical role in repair and modernization, as they have specific areas of expertise that are not available at private yards (e.g., nuclear refueling and repairs of submarines). If workloads were reduced in these public shipyards, the expectation would be an increase in costs accompanied by a decrease in their efficiency and capacity.

Maintaining the correct level of workload in the shipyards is critical to maintaining the capability and ensuring an efficient and effective use of taxpayer's money. The Navy just completed a Naval Shipyard Business Plan in February, which examined, in part, the issue of distributing work to the public shipyards to ensure compliance with statutory requirements and an effective use of the in-house capability.

MARINE CORPS END STRENGTH

12. Senator AKAKA. General Conway, you indicate in your statement that the proposed increase in Marine Corps Active component end strength to 202,000 marines will go a long way toward reducing the strain on the individual marines and the institution. This sounds like the Marine Corps still is not receiving enough resources. To bring the Marine Corps in line with an appropriate level of stress, both for the individual marines and for the institution, are 202,000 marines enough? Please consider the current operational tempo, and the DOD targets for deployment versus home time.

General CONWAY. Yes, I believe 202,000 marines is the appropriate and achievable level to which the Marine Corps can grow quickly in the near-term while maintaining our high recruiting and retention standards.

Our proposed end strength growth to 202,000 marines was based upon three main goals:

1. Creation of three balanced Marine Expeditionary Forces capable of responding equally to combatant commander requirements
2. Reduction of the strain on individual marines and their families, and prevention of a decrease in readiness
3. Reduction of strain on the institution by strengthening our capacity to train to the range of skills necessary for combined-arms maneuver, mountain warfare, amphibious, and jungle operations

Achievement of the 1:2 deployment-to-dwell target for all Active component forces will directly address goals 1 and 2.

The President's recent OIF "Plus Up" has added a requirement for two additional Marine Corps infantry battalions and associated support to remain deployed in support of OIF. Resultantly, the DOD target of a 1:2 deployment-to-dwell ratio will not be met for many occupational specialties for the duration of "Plus Up" operations.

13. Senator AKAKA. General Conway, are 202,000 marines enough if we have to maintain the current tempo in the Middle East while being engaged in another significant conflict elsewhere in the world?

General CONWAY. The 202,000 Marine Corps end strength request was derived from conditions prior to the surge in Iraq, and based on both the existing requirement and our known requirements for the future. It provides enough forces to allow us to achieve a 1:2 deployment-to-dwell ratio at pre-surge commitment levels. We believe that if called to respond to a second contingency a 1:2 deployment-to-dwell ratio will provide the Marine Corps with enough trained and ready forces to adequately address any second contingency.

14. Senator AKAKA. General Conway, what are the assumptions used to determine the appropriate end strength for the Marine Corps?

General CONWAY. Force requirements are based on demands determined by the DOD. For the 2006 Quadrennial Defense Review (QDR) and associated Operational Availability 2006 study, these demands were provided in the Baseline Security Posture (BSP). The BSP provided numerous planning assumptions by specifying both the frequency and duration of events as well as force caps for each individual event.

In addition to the assumptions contained in the BSR, two additional assumptions for determining end strength are:

- Section 5063 of title X which states, "The Marine Corps, within the Department of the Navy, shall be so organized as to include not less than three combat divisions and three air wings, and such other land combat, aviation, and other services as may be organic therein."
- The new force-planning construct that puts increased emphasis on defending against terrorist threats which requires less force capacity as well as a different capability set.

15. Senator AKAKA. General Conway, if the Marine Corps receives its full funding request, how long will it take to reset the force and bring Marine Corps readiness levels back to their pre-war levels while continuing to maintain the current operational tempo?

General CONWAY. In total, the Marine Corps has received $10.2 billion of the total $13.7 billion reset requirement. Of the remaining funding, $1.8 billion is executable in fiscal year 2008. After fiscal year 2008, additional funding is required for certain aviation procurement items with long lead times. Depot maintenance funding is also required at least 2 years beyond the end of hostilities to begin to fully repair equipment returning from Iraq and Afghanistan.

There are a number of factors which cloud our ability to arrive at a precise point in time estimate for the total post-global war on terror reset costs. However, estimates range from 2 to 5 years to return the equipment from theater and conduct a complete depot rework for ground equipment. Some of the principal factors impacting the timing and costs of ground equipment depot rework include:

1. Useful life remaining in equipment to be retrograded, which will dictate whether it is more cost effective to replace rather than repair.
2. Availability, cost, and timing of sealift and/or commercial shipping assets to transport equipment back to CONUS.
3. Degree to which depot throughput capacity can/should be expanded to address retrograde "surge" requirements.
4. The ability, as well as cost and schedule implications, to transfer workload to either DOD, or commercial sources.

Aviation asset depot repair costs are somewhat easier to project based upon the impact of flying hours and operational conditions on scheduled aircraft rework. The reset effort for Marine aviation assets will require upwards of 5 years according to current estimates. This time period is predicated on depot capacity and a prescheduled depot induction date for each aircraft.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

VH–71 "MARINE ONE" PRESIDENTIAL HELICOPTER PROGRAM

16. Senator CLINTON. Secretary Winter and General Conway, the VH–71 has conducted some initial flight tests simulating landing and take-off within confined landing zones. On January 13, 2007, Robert Kimble, VH–71 Deputy Program Manager, U.S. Navy, reported that these performance landing tests included White House lawn landings. How successful were these initial flight tests and landings?

Secretary WINTER and General CONWAY. The EH–101 Test Vehicle One (TV–1) Rotor Down Wash Flight Test Evaluation was successfully completed January 13, 2007. Tests were conducted, making a total of six approaches and departures to the White House south lawn, while building gross weights up to maximum of 32,000 lbs. All test objectives were successfully met.

17. Senator CLINTON. Secretary Winter and General Conway, are all of the test objectives being met?

Secretary WINTER and General CONWAY. The objectives of the TV–1 Rotor Down Wash Flight Test Evaluation were successfully met. Additional testing will be conducted as the program continues development.

18. Senator CLINTON. Secretary Winter and General Conway, what adjustments in capabilities have been made as a result of these tests?

Secretary WINTER and General CONWAY. No adjustments to VH–71A capabilities were made as a result of the TV–1 Rotor Down Wash Flight Test Evaluation. It was a satisfactory test.

19. Senator CLINTON. Secretary Winter and General Conway, the VH–71 program schedule has an October 2009 suspense to meet its objectives. Under the current operational testing schedule will this date be met?

Secretary WINTER and General CONWAY. Lockheed Martin is on contract to meet an initial operative capability (IOC) date of October 2009. The Navy is working closely with Lockheed Martin and the White House to achieve this aggressive program schedule.

20. Senator CLINTON. Secretary Winter and General Conway, what measures of performance and quality control checks are currently in place to meet this deadline?

Secretary WINTER and General CONWAY. The VH–71 Program is an Acquisition Category 1D Major Defense Acquisition Program and, per Department of Defense Instruction 5000.2, provides all statutory, regulatory, and contract reporting information to accomplish program objectives. This information is assessed continuously against cost, schedule, and performance. It is reported up to the Milestone Decision Authority, the Under Secretary of Defense, Acquisition, Technology, and Logistics.

In addition, acknowledging the imperative for leadership engagement to enable program success, the Navy has established a VH–71 Senior Leadership Council (SLC). The SLC, chaired by the Assistant Secretary of the Navy for Research, Development, and Acquisition, and including White House Military Office and Director of Operational Test and Evaluation of the DOD membership, regularly reviews program progress and risk assessment updates. Through close oversight of the program's event-based activities, the SLC is empowered to recommend schedule adjustments as warranted. The Navy recognizes the fundamental tenets of safety, reliability, availability, and security as overriding concerns.

QUESTIONS SUBMITTED BY SENATOR MARK L. PRYOR

MINE RESISTANT AMBUSH PROTECTED VEHICLES

21. Senator PRYOR. General Conway, the Mine Resistant Ambush Protected (MRAP) Vehicles have been shown to protect military personnel against IEDs, significantly reducing casualties. I cosponsored an amendment with my friend, Senator Joseph Biden, to procure an additional 2,500 MRAP Vehicles for our troops serving in combat overseas. How important is this vehicle to the Marine Corps, and do you believe that with maximum production capacity they can be operational by the end of the year?

General CONWAY. Delivering the MRAP Vehicle into Al Anbar province is my number one unfilled warfighting requirement at this time. The MRAP Vehicle has a dramatically better record of preventing fatal and serious injuries from attacks by IED, the leading cause of all casualties in theater. Multi-National Forces-West estimates use of the MRAP Vehicles could reduce the casualties due to vehicle IED attack by as much as 80 percent.

We have developed a joint acquisition strategy which maximizes the number of vendors involved, and as each successfully completes appropriate testing, will immediately ramp up the production to their maximum capacity. For example, one vendor presently being evaluated possesses a production capacity of 50 vehicles a month, but is capable of increasing to a minimum of 280 vehicles by December 2007. As vendors complete testing, the cumulative production capacity will be proportionate to the resources available for application. Assuming resources are not a constraining factor, Marine Corps Systems Command, designated as the Joint Program Executive Office, believes the entire joint requirement for 7,770 vehicles (to include the United States Marine Corps (USMC) requirement for 3,700 vehicles) can be produced by October 2008.

MV–22

22. Senator PRYOR. General Conway, the MV–22 tilt-rotor aircraft is indeed a unique and vital air asset to compliment Marines engaged in battle. How has the MV–22 performed, and what is the Marine Corps' plan to operationally employ it in combat?

General CONWAY. The MV–22 is the future of Marine Corps Assault Support Aviation. It will give the warfighter unprecedented aviation maneuver capability, and

provides an exponential increase in survivability over legacy assault support aircraft. The MV–22 has successfully completed Operational Test and Evaluation and has met or exceeded all defined Key Performance Parameters (KPPs). Marines are transitioning legacy CH–46E squadrons to the MV–22 as we speak. The V–22, to date, has logged well over 27,000 flight hours and will flow seamlessly into our aviation infrastructure to support existing Marine Corps medium lift operational commitments.

BIOPERSISTENT LITTORAL COMBAT SHIP INSULATION

23. Senator PRYOR. Secretary Winter, the LCS is a part of the Navy's shipbuilding strategy for the future. Are you familiar with the installation of a new insulating material in LCS–1 that is of a manufactured vitreous fiber found to be biopersistent?

Secretary WINTER. The Bureau of Navy Medicine and Surgery, specifically the Environmental Health Effects Laboratory and the Navy Environmental Health Center (NEHC), reviewed the safety of the MasterGlas insulating material used on LCS–1 in 2003 and concluded that use of the product would create no more risk than use of standard military specification fiberglass insulation. Manufactured in the United States, MasterGlas is in accordance with all worker health and safety laws and has been installed on commercial aircraft for decades.

NEHC reviewed the February 9, 2007, Input/Output Module study, which was ordered and funded by the manufacturer of a competing material, InspecFoam. The study concluded that MasterGlas fibers may be more biopersistent than the MIL–I–742 Fiberglass Hullboard. This means that the fibers are not dissolved in body fluids nor cleared from the body as readily. However, the study did not take into consideration other factors, such as work processes, ventilation, personal protective equipment worn, thermal decomposition products, and others. In addition, this is single study has not been subjected to an independent scientific peer review process.

MasterGlas insulation has been determined to be as safe as other fiberglass products currently in use by the Navy. Nonetheless, the Navy will carefully monitor its use.

24. Senator PRYOR. Secretary Winter, can you explain the decision to use this material?

Secretary WINTER. All shipbuilding programs use materials that have some risks. Naval Sea Systems Command uses established Federal, State, and local environmental and occupational safety and health regulations to establish baseline safety requirements for materials. Once materials satisfy the baseline safety requirements, they are considered acceptable for use on Navy ships. Shipbuilders then evaluate costs, weight, and performance to determine which materials are appropriate for which applications.

The LCS program is an innovative shipbuilding effort. Marinette Marine Corporation, the shipbuilder for Lockheed Martin, has procured and is installing MasterGlas on LCS–1 based on its analysis of alternatives. MasterGlas is a lightweight, fiberglass insulation product manufactured in the United States that has been reviewed by the NEHC and found to as safe as other fiberglass insulation manufactured in the United States, given the same parameters of use and safe work procedures. Thus, MasterGlas has been shown to satisfy all established Navy, Federal, State, and local safety requirements and was appropriately selected for use on the LCS 1 based on cost, weight, and performance requirements.

25. Senator PRYOR. Secretary Winter, what steps is the Navy taking to address this situation?

Secretary WINTER. Since MasterGlas insulation has been determined to be as safe as other fiberglass products currently used by the Navy, its use will continue under careful monitoring. In addition, the Navy will respond promptly with appropriate Navy occupational safety and health guidance if any biopersistence rulemaking activity at the U.S. Occupational Safety and Health Administration leads to new regulations on this issue.

SUBMARINE DETECTION

26. Senator PRYOR. Admiral Mullen, the Navy has submitted that "submarines with improving stealth and attack capability—particularly modern diesel attack submarines—are proliferating worldwide at an alarming rate, and that locating

these relatively inexpensive but extremely quiet boats present the Navy with a formidable challenge.'' How are we countering this perceived threat?

Admiral MULLEN. Anti-submarine warfare (ASW) is one of the Navy's top warfighting priorities. The Navy has significantly increased the level of effort in ASW through fleet doctrine, tactics, and training initiatives, and through investments in platform and off-board sensors, ASW command and control, and weapons capability. Some of the new technologies are now entering the fleet, while others are still in development. The focus is to deliver these capabilities in sufficient quantities to meet combatant commander requirements while continuing research and development to identify new mid- to far-term capabilities. Some of the Navy's specific initiatives are detailed below.

- The Navy has implemented key warfighting guidance in ASW strategy and concept of operations (CONOPs) identifying capability requirements, doctrine, organization, training, materiel, education, personnel, and facilities that can fill the existing capability gaps. Major ASW platforms (*Virginia* Class SSN, P–8A Multi-Mission Aircraft, and MH–60R helicopter) reach IOC within the Future Years Defense Program (FYDP). Additionally, there are planned improvements to the ASW command and control systems for current Navy P–3C aircraft to provide enhanced capabilities needed to detect, classify, identify, localize, and attack adversary submarines.
- The Navy has made significant headway in improving both acoustic and non-acoustic detection capabilities. Acoustic capabilities include the Improved Performance SONAR (IPS) and Scaled IPS (SIPS) system. Non-acoustic sensing technologies are progressing with airborne mine detection systems and Electro-Optic Passive ASW System (EPAS) experimentation. Progress has been achieved in the areas of Synthetic Aperture Sonar, Receive While Transmit Sonar, and Multi-static Active Detection at-sea tactical testing and development.
- The Navy is developing a networked sensor environment using automated, off-board systems increasing the area of coverage. The Navy continues to develop Distributed Netted Sensors. Three distributed systems have shown promise to transition to production criteria within the FYDP: Reliable Acoustic Path Vertical Line Array; the Deep Water Distributed Active System; and the Deployable Autonomous Distributed System.
- Near-term fleet requirements are addressed through development of the Surface Ship Periscope Detection Radar for Aircraft Carriers, with installation planned for all aircraft carriers within the FYDP. Similar periscope detection radar capability for cruiser-destroyer platforms is under research and development. False alarm reduction efforts are being implemented to enhance our surface ship mid-frequency active sonar capabilities. Major FORCEnet improvements occurring in the FYDP increase situational awareness and reduce the detect-to-engage timeline. In addition, the Navy is converting existing torpedoes (both heavyweight and lightweight) into more capable variants.
- The Navy is working on developing new torpedo defense systems to protect our ships. The Anti-Torpedo Torpedo is scheduled for installation on cruisers and destroyers beginning in fiscal year 2015. Other systems under development include Mk 54 torpedo/Surface Ship Digital Fire Control Interface and acoustic countermeasures.
- ASW training has undergone a number of steps to sustain and improve our ASW proficiency. An integrated stair-step training approach has been adopted (simple to complex) for our ASW forces bringing together aviation, surface, subsurface, and other resources in a standardized training continuum. This integrated ASW training supports our Fleet Response Plan and includes the execution of major fleet exercises involving multiple strike groups and allied forces. This continuum incorporates standardized metrics to assess performance and provides rapid reconstruction and analysis that is fed back to Navy leadership and the operators.
- The Navy incorporates a number of training opportunities involving modern allied diesel submarines. Our integrated ASW training continuum through the Diesel Electric Submarine Initiative with South American navies and the use of the Swedish submarine *Gotland* has improved ASW proficiency against capable diesel submarines. Allied diesel submarine participation in U.S. fleet exercises such as WAC and Valiant Shield 2006 as well as exercises with our allies both in the Pacific and Atlantic theaters continue to benefit the Navy's ASW training efforts in diverse ocean environments.

- The Navy continues to promote international collaboration and global maritime partnerships through Ships ASW Effectiveness Readiness Measuring events with Japan, Korea, India, Pakistan, Russia, Germany, Denmark, Great Britain, Australia, Canada, Poland, Sweden, Italy, Turkey, and Spain.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

LITTORAL COMBAT SHIP

27. Senator MCCAIN. Secretary Winter and Admiral Mullen, from an acquisition reform perspective, I have been very concerned about cost performance on the LCS program. Unfortunately, we are on a path which doubles the $220 million estimates for the first four LCSs. That is a serious problem for this program and an equally serious problem for all of Navy shipbuilding. As I mentioned in my opening statement, I appreciate your deliberate corrective actions in response to signs of breakage on this program. Can you provide the Navy's current cost and schedule estimate to complete the ships under contract?

Secretary WINTER and Admiral MULLEN. Detailed execution costs and timelines for LCS–1, –2, and –4 will be addressed within the scope of the briefings requested by Congress in coming weeks, and as part of the reprogramming request.

28. Senator MCCAIN. Secretary Winter and Admiral Mullen, what is the magnitude of the delay and overrun?

Secretary WINTER and Admiral MULLEN. Details of the execution cost and schedule for LCS–1, –2, and –4 will be addressed within the scope of the revised briefings requested by Congress and as part of the reprogramming request.

29. Senator MCCAIN. Secretary Winter and Admiral Mullen, why were the follow ships awarded to both shipbuilders when costs on the program had clearly risen to the extent that these ships were no longer affordable within the Navy's budget?

Secretary WINTER and Admiral MULLEN. Contract options were awarded for construction of LCS–3 in June 2006 and LCS–4 in December 2006 based on negotiated contract values and budget risk assessments conducted at the time of each award.

30. Senator MCCAIN. Secretary Winter and Admiral Mullen, why did the Navy award the contract on LCS–1 before it finalized the Naval Vessel Rules (NVR) and had a clear picture of how those rules would impact costs?

Secretary WINTER and Admiral MULLEN. The Navy has been actively working with industry to incorporate and exercise oversight of NVR. In the Preliminary Design Phase Request for Proposal (RFP) issued February 28, 2003, the LCS Industry Teams were required to team with American Bureau of Shipping (ABS) to aid in producing an acceptable design, and to conduct an early assessment of each design to gauge its ability to comply with the design rules that were under development at that time.

The Preliminary Design RFP stated:

> "It is the Government's intention that the Preliminary Design be evaluated by ABS and judged acceptable at that stage of design. This evaluation will be repeated at the end of Final System Design (FSD). It is also Government's intention to have the LCS classed by ABS at delivery. The Government understands that there is currently no complete set of U.S. approved rules applicable to LCS. The Government expects that the U.S. naval ship rules currently under development will be available prior to the award of FSD."

To provide advance insight into the required rules set, ABS issued a Draft Final Rules Matrix for LCS to the Industry Preliminary Design teams in October 2003. From January 2004 to May 2004, the Navy worked to finalize the first issue of NVR. This first edition NVR was released May 21, 2004, and immediately provided to the industry teams by ABS.

The December 19, 2003, FSD Phase RFP reiterated the requirement for the ships to be delivered in class as a naval combatant ship in accordance with NVR. By the time of FSD contract award on May 28, 2004, the Industry Teams were aware of the February 3, 2004, draft NVR. Both teams inserted reference to the May 21, 2004, NVR in their approved Specified Performance Documents, thereby noting the NVR among the applicable requirements documents.

With the continued and close interaction between each of the LCS industry teams and ABS during the refinement of the draft NVR, the Navy had confidence in the

validity of cost data received from the industry teams at the time of contract award. The LCS industry teams have the opportunity to seek equitable adjustment for the cost incurred due to NVR, or any other contract change from the contract change order line.

31. Senator MCCAIN. Secretary Winter and Admiral Mullen, although the LCS program has not established a formal cost baseline and therefore has not technically tripped a Nunn-McCurdy breach, the Nunn-McCurdy criteria regarding validity of requirements, validity of costs, and adequacy of management come into question. Does the Navy intend to come forward to Congress with the same degree of rigor commanded by the Nunn-McCurdy certification process prior to requesting support for further funding on this program?

Secretary WINTER and Admiral MULLEN. The Navy has and will continue to provide full and open disclosure of all LCS acquisition and financial actions to Congress including compliance with the formal rigor of the Nunn-McCurdy requirements. Using a root cause analysis methodology and the expertise of the Program Management Assist Group, the Secretary of the Navy has recertified the LCS requirements base and taken action to ensure that program management entities are equipped for success. Cost details will be addressed within the scope of the briefings requested by Congress, and as a part of the reprogramming request.

32. Senator MCCAIN. Secretary Winter and Admiral Mullen, since the Navy's estimates indicate that both Lockheed Martin and General Dynamics appear to be experiencing the same degree of cost growth on their first ships, why has the Navy only taken corrective action with Lockheed Martin?

Secretary WINTER and Admiral MULLEN. The decision to take action to control cost growth on the Lockheed Martin LCS contract was based on deteriorating cost performance following the launch of LCS–1 coupled with evidence of escalating cost growth on their second ship, LCS–3. The Navy has determined specific programmable cost growth thresholds for the General Dynamics program. These thresholds have not yet been communicated publicly to ensure the integrity of the competition throughout the completion of contract execution. Should General Dynamic's cost growth exceed these thresholds, the Navy is prepared to take comparable measures with General Dynamics as were taken with Lockheed Martin to control the costs of this program.

33. Senator MCCAIN. Secretary Winter and Admiral Mullen, since both shipbuilders' designs reportedly meet your requirements, it would appear that it would be most affordable to downselect as soon as possible and compete the winning design. What are the Navy's plans for singling up on a design and opening up competition for construction?

Secretary WINTER and Admiral MULLEN. Details of the Navy's plans to down-select to a single design will be addressed within the scope of the revised LCS Acquisition Strategy. It is the Navy's intent to conduct an operational assessment of the Lockheed Martin and General Dynamics designs in fiscal year 2009, and then down-select to a single design based on demonstrated performance and other relevant factors. Lessons learned will be incorporated from all aspects of program execution, and a full and open competition for the selected design will be initiated in fiscal year 2010. Under this plan, fiscal year 2010 is the earliest opportunity for down-select.

34. Senator MCCAIN. Secretary Winter and Admiral Mullen, Congress imposed a $220 million cost cap for the fifth and sixth ships of the class to impose cost discipline. These ships may now be the ships requested with the fiscal year 2008 budget. How does the Navy plan to bring these ships' costs in line with the cost cap to allow Congress to consider support for this request or a future request?

Secretary WINTER and Admiral MULLEN. The fifth ship cost threshold will need to be adjusted, and it will be addressed within the scope of the briefings requested by Congress, and as a part of the reprogramming request.

REDUCING AIRCRAFT CARRIER FORCE STRUCTURE FROM 11 TO 10

35. Senator MCCAIN. Admiral Mullen, the Navy's fiscal year 2008 budget proposes reducing the aircraft carrier force from 11 to 10 operational aircraft carriers. This is the lowest aircraft carrier force since the 1930s. Reducing aircraft carrier force structure while potential competitors are continually increasing their capabilities raises serious questions regarding the Navy's ability to sustain the level of readiness

required by its own maritime strategy. What detailed planning has the Navy conducted to ensure the ability to surge up to 6 aircraft carriers within 30 days of a crisis if the Navy drops to 10 aircraft carriers?

Admiral MULLEN. The Navy is requesting authorization from Congress to allow the Navy to temporarily operate with a 10-carrier force starting in November 2012, with the decommissioning of U.S.S. *Enterprise* (CVN–65), and ending in September 2015 when *Gerald R. Ford* (CVN–78) is delivered, a period of 34 months. We have conducted risk analysis for this period, balancing projected demands with projected operations and maintenance (O&M) schedules, and determined the risk to be acceptable, although moderate. Moderate risk is characterized by a greater than 50 percent likelihood that assets would arrive later than planned, but without negative impact on the ultimate outcome of the conflict. It should be noted that the Navy has always and will always take extraordinary measures to put the necessary force to sea in a time of national emergency.

We looked at several strategies during our risk analysis, including maintaining the U.S.S. *Enterprise* (CVN–65), as well as impacts that any change to operational and maintenance schedules might have on our surge capability.

Our risk analysis determined that the 10-carrier option, from a technical, fiscal, and risk perspective, leverages the flexibility available in our O&M schedules to manage the moderate but acceptable risk during the period of concern. During the 34-month period in question, the Navy can maintain (when averaged over a year) the ability to surge up to six carriers with 30 days of a crisis, with no quarter providing less than five carriers able to surge within 30 days. Detailed analysis of this option is ongoing, to include the technical risks, cost impacts, and the timing for decision points for changes in the operational and maintenance schedules.

Our need for this legislation should in no way be mistaken for any change to our long-term carrier strategy. We remain committed to the requirement for an 11-carrier force and have no analysis that would indicate anything less than 11 carriers as acceptable for an extended period of time. Our sustainment and acquisition programs are aligned with this strategy. In fact, the 30-year shipbuilding plan represents our ongoing efforts to balance warfighting capability requirements and affordability with industrial base capacity. A minimum 11-carrier force structure is central to this plan.

36. Senator MCCAIN. Admiral Mullen, if the Navy retires the U.S.S. *Enterprise* instead of extending her service, what are the Navy's options to maintain an 11 aircraft carrier force structure until U.S.S. *Gerald Ford* (CVN–78) is operationally available—expected in 2017?

Admiral MULLEN. The Navy remains committed to the requirement for an 11-carrier force and has no analysis that would indicate anything less than 11 carriers is acceptable for an extended period of time. Our sustainment and acquisition programs are aligned with this strategy. In fact, the 30-year shipbuilding plan represents our ongoing efforts to balance warfighting capability requirements and affordability with industrial base capacity. A minimum 11-carrier force structure is central to this plan. However, following the retirement of U.S.S. *Enterprise* (CVN–65) in November 2012, the Navy would be operating with a 10-carrier force until U.S.S. *Gerald R. Ford* (CVN–78) is delivered in September 2015, a period of 34 months.

The Navy conducted a risk analysis of this period, looking at several strategies as part of that analysis. The first strategy investigated keeping *Enterprise* operational from 2013 to 2016. Keeping *Enterprise* operational from 2013 to 2016 would cost approximately $1.7 billion. This option will also require significant maintenance work and shipyard time beginning in fiscal year 2008. *Enterprise* has already experienced the effects of aging ship systems and degrading material condition, due in part to the ship being 46 years old, though she was designed with a 30-year design life. This has led to lost operational availability due to unplanned work growth following her fiscal year 2002 and fiscal year 2004 maintenance periods. Both shipyard periods were extended by over 110 days and incurred cost growth totaling over $120 million. The material condition is expected to worsen as the ship ages, leading to significant material deficiencies requiring expensive and time-consuming repair.

At 50 years, *Enterprise* has a very complex, manpower intensive, engineering plant. There are a number of components that are near the end of their design service life, and many of these are at that point as a result of having been exposed to high-density neutron fluxes over extended periods of time. This exposure makes the metal more brittle and limits the range through which the plant can be operated. The Navy understands the failure mechanisms involved. However, while no design safety limits will be violated if *Enterprise* was extended to 2015, the Navy would be rapidly approaching her design margin limitations in these areas.

Navy also evaluated maintaining the U.S.S. *Kitty Hawk* (CV–63) in a mobilization status. Additionally, *Kitty Hawk* will be 47 years old when she is decommissioned in September 2008, an impressive accomplishment considering she was designed for a 30-year service life. She will also be our last fossil-fueled carrier. Reactivation of a ship the size and complexity of an aircraft carrier is estimated to take 24–30 months, making this option infeasible for the relatively short timeframe considered. It would also be costly, increasing the planned inactivation availability costs by $20 million and adding reactivation costs on the order of $500 million. Remanning would also pose significant costs and challenges. The current process would have her remanned in 12–18 months, at a cost of $400 million, but the challenges in filling many of the billets, including propulsion plant operators, are significant, and would negatively impact manning across the fleet.

The analysis also looked at another strategy that would maintain *Kitty Hawk* in a mobilization status that would support reactivation in a 12–18 month timeframe. Again, the challenges were similar. The additional service life would remain a concern. The costs to inactivate would increase by $35 million, and the annual cost to maintain that condition would increase by $450,000 to about $700,000 per year. Reactivation costs are estimated at $450 million and remanning costs at $210 million. Again, the challenges in remanning specific skilled personnel would be significant and would impact across the fleet.

The risk analysis determined that our most feasible option, from a technical, fiscal, and risk perspective, is to leverage the flexibility available in our O&M schedules, to manage the moderate but acceptable risk during the period of concern. Detailed analysis of this option is ongoing, to include the technical risks, cost impacts, and the timing for decision points.

37. Senator MCCAIN. Admiral Mullen, does the National Military Strategy reflect a 10-aircraft carrier force structure? If not, does this concern you?

Admiral MULLEN. The National Military Strategy does not specify a force level for the Nation's aircraft carrier fleet. However, the 2007 National Defense Authorization Act requires a force level of 11 aircraft carriers. The Navy is currently seeking congressional relief to reduce the number of aircraft carriers to 10 for a period of 33 months, from 2013 to 2015, to accommodate the decommissioning of U.S.S. *Enterprise* in November 2012 and the commissioning of the U.S.S. *Gerald R. Ford* in September 2015. The Navy has conducted risk analysis that balances projected demands with projected O&M schedules, and has determined the risk to be acceptable, although moderate.

While I am not concerned that the National Military Strategy does not specify a level for our aircraft carrier force, the Navy remains committed to the requirement for an 11-carrier force structure and has no analysis that would indicate anything less than 11 operational carriers is acceptable for an extended period of time. The Navy's PB08 Long Range Plan for the Construction of Naval Vessels represents our ongoing efforts to balance warfighting capability requirements and affordability with individual base capacity. A minimum of 11 operational carriers is central to this plan and provides the coverage necessary for support of the combatant commanders without unduly burdening the remaining 10 carriers. Return to at least 11 operational carriers in fiscal year 2016 is necessary to alleviate this short period (fiscal years 2013–2014) where carrier force structure is below the minimum.

NAVY FIGHTER GAP

38. Senator MCCAIN. Secretary Winter, Admiral Mullen, and General Conway, on March 22, Admiral Bruce Clingan, Director, Air Warfare Division Headquarters, U.S. Navy, testified before the House Armed Services Committee that the current naval tactical aviation procurement strategy has created a strike fighter shortfall that will extend through the next decade. The shortfall is derived from current and projected inventory compared to requirements. Current Navy projections show legacy strike fighter shortfalls ranging from about 50 aircraft to more than 200, depending on the service life extension for F/A–18 aircraft (10,000 or 9,000 hours) and the F–35 (Joint Strike Fighter (JSF)) buy rate (50 or 35 per year beginning in fiscal year 2014). Admiral Clingan's testimony raises some important questions. First, the difference between 50 and "more than 200" is significant and, in either case, troubling. Isn't expecting a 10,000 flight hour service life extension on legacy model Hornets overly-optimistic (considering its original design service life was 6,000 hours)?

Secretary WINTER and Admiral MULLEN. The ongoing Service Life Assessment Program (SLAP) that is analyzing fatigue life of the F/A–18 A/B/C/D is 73 percent complete, and initial indications are very promising. Based on data collected to date,

a significant portion of the airframe can be extended from the design limit of 6,000 flight hours out to 10,000 flight hours without modification. This is due to an excess strength margin and fleet utilization being less than the limits to which the airframe was designed and tested.

SLAP will be complete in December 2007 and will provide the analysis necessary to develop the inspections and modifications required to extend the F/A–18 A/B/C/D service life out to 10,000 hours.

General CONWAY. The original design life of 6,000 hours for the F/A–18 series aircraft has already been increased to 8,000 hours through inspections. Studies underway for the past year to determine the feasibility of extending that limit to 10,000 hours have demonstrated positive indications. We anticipate release of this study in December of this year.

39. Senator MCCAIN. Secretary Winter, Admiral Mullen, and General Conway, additionally, isn't a buy rate of 50 F–35 aircraft in fiscal year 2014 also unrealistic given the Chief of Naval Operations' (CNO) goal of achieving a 313-ship Navy and our fiscally constrained environment?

Secretary WINTER and Admiral MULLEN. The Navy believes that this buy rate is challenging but achievable based on current acquisition plans and continued congressional support. In order to recapitalize Navy strike fighters, it is imperative to begin procurement of F–35s at a rate which will minimize the projected inventory shortfall, as well as maintain F–35 affordability via economical production rates.

General CONWAY. The buy rate of 50 F–35s per year will have to be balanced against completing requirements within the Navy's defense budget to reach the best balance of capabilities across our warfighting functions. The USMC TACAIR shortfall and transition to the F–35B is a high priority that will need to be adequately addressed to assure our ability to divest legacy aircraft that are at the end of their service life.

40. Senator MCCAIN. Secretary Winter, Admiral Mullen, and General Conway, more fundamentally, if current assumptions prove overly optimistic, what steps is the Navy taking to address what could be a catastrophic short-fall in naval tactical air (TACAIR) capabilities?

Secretary WINTER and Admiral MULLEN. The Navy's strategy in the President's 2008 budget invests in 28 additional F/A–18 E/F aircraft, maintains the JSF Short Take-Off and Vertical Landing (STOVL) IOC at 2012, and completes SLAP on the F/A–18 A/B/C/D by December 2007. These 28 additional F/A–18 E/Fs maintain the production line for an additional year and allow for the current SLAP study to provide information for Navy decisions during the Program Objective Memorandum (POM) 2010 process. Refined analysis will provide options for a more complete strategy to mitigate or resolve from a holistic tactical aviation perspective.

General CONWAY. The Marine Corps is managing our TACAIR capabilities shortfall on two fronts. First, we are committed to sustaining the current legacy TACAIR force through service life extension of our F/A–18 fleet and incremental upgrades of our AV–8B fleet to ensure we are consistently able to respond to our operational commitments. Second, we are placing a number of our TACAIR squadrons in cadre status and reinvesting those aircraft into remaining squadrons in order to ensure our remaining squadrons have adequate numbers of aircraft on the flight line.

41. Senator MCCAIN. Secretary Winter, Admiral Mullen, and General Conway, does Navy leadership think this is an appropriate level of risk, placed in the appropriate area of its budget?

Secretary WINTER and Admiral MULLEN. Based on best analysis of complex competing priorities, Navy leadership feels that the budget submittal contains an appropriate level of risk, placed appropriately within the budget.

General CONWAY. At this point, the Marine Corps has planned for and feels the risk in TACAIR shortfalls is manageable. It is critical to note, though, that any further slide in the F–35B IOC coupled with a shallowing of the F–35B procurement profile will introduce increased risk threaten USMC ability to meet future TACAIR operational commitments.

RELOCATION OF MARINE CORPS UNITS TO GUAM

42. Senator MCCAIN. Secretary Winter and General Conway, the Navy has been assigned executive oversight over the planned relocation of over 8,000 U.S. marines from the Island of Okinawa to Guam within the next 6 years. This move is estimated to cost the United States over $4.3 billion just to provide facilities and infra-

structure on Guam for our marines and their families. The Japanese Government will also share the costs of over $6.0 billion for additional facilities and housing. The DOD Inspector General released a preliminary report on March 12, 2007, estimating that, in addition to the capital investment already mentioned, the move would add operations and readiness expenses of over $460.0 million annually to the Navy budget. This was a Marine Corps estimate. Currently, this cost is not captured in the FYDP accompanying the President's budget request for fiscal year 2008. Do you believe these cost estimates are accurate?

Secretary WINTER and General CONWAY.

a. Facilities and Infrastructure - The $10.3 billion facilities and infrastructure estimate was made using standard assumptions, planning factors, and DOD estimating methods and sources such as the Unified Facilities Criteria and Naval Facilities P–80 data. Final project costs will depend on how closely the actual requirements and implementation tracks with the original planning assumptions. Additionally, the $10.3 billion estimate does not include a number of ancillary costs that were not part of the negotiated agreement. Some examples include full training development in the Commonwealth of the Northern Marianas Islands (CNMI), inter- and intra-theatre mobility, actual relocation costs of our personnel, and facility furnishings. We continue to refine these initial estimates.

b. Operations and Maintenance - The O&M estimates were based on the best information and assumptions available. These estimates are reasonable for initial budget estimating purposes and are anticipated to be in line with O&M costs at other USMC installations. Although itemized costs are expected to be similar to typical USMC installation O&M costs, we expect overall USMC expenses to increase irrespective of where units are relocated. This is due to discontinued Host Nation support as our forces move from Japan. Several costs which were previously borne by the Government of Japan (GOJ) will become the responsibility of the U.S. Government including: installation labor under the Master Labor Contract, Utilities, Host Nation replacement construction funding, and Housing. Housing costs no longer covered by GOJ will become an annual Basic Allowance for Housing or Overseas Housing Allowance bill for USMC to pay.

43. Senator MCCAIN. Secretary Winter and General Conway, with significant competing budget priorities for the Marine Corps, most notably the increase in end strength, can the Navy afford the move to Guam?

Secretary WINTER.

a. The Navy can afford to pay its share of the cost within current top line budget controls. According to the negotiated agreement between Japan and the United States, Japan will pay up to $6.1 billion of the estimated $10.3 billion cost to relocate about 8,000 marines from Okinawa. The current FYDP includes $2.5 billion across the fiscal year 2008 through fiscal year 2013 timeframe as the Navy's share to support the relocation of the marines from Okinawa. The remaining implementation cost will be addressed beyond the FYDP.

b. Costs to move these marines and their families from Japan to Guam should be borne in light of several key factors.

(1) Our presence in the Western Pacific is of immense strategic value and is vital to U.S. Government interests. Timely response to crises, as well as the goodwill and trust built by constant exercises and operations with our partner nations in the Pacific, makes our forward presence irreplaceable. Locating marines in Guam allows us to continue to meet these strategic imperatives. Location is everything, as it buys us precious time to quickly respond and allows us to respond using locally based forces and organic mobility.

(2) The GOJ has agreed to pay $6.1 billion of the estimated $10.3 billion cost to move the marines specifically to Guam. Relocation to other locations (e.g. Hawaii or CONUS) may not come with the same GOJ commitment of funding, and could thereby increase the cost to the U.S. taxpayer.

(3) In addition to the $6.1 billion that our Japanese allies have committed toward building a new base in Guam, they are making other contributions as well. These include rebuilding, modernizing, and helping as we realign our forces on Okinawa and in Japan, at an expected cost of an additional $20 billion.

c. The advantages of a long-term strategic relationship weigh favorably against the monetary costs of this endeavor.

General CONWAY. According to the negotiated agreement between Japan and the United States, Japan will pay up to $6.1 billion of the estimated $10.2 billion cost to relocate about 8,000 marines from Okinawa. The current FYDP includes $2.5 bil-

lion across the fiscal year 2008 through fiscal year 2013 timeframe as the Department of Navy's share to support the relocation of the Marines from Okinawa. The remaining implementation cost will be addressed beyond the FYDP.

Costs to move these marines and their families from Japan to Guam must be considered in light of several factors.

1. Our presence in the Western Pacific, our daily living and operating, is of an immense strategic value and is vital to U.S. Government interests. Timely response to crises, as well as the goodwill and trust built by constant exercises and operations with our partner nations in the Pacific, makes our forward presence irreplaceable. Locating Marines in Guam allows us to continue to meet these strategic imperatives. Location is everything, as it buys us precious time to quickly respond and allows us to respond using locally based forces and organic mobility.

2. The GOJ has agreed to pay $6.1 billion of the estimated $10.3 billion cost to move the marines specifically to Guam. Relocation to other locations (.e.g. Hawaii or CONUS) may not come with the same GOJ commitment of funding, and could thereby increase the cost to the U.S. taxpayer. When we discuss Guam, we must keep this in mind, this relocation bill will still need to be paid, even if these forces move somewhere else.

3. We should keep in mind that in addition to the $6 billion that our Japanese allies have committed for building a new base in Guam, they are additionally rebuilding, modernizing, and helping us as we realign our forces on Okinawa and in Japan, at an expected cost of an additional $20 billion. While the current effort will be expensive, it would be significantly more expensive if we were to attempt this enterprise alone. The advantages of a long-term stable relationship weigh favorably against the monetary costs of this endeavor.

44. Senator MCCAIN. Secretary Winter and General Conway, when will a master plan be developed detailing the military construction (MILCON) and housing projects to be required for the Marine Corps forces?

Secretary WINTER. The contract to develop the Guam master plan was awarded in January 2007. The final plan is expected to be complete in July 2008.

General CONWAY. The Guam Master Plan is due to OSD by September 2008.

45. Senator MCCAIN. Secretary Winter and General Conway, assuming the Navy maintains its current level of facility investment in the rest of its installations, where is the Department going to get an additional $4 billion for construction on Guam and what other priorities will be deferred?

Secretary WINTER and General CONWAY. The current FYDP includes $2.5 billion across the fiscal year 2008 through fiscal year 2013 timeframe as the Navy's share to support the relocation of the Marines from Okinawa to Guam. Maintaining this level of funding beyond the FYDP would allow the Navy to address the remaining implementation cost without the need to defer other priorities.

46. Senator MCCAIN. General Conway, what is your perspective on the impact of the move to Guam on the Marines?

General CONWAY. The USMC is working with the Commander, U.S. Pacific Command and our senior leadership in DOD to ensure our service remains relevant to our Nation's military requirements in the Asia-Pacific region. III Marine Expeditionary Force units and other U.S. military forces currently conduct mission essential training in Guam and the CNMI. We expect that USMC air, ground, and logistics training will continue in the future and potentially expand with our planned relocation to Guam. We envision a series of training areas in this region where we will be able to adequately train to the majority of our combat and non-combat related missions. For the remaining training requirements, we will look at innovative opportunities to train with our allies and partner nations.

47. Senator MCCAIN. General Conway, what is the cumulative effect of this relocation on the Marines' ability to provide adequate forces for regional conflicts?

General CONWAY. [Deleted.]

TOTAL COSTS TO GROW THE FORCE FOR THE MARINE CORPS

48. Senator MCCAIN. General Conway, regarding the costs to grow the Active-Duty Marine Corps to 202,000 marines by 2011, you mention in your opening statement that the Marine Corps has requested funds in the fiscal year 2007 Emergency

Supplemental to start constructing the facilities and equipping three new infantry battalions totaling over 4,000 troops. The fiscal year 2008 President's budget request includes over $4.3 billion for military pay, training, recruiting, equipment, and other costs dedicated to growth of the force. Do you have an estimate of total investment required in equipment, facilities, and increased operating expenses to complete the growth to 202,000 marines?

General CONWAY. The total estimated fiscal years 2008–2013 cost to grow the Marine Corps by 27,000 was initially calculated at $30.8 billion. That amount was reflected in our fiscal years 2008–2013 President's budget submission. Within that amount, $7.025 billion was for the procurement of equipment, $3.230 billion was for MILCON and family housing projects, and $620.6 million was for additional base operating expenses.

49. Senator MCCAIN. General Conway, will the Marine Corps be seeking these costs as an increase to the Marine Corps top-line, or do you anticipate the Marine Corps will have to shed or defer existing requirements?

General CONWAY. The fiscal year 2008 President's budget request provides funding for the increase in USMC end strength with an increased topline. The budget provides funding for the end strength increase without a negative financial to any USMC functions.

DECLINING INVESTMENT FOR BASE SUSTAINMENT

50. Senator MCCAIN. Admiral Mullen, in the President's budget request for fiscal year 2008, the Navy proposes to reduce the amount dedicated to the sustainment of Navy facilities by over $330 million in order to cover other budget shortfalls. This account has historically been raided to pay for other bills, leading to a perpetual deferment of critical readiness requirements. This is the account used to repair leaking roofs, remove mold from walls, repair deteriorated runways and piers, and ensure that the facilities our sailors and marines live and work in are safe, secure, and in good condition. In light of all the recent attention to the impact of deteriorated facilities on the morale and well-being of our military personnel, why is the Navy willing to underfund this account?

Admiral MULLEN. The resources contained in the Navy's fiscal year 2008 budget help us support the joint war on terrorism, sustain our combat readiness, and provide quality services and benefits for our sailors and their families. However, persistent high tempo operations related to the global war on terrorism and attaining our shipbuilding and aircraft procurement objectives continue to stretch the Navy's limited resources. The resultant pressurized Navy top-line and competing readiness account priorities result in an underfunded Facility Sustainment account. In fiscal year 2004, fiscal year 2005, and fiscal year 2006, we transferred $504 million, $195 million, and $216 million, respectively, from Facility Sustainment to Base Operating (BOS) accounts in order to fund civilian personnel salaries, utilities, contracts, and to provide minimum levels of service. In anticipation of the Facility Sustainment appropriation being provided under the fiscal year 2007 Military Construction Appropriations Bill (QOL/NA) vice the Operations and Maintenance Appropriations Bill, we aligned SRM funds to meet BOS must-fund requirements, and decreased the Sustainment account $179 million in fiscal year 2008. Sustainment is funded at 95 percent of the OSD goal (Facility Sustainment Model) in fiscal year 2007 and PB08 requests 83 percent of the OSD goal. Concerned about this risk, I requested an additional $240 million for Facility Sustainment as my #10 priority on my POM–08 Unfunded Programs List to raise the fiscal year 2008 sustainment rate to 100 percent of the OSD goal.

51. Senator MCCAIN. Admiral Mullen, how long can the Navy continue this risk before seeing real consequences in terms of reduced readiness and affected daily operations?

Admiral MULLEN. Regretfully, we are already seeing the effects of underfunding the Facilities Sustainment account in quality of life and limited daily operations. For example, the inability to adequately fund sustainment of waterfront facilities has resulted in quay walls, wharves, and piers in the Southwest, Mid-Atlantic, Guam, and Hawaii Navy Regions approaching failure and has directly impacted the movement of ships in and out of port. Naval Station Pearl Harbor currently has a restoration backlog of over $67 million on critical waterfront facilities. Lack of maintenance on heating and air-conditioning systems has also resulted in a lowered quality of life for our sailors who experience intermittent loss of heating and cooling in their work and living spaces.

We seek to achieve the service life of our facilities. This requires sufficient/sustained preventive and condition-based maintenance funding. Over the past several budget cycles, we have executed approximately 82 percent of the funding requirement. As a result, we expect to see a reduction in service life and adverse impacts on mission and quality of life. A key focus of my POM–10 deliberations will be to develop a shore infrastructure capital investment program that will arrest the decay in our shore infrastructure and realize the expected facility service life to meet mission and quality of life demands.

52. Senator MCCAIN. Admiral Mullen, do you agree that deferring maintenance and repairs to critical infrastructure and facilities will just make the problem harder and more expensive to fix down the road?

Admiral MULLEN. Yes. The Navy's average sustainment rate across the FYDP is 81 percent. The Navy is taking manageable risk in order to fund other priorities, while recognizing that continued lower levels of sustainment will generate higher costs for restoration and modernization in later years.

MARINE CORPS AMPHIBIOUS LIFT REQUIREMENTS

53. Senator MCCAIN. General Conway, the Marine Corps has held a longstanding requirement for the Navy to provide amphibious lift for three Marine Expeditionary Brigades (MEBs) to support forcible entry operations. I notice in your statement this year that you are now calling for two brigades to perform such an assault. What was the basis for the Marine Corps' determination to reduce assault echelon (AE) requirements for an opposed landing?

General CONWAY. The Marine Corps has not reduced AE requirements for an opposed landing. What has been reduced is the total amphibious lift requirement for AE-capable forces. The basis for the 3.0 MEB AE fiscally constrained to 2.5 MEB AE requirement noted in this question was documented in the Navy's 1992 Posture Statement signed by Secretary of the Navy, CNO, and CMC, and is quoted in part, as follows:

> For a global ready response capability and forward presence, the Nation needs a tailored force with at least enough amphibious ships to lift the AEs of 2.5 brigade-size units. This allows the Navy and Marine Corps to meet current requirements for the forward deployed forces and still provide sufficient surge capability to assemble a brigade-size amphibious assault force in either the Atlantic or Pacific. This fiscally constrained goal meets the Nation's minimum requirements.

As noted above, the total requirement identified in the 1992 statement was for 2.5 MEB AE lift capacity, and the forcible entry component of that requirement was two brigade-size amphibious assault forces—one on each coast—totaling the same as today's stated requirement for 2.0 MEB AE.

The current requirement for 2.0 MEB AE is traced to the Strategic Planning Guidance (SPG), directing us to ". . . consider capability alternatives . . . to support a single two MEB forcible entry operation." Although the language in today's SPG is different than in the 1992 statement, the requirement to maintain a 2.0 MEB forcible entry capability remains the same.

54. Senator MCCAIN. General Conway, what changes have occurred regarding the threat or Marine Corps doctrine that provides confidence that this reduced assault force is right-sized for major combat operations?

Admiral MULLEN. The global threat and Marine Corps doctrine have not changed appreciably in the past several years. Greater emphasis has been placed on dispersed, global terrorist networks that exploit Islam to advance radical political aims rather than on the employment of traditional military forces. The guidance published in the QDR highlights the transformation of the DOD:

> - From major conventional combat operations to multiple irregular, asymmetric operations

Based on the QDR Report, the SPG further tasks the Services to:

> - Components will reduce priority of current and future capabilities and forces that provided disproportionate overmatch against traditional challenges
> - Reduce resources for future capabilities that would marginally increase existing U.S. advantages against traditional challenges

- The Marine Corps will consider capability alternatives for review by the Deputy's Advisory Working Group to support a single two MEB forcible entry operation

Historically, the Marine Corps has stated its requirement for amphibious lift in terms of three MEBs, fiscally constrained to 2.5 MEBs to support amphibious assault forcible entry operations. In accordance with the guidance set forth in the most recent SPG, the Marine Corps has further constrained this requirement for amphibious lift to two MEBs. This 2.0 MEB capability is generally acknowledged by the U.S. Navy providing and maintaining a Battle Force of 30 operationally available amphibious warfare ships for forcible entry operations. The ability to successfully conduct a major combat operation requiring an amphibious assault with a force of this size accepts risk in two areas: future challenges and current operations. Additionally, it potentially limits future national security options for forcible entry from the sea in a period of time where anti-access is growing among non-U.S. aligned countries, non-state actors, and reluctant allies.

SEA-BASED BALLISTIC MISSILE DEFENSE

55. Senator MCCAIN. Admiral Mullen, the sea-based ballistic missile defense system (AEGIS BMD) has been successful in 7 of the last 8 intercept tests, and up to 10 SM–3 interceptors are now deployed on 3 ships in the Pacific Fleet. The current AEGIS BMD system is capable of intercepting short- and medium-range ballistic missiles, such as the North Korean No Dong missile and the Iranian Shehab-3. Current plans call for deploying over 100 SM–3 missiles on 18 AEGIS cruisers and destroyers by fiscal year 2012. The Missile Defense Agency funds procurement for the missiles and shipboard upgrades, while the Navy assumes the operations and support costs associated with this sea-based missile defense capability. Current plans call for upgrading 18 Pacific Fleet AEGIS ships by 2012 for the missile defense mission. Given the growing threat posed by Iranian ballistic missiles, what are the Navy's plans to similarly equip Atlantic Fleet ships with a ballistic missile defense capability?

Admiral MULLEN. Two Atlantic Fleet ships are among the 18 ships scheduled to be upgraded with Ballistic Missile Defense capability by 2012. One will be finished in August 2007 and the other ship will be finished in December 2008. Despite homeport locations, all Navy ships are worldwide deployable. The Navy's Destroyer Modernization program is funded to provide BMD capability for all remaining 47 *Arleigh Burke* class destroyers. Two destroyers will begin modernization in fiscal year 2012, and three destroyers will be upgraded each following year. BMD capability for the 19 remaining cruisers is not funded and is being considered for POM–10.

CONDITIONS AT MARINE CORPS BATTALION LEVEL MEDICAL FACILITIES

56. Senator MCCAIN. General Conway, committee staff has reported to Marine Corps leadership on several occasions that conditions at medical facilities supporting marines at the battalion level are substandard and unacceptable. At Camp Horno, for example, third-world conditions exist such as open bays for medical exams, open doorways to the outside hung with plastic curtains, poor lighting, and dust and dirt throughout the facility. For the second year since learning of these conditions, the budget request includes no funds for improving battalion level medical facilities. I believe our marines deserve better. How do you explain this?

Admiral MULLEN. Senator, the conditions you cite at Camp Horno are unacceptable but I wish to assure you that these conditions are not representative of the approximately 90 Battalion and Regimental Aid Stations (BAS/RAS) we have across the Marine Corps. That said, and based upon input we have compiled from a recent data call, we have action underway on several fronts. For the near-term, HQMC developed minimum habitability standards and directed that our operational commanders and installations take immediate action to ensure these standards are met. If they cannot be met, the facility is to be closed. Installations are to report back no later than 30 June of this year that each BAS/RAS has met these standards or has been closed. If closed, they are to report the alternate means used to obtain medical services. These standards include but are not limited to requirements for clean and freshly painted surfaces, well-maintained floors in good structural repair, mechanical systems in good operating order, sufficient lighting, regularly scheduled field days and solid waste disposal, exam room privacy, waiting areas that are separated from the examination rooms, clean and operational windows with proper window treatments, sufficient double lock storage for medical records, doors with properly functioning hardware, sufficient fire suppression equipment/smoke detectors

with documented evidence of routine inspection, and furnishings that comply with basic infection control by being clean, functional, and in reasonable repair. Funding is in place at the operational unit level and at our installations to take necessary corrective actions to meet these standards.

We are also translating recently developed medical standards to identify the level of care that should be provided within an Aid Station (BAS/RAS) into basic facilities planning criteria to support this level of care. These criteria define the square footage, configuration, special requirements, et cetera, necessary to support the number of marines assigned. These planning criteria will be used to assess whether sufficient capacity of facilities is available to support these units, and where not, provide the necessary information to develop corrective projects. In addition, we are revising our facility coding process to provide aid stations with a unique facility identifier, which will allow better tracking of the condition of these facilities. We expect initial efforts to be completed this fiscal year. These criteria and unique identifiers will allow us to ensure the appropriate priority is assigned to corrective projects for these facilities and that we programmatically address overall requirements through our repair, minor construction and, if necessary, military construction programs.

Finally, our Health Services and Facilities organizations are ensuring these habitability standards, medical standards, and facilities planning criteria are incorporated into inspection protocols used by the Inspector General and other oversight organizations to validate routine compliance.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

THE NEW NATIONAL MEDICAL CENTER AT BETHESDA

57. Senator WARNER. Secretary Winter, concerns have been raised about the Department's planned end-state capacity of medical facilities in the National Capital Region and the potential for patient care disruption during the transition to new facilities at Bethesda from the existing Walter Reed facilities. The transition planning process cannot succeed without leadership at the highest levels of the Navy along with the Army. What are your thoughts regarding the acceleration of construction at Bethesda to ensure effective and seamless transition of care for wounded servicemembers, as well as regular medical services for the population serviced by Walter Reed?

Secretary WINTER. Leaders from National Naval Medical Center, Walter Reed Army Medical Center, along with Military Health System (MHS) leadership and Office of Secretary of Defense/Health Affairs, will work to ensure that the health care delivery is not compromised. All resources within the MHS will be made available to ensure effective and seamless transition of care for eligible beneficiaries. The military medical and NAVFAC team will work towards completing the construction as expeditiously and economically as possible, without sacrificing quality of care.

Construction phasing is an integral part of the design and construction process being developed to create a seamless transition in the design and construction of Bethesda and Fort Belvoir. Any acceleration at either site will potentially affect additional health care workload. Existing patient health care is a critical factor that is receiving the utmost attention as part of the design effort. Design and construction decisions, such as stand alone structures and location of additions, can help minimize patient care disruptions.

The Navy fully understands the importance of completing BRACON Project P–005V, Walter Reed National Military Medical Center, Bethesda, MD, as early as possible. We have already compressed the original 38 month construction schedule to 30 months, and are exploring alternatives to improve upon that construction duration. The required Environmental Impact Statement (EIS) will be completed in time to allow a construction start in April 2008. Additionally, there are options to phase construction completion that would enable portions of the improved facility to open in advance of the overall planned project completion date of October 2010. Given a constrained site and the desire to preserve the quality of ongoing medical care at the existing hospital complex, acceleration beyond the already compressed schedule would be extremely challenging.

EAST COAST AIRCRAFT CARRIER BASING AND MAYPORT ENVIRONMENTAL IMPACT STUDY

58. Senator WARNER. Secretary Winter, I have been following with interest the Navy's assessment of strategic homeporting and dispersal options for Atlantic Fleet surface ships. I believe it is important that all factors be considered in any large operational move, to include not only environmental concerns, but also national se-

curity requirements, the impact on sailors and their families, and local economies. What is the current status and way ahead for the current Naval Air Station (NAS) Mayport environmental impact study?

Secretary WINTER. The Navy has undertaken this EIS to ensure that we continue to effectively support fleet operational requirements through the most efficient utilization of Naval Station Mayport in the future, and to evaluate the potential environmental impacts on Mayport for each of the ship homeporting alternatives that are under consideration.

A Notice of Intent to prepare the EIS was published in the Federal Register on 14 November 2006. A public scoping meeting was held in Jacksonville on 5 December 2006. The Navy is being both environmentally and fiscally responsible in awaiting the conclusion of the EIS, with a Record of Decision expected in January 2009.

The final decision on utilization of Mayport will include consideration of other factors such as national security requirements, total cost and other programmatic implications, impact on sailors and their families, and the effect on local economies.

59. Senator WARNER. Secretary Winter, what are your thoughts on where the Atlantic Fleet end state may be, in terms of what ships, including carriers or large deck amphibs, may be moved?

Admiral MULLEN. In January 2006, Commander, U.S. Fleet Forces Command, was directed to conduct an EIS that will review and assess a broad range of alternatives for the potential homeporting of additional surface ships at Naval Station Mayport. The purpose of the EIS is to evaluate the potential environmental impacts on Mayport for each of the alternatives that are under study. Specifically, the EIS will examine 13 alternatives for Naval Station Mayport:

- The homeporting of large amphibious ships, either an LHA or LHD
- The homeporting of a nuclear-powered aircraft carrier (CVN)
- Making Naval Station Mayport capable of hosting a CVN
- The homeporting of additional surface combatants (cruisers and/or destroyers [CRUDES])
- Seven different combinations of the above
- The homeporting of an Amphibious Ready Group (LHA or LHD, LPD, LSD)
- No Action

In order to be both environmentally and fiscally responsible, the Navy will await the conclusion of the EIS in January 2009 before making any decisions regarding Mayport. Accordingly, the Navy will allow adequate time to fully assure that all considerations have been evaluated regarding the potential move of additional ships to Mayport, Florida. These considerations include national security requirements, total cost and other programmatic implications, impact on sailors and their families, and the effect on local economies.

MASTER JET BASE ASSESSMENT FOR NAVAL AIR STATION OCEANA, VIRGINIA

60. Senator WARNER. Admiral Mullen, you recently released a report to this committee, which was commissioned by the Office of the CNO, and consisted of an assessment of NAS Oceana in Virginia as it compared to an "ideal" master jet base. In the report, NAS Oceana was assessed the highest grade in the operational training category, which measures the installation's capability to support required flight training. Unfortunately, because of the significant local community development around NAS Oceana, the base was rated lowest in "field operational environment." Now I note that this report was conducted in December 2005. The Virginia Beach community and the Commonwealth of Virginia have taken great steps to work with the Navy over the past year and a half on the encroachment issue. How would you assess the current situation for the Navy as it related to the field operating environment?

Admiral MULLEN. Encroachment remains a serious issue with potential operational impacts, however, the Navy is encouraged by the hard work achieved thus far by Virginia Beach, Chesapeake, and the Commonwealth of Virginia, and I view the following steps taken as positive progress toward improving the field operating environment.

- The recently adopted Virginia Beach/Navy Memorandum of Understanding establishes the process by which all development proposals within the Air Installations Compatible Use Zone (AICUZ) contours will be reviewed and processed. The measures thus far adopted by the City will help to limit future incompatible development that could have an adverse impact on the conduct of air operations at Oceana.

1. The MOU creates a new process for Navy officials to review and comment earlier in the process on proposed development in the AICUZ, thereby strengthening the parties' working relationship and commitment to address potential encroachment at NAS Oceana. Communications and meetings between Navy and City staff well in advance of Planning Commission and City Council consideration will help to ensure that land use decisions are fully informed and conflicts are avoided to the extent possible. The results have been commendable and have not only halted encroachment around Oceana/Fentress but have several programs in effect which will rollback existing development from several of Oceana's Accident Potential Zone One and Clear Zone.

- Virginia Beach adopted an AICUZ Overlay ordinance for the areas within Noise Zones 70 dB day-night noise level (DNL) and higher.
- Virginia Beach established an Accident Potential Zone (APZ) and Clear Zone acquisition program to roll back existing incompatible development. $15 million per year ($7.5 million city and $7.5 million State) has been budgeted for fiscal years 2007 and 2008.
- Virginia Beach enacted an ordinance (APZ Ordinance) that prohibits future incompatible development in APZ areas.
- Virginia Beach enacted an ordinance that adopted an amended comprehensive plan and the official zoning map to now include the NAS Oceana—Navy Auxiliary Landing Field (NALF) Fentress Interfacility Traffic Area (IFTA).
- Virginia Beach amended the comprehensive plan by revising chapters discussing strategic growth areas, primary residential areas, and the transition area between NAS Oceana and NALF Fentress by incorporating provisions pertaining to the AICUZ program.
- Virginia Beach enacted an ordinance amending the zoning and design guidelines in the majority of the ocean front resort area, the net result is a reduction in the potential amount of residential units by 4,000.
- Virginia Beach enacted an ordinance to establish an IFTA Property Acquisition Plan. As of 17 April 2007, 15 properties have been identified, prioritized, and prices negotiated by the City of Virginia Beach.
- Chesapeake enacted an ordinance to amend its AICUZ overlay district to include noise zones greater than 70 dB DNL.
- Commonwealth of Virginia amended the State code to require noise and APZ zone disclosures for all residential and commercial sales and leases when the noise and APZ are on a city zoning map. The Commonwealth amended the State building code to require sound attenuation in all new residential and commercial construction.
- Commonwealth of Virginia created the Oceana Fentress Military Advisory Committee, responsible to the Governor's standing Virginia Military Advisory Commission, to provide continuing oversight of land use issues affecting Navy Air Operations in Chesapeake and Virginia Beach.

61. Senator WARNER. Admiral Mullen, in your opinion, what more can be done by the local community and the State to improve the operating environment for the Navy at Oceana?

Admiral MULLEN. The Navy recognizes and is grateful for the hard work already underway by local and State authorities in the Virginia Beach community and the Commonwealth of Virginia. The Navy would like the local community to extend the Air Installation Compatible Use Zone (AICUZ) Overlay District and Fentress Overlay District out to 65 dB DNL vice 70 dB DNL, to conform to Navy AICUZ criteria that discourages residential development in that noise zone. In addition, the State and local communities need to establish a process and source of funding to expand the program to purchase homes from willing sellers into Accident Potential Zone II and high noise zones. These recommendations have been discussed with appropriate local officials.

62. Senator WARNER. Admiral Mullen, the report also mentioned that Oceana's ''base infrastructure is in decline, the result of long-deferred maintenance. Runway, taxiway, parking apron, and hangar MILCON projects designed to upgrade the airfield infrastructure are either underway or programmed.'' Please provide the status of these activities for Oceana and the Navy's plan to recover from the deferment of maintenance investments at the base.

Admiral MULLEN. The private sector industry standards for facility investment (sustainment-ST, restoration and modernization-RM) are typically 2 percent of Plant Replacement Value (PRV). In the last 5 years, NAS Oceana met the 2 percent PRV industry standard only one time (fiscal year 2007) as shown in the following table:

	PRV	Total ST	Total RM	Total Investment	2% PRV
FY03	$1,577,230,471	$19,754,503	$9,611,000	**$29,365,503**	$31,544,609
FY04	$2,090,978,735	$11,002,579	$0	**$11,002,579**	$41,819,575
FY05	$1,886,322,057	$12,735,565	$5,778,000	**$18,513,565**	$37,726,441
FY06	$2,113,643,391	$26,310,600	$0	**$26,310,600**	$42,272,868
FY07	$2,134,975,805	$34,717,299	$8,566,000	**$43,283,299**	$42,699,516

In FY06, Special Projects (those over $500K) were put on hold due to BRAC concerns. These are currently planned for completion in FY07.

This long-term underinvestment has resulted in a growing backlog of maintenance and repair estimated at $261 million, or approximately 14 percent of the PRV. The average age of the deficiencies in the backlog is 4.1 years. A portion of the underinvestment is due to suspending noncritical facility repairs/capital investments, pending the resolution of NAS Oceana's BRAC status. NAS Oceana's future long-term status was resolved in January 2007.

Improving our shore infrastructure is at the forefront of our PR–09 budget deliberations, but resources are very tight. The Navy is now undertaking a systematic approach to address the critical infrastructure requirements world-wide. This will include a deliberate "fence line to fence line" assessment of the facilities in each shore installation, covering three dimensions: (1) Contribution to current mission, (2) Quality of current facilities and, (3) Quantity of facilities versus projected demand. Once this comprehensive condition based assessment is done, decisions will be made to address current and projected gaps using MILCON, major repair efforts, or lesser maintenance efforts to satisfy mission needs.

The following MILCON Projects at NAS Oceana have been enacted:

P803	F/A 18 E/F Facility Upgrades to Hangars 200, 404, 500 and Aircraft Parking	$11.6M	Planned for award November 2007. Estimated completion date is June 2009.
P722	Child Development Center	$10.0M	Completed November 2006.
P555	Post 2 Security Improvements	$2.8M	Completed August 2006.
P445	Airfield Perimeter Security Upgrades	$10.5M	Completed August 2005.
P509	Post 1 Security Improvements	$4.0M	Completed April 2005.
P585	Airfield Approach Lighting	$2.0M	Completed March 2004.

President's budget 2008 does not include any MILCON projects in fiscal year 2008 at NAS Oceana, but includes the following projects in the out years:

P815	Atlantic Fleet Aerial Target Operation Consolidation	$9.2M	Programmed FY2010.
P004	Fitness Center Alteration & Addition	$4.0M	Programmed FY2013.
P835	Galley Replacement	$6.5M	Programmed FY2013.
P887	Construct VR-56 Seat Storage Facility	$1.4M	Programmed FY2013.

In addition to the MILCON projects above, fiscal year 2007 special projects include:

- Twelve minor restoration and sustainment projects, valued at $3.2 million, are currently underway.
- A $8.9 million special project to repair parking aprons and taxiways. Award planned 30 August 2007.
- A $20 million special project for hangar repairs. Award planned 30 August 2007.
- Repair Runway 14R/32L and 5R/23lR, total $19.8 million. Timing for execution of these projects is dependent upon PR–09 budget deliberations.

In the past, Navy has failed to pursue a systematic, deliberate, and consistent approach to assessing the material condition of our shore facilities. I have directed efforts to make quick, deliberate progress in getting an accurate fix of our shore infrastructure, to develop a comprehensive investment strategy, and to make the prioritized resource requirements clear in our POM–10 submission. This will benefit not only Oceana, but all our installations, in which we are significantly underinvested.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

PRODUCTION CAPACITY

63. Senator CHAMBLISS. General Conway, you emphasize the tempo of operational demands as the reason for an increase in maintenance requirements and the criticality of maintaining equipment in terms of sustaining troop readiness to operate at the "sustained rate of fire." Specifically, you mention Light Armored Vehicles being driven 3.5 times more than their programmed annual usage rates. You have also said that maintaining materiel is a key factor in determining combat readiness. These statements make it clear that maintenance needs to be a priority; however, your written statement says that certain production requirements cannot be met in a single year due to production capacity issues. Do your maintenance depots have the capacity and assets to meet these demands and to meet demands which will increase as the size of the force increases?

General CONWAY. As long as the assets are available and there is funding, our depots have the capacity to meet the demand. Marine Corps Depot Maintenance Activity Group (DMAG) is a multi-commodity operation. Customer requirements drive the need for additional workers, overtime, and additional shifts. Selected areas are currently working 12-hour second shifts. As workload increases, the option to expand is available.

INTER-SERVICE MAINTENANCE COOPERATION

64. Senator CHAMBLISS. General Conway, are your logistics depots sharing maintenance work with other Services and taking advantage of the synergies gained through inter-Service cooperation?

General CONWAY. Yes. Currently both Anniston Army Depot and Tobyhanna Army Depot are working USMC equipment. We will continue to rely on inter-servicing to perform maintenance work as appropriate. Additionally, LOGCOM has offered assistance to other Services, specifically the Army, to reduce their backlog.

RESET

65. Senator CHAMBLISS. General Conway, the Marine Corps is no longer identifying depot maintenance as a "cost of war" and is now factoring this expense into the cost of resetting the force. Given the additional funding requirements necessary to reset your equipment and the length of time required to reach pre-war equipment levels, will you also need to expand your depot workforce to meet this reset demand?

General CONWAY. Asset and funding availability dictate the size of the workforce and the number of shifts required. Selected areas are currently working 12-hour second shifts. As workload increases, the option to expand is available. Expansion of the workforce is accomplished using temporary hires and contracted labor, which allows contraction of the workforce when the workload decreases. It is anticipated that the workforce will expand and contract throughout the reset process.

66. Senator CHAMBLISS. General Conway, what factors will you use to determine what equipment to repair and reset, and to determine the division of work between industry and your existing depot workforce?

General CONWAY. All depot level reparables will be overhauled and all field level reparables will be upgraded to serviceable standards. In determining the division of work between industry and depots, we will use the existing Depot Level Source of Repair (DSOR) decision process to determine where the work is accomplished. If the Joint Depot Maintenance Activities Group selected DSOR repair facility is unable to accomplish the work then an alternate DSOR will be sought. Alternate DSORs include private contractors and service depots.

QUESTIONS SUBMITTED BY SENATOR JOHN THUNE

SHIPBUILDING

67. Senator THUNE. Admiral Mullen, the affordability of the Navy shipbuilding program and our ability to meet the CNO's plan for a 313-ship Navy are of great concern. The Congressional Budget Office estimates that $20 billion per year—$5 billion greater than the Navy's budget estimate—will be required to buy the ships in the Navy's plan. We all agree that we need to increase our rate of shipbuilding, and that we likewise need to take deliberate actions on the front end of this program to ensure that we do not have to cut out future ships to pay bills on the back end. Given the cost pressures on the shipbuilding program, what impact do the increased cost and delays of the LCS program have on the balance of ship programs in the Navy's plan?

Admiral MULLEN. The significant impact that increased cost and delays have had is the need to reprogram or request reprogramming authority for the fiscal year 2007 funding in order to use these funds to complete the vessels that still are under contract.

In the out-years, the cost reductions associated with our strategy, the selected configuration, and the buy will enable cost efficiencies associated with a modern production facility. These mechanisms will enable us to minimize the cost impact to the overall shipbuilding program.

The Navy needs to understand exactly how much we're going to be able to get by way of investment in those facilities and the leverage that that will provide us. But I am very hopeful that we will be able to recoup a significant amount of the increased cost.

68. Senator THUNE. Admiral Mullen, to the extent that it would be possible to accelerate the Navy's shipbuilding plan, where would you propose to increase our investment to provide the greatest military benefit and financial return on investment?

Admiral MULLEN. Any acceleration of the shipbuilding plan would need to be weighed against the impact to the SCN account stability. We have provided industry with a stable planning horizon. By not constantly modifying the shipbuilding plan, we have established trust and facilitated the shipyards to ability to make the kind of capital investments necessary to make them more efficient.

Adding any additional ships without complete funding/top level SCN relief, would cause an imbalance with the planned funding for Navy ships, potentially causing other shipbuilding programs to destabilize.

We are in the process of analyzing our shipbuilding plan in an unconstrained fiscal environment. While I am confident with the original assumptions and work that led to the 313 force structure and the current shipbuilding plan, one of the key assumptions was a constrained fiscal environment. In a more favorable fiscal environment, I would anticipate accelerating the shipbuilding plan and increasing the overall size of the force.

The Navy has examined the feasibility of increased shipbuilding investments in fiscal year 2008. Most of the ships in the Navy's construction inventory (CVN, LCS, and CG(X)) cannot be accelerated due to execution risk associated with maturing programs or production limitations. For mature programs without significant risk such as DDG–51 Class, the fleet inventory will reach its objective with current construction plans and additional ships would be in excess of the warfighting requirements.

LPD–17 Class Amphibious Assault Ship, T–AKE Dry Cargo Carrier, and SSN *Virginia* Class Attack Submarine, could be added to accelerate the shipbuilding plan and provide the greatest military benefit and financial return on investment.

Adding a 10th LPD in fiscal year 2008 is a relatively low risk option and my top unfunded priority. LPD–26 would execute as if it was a fiscal year 2009/2010 ship and would deliver in approximately fiscal year 2012/2013; assuming the shipyard did not ramp up the workforce to increase their build rate.

Adding up to three T–AKEs in fiscal year 2008 is again relatively low risk. These ships would likely execute as if they were fiscal years 2009/2010/2011 contracts and would complete approximately fiscal years 2012/2013/2014; assuming the production line was kept to series production. The earliest they could deliver, assuming the yard executed them in a block and brought in the manpower to accomplish that, would be about fiscal year 2012.

Adding a *Virginia* Class SSN would be higher risk requiring a $2.8 billion SCN increase to account for year 1 and 2 advance procurement. This ship would still execute like a fiscal year 2010 SSN in terms of actual construction. The build timeline

for an SSN is about 5 years so this ship would deliver in approximately fiscal year 2015. A lower risk option would be to procure the "ship set" for a VA SSN this year. This option would increase our future year SSN flexibility.

69. Senator THUNE. Secretary Winter, your professional qualifications and your recent experience with the LCS program place you in a unique position as Secretary of the Navy to make a profound and lasting contribution to shipbuilding acquisition. What are the principal changes you envision to improve the way we buy our ships to place us on the road to an affordable 313-ship Navy?

Secretary WINTER. This is a vital area where the Navy can re-assert control over the shipbuilding process. The Navy's shipbuilding plan recognizes the need for aggressive requirements and cost control measures. These can only be achieved in partnership with industry, utilizing realistic assumptions within our ability to instill discipline in shipbuilding requirements, and industry's ability to drive more investments to reduce cost.

Given the importance of requirements-containment and cost-reduction to the viability of the shipbuilding plan, the Navy continues to evaluate each ship class and identify cost reduction opportunities while balancing warfighting requirements, costs, and industrial base realities.

The Navy is committed to stable out-year procurements that industry can use to determine expected workloads. This, in turn, allows industry to commit resources, create efficiencies, and decrease the end-cost of Navy ships.

The Navy plans greater use of contract incentives, such as steep share lines combined with performance incentives, to contribute to real cost containment in future shipbuilding plans. In addition, the Navy plans to pursue other areas for improvement in acquisition workforce and organization to strengthen the foundations of the Navy's shipbuilding efforts.

EXPEDITIONARY FIGHTING VEHICLE

70. Senator THUNE. General Conway, the Expeditionary Fighting Vehicle (EFV) has faced significant technical challenges throughout almost 2 decades of development. Last year, the Navy reduced the program by almost half, from 1,013 vehicles to 573 vehicles. Congress has recently been notified that the cost impact of this reduction causes a Nunn-McCurdy breach. Meanwhile, the vehicle's operational assessment, while successful in many areas, has effectively given the vehicle a failing grade for poor reliability. I understand that the program has been delayed for 3 or 4 years in order to re-design the vehicle to meet reliability requirements. Would you please provide your assessment of the criticality of the EFV to the Marine Corps' requirements and the operational impacts caused by downsizing the program to 573 vehicles?

General CONWAY. The Marine Corps provides the Nation's joint warfighting forces with a unique, flexible, and effective capability to conduct forcible entry operations from the sea. The EFV, the Corps' largest ground combat system acquisition program, is the sole ground combat vehicle that enables projection of combat power from a sea base. It will replace the aging Assault Amphibious Vehicle that has been in service since 1972 and will become a complementary component of our modernized fleet of tactical vehicles that include the Joint Light Tactical Vehicle, the Marine Personnel Carrier, and the Internally Transportable Vehicle. The EFV's amphibious mobility, day and night lethality, enhanced force protection capabilities, and robust communications will help the joint force meet security challenges across the spectrum of conflict. The over-the-horizon capability of the EFV will also enable amphibious ships to increase their standoff distance, no longer requiring them to close within the striking distance of many coastal defense systems in order to launch their amphibious assault platforms. The EFV will be specifically well-suited to maneuver operations conducted from the sea and sustained operations in the world's littoral regions.

In our fiscally constrained era, we have balanced the EFV program requirements with our need to provide greater tactical mobility suitable for the spectrum of operations. Toward that end, 573 EFVs maintains our capability to conduct forcible entry operations from the sea. With modest research and development funding, the Marine Personnel Carrier will provide the requisite ground combat tactical mobility to compensate for fewer EFVs. Additionally, the Joint Light Tactical Vehicle will serve to enhance the protected mobility of our ground forces, complemented by the Internally Transportable Vehicle, which will provide vertical assault elements of the Marine Air-Ground Task Force with better mobility for weapons and fire support systems once disembarked from assault support aircraft.

71. Senator THUNE. General Conway, what impact does the program delay have on your ability to meet mobility requirements?

General CONWAY. The delay in the EFV program, while unfortunate, is mitigated by continued investment in our current Assault Amphibious Vehicle, the AAVP7A1 and by investment in the Joint Light Tactical Vehicle and the Marine Personnel Carrier. These two new vehicles will provide balanced performance, payload, and protection particularly to infantry and combat engineer units. In the near-term, our investment in MRAPs will afford those marines operating in Iraq with significantly enhanced protection tailored specifically for operations in that theater. The delay in delivery of the EFV will limit our ability to conduct high-speed surface-borne ship-to-objective forcible entry from a distant sea-base but it will not constrain our ability to conduct amphibious operations and subsequent maneuver ashore in support of national objectives.

72. Senator THUNE. Secretary Winter, how confident are you that the EFV can be sufficiently redesigned to meet the reliability requirements?

Secretary WINTER. A redesigned EFV can meet the established reliability requirements. This assessment is based on two in-depth reviews of the EFV reliability program conducted in March and April 2007 by two independent teams of experts commissioned by the Office of the Secretary of Defense (Acquisition, Technology, and Logistics). Each team concluded that the EFV reliability requirement was achievable and that the EFV program was employing the rigorous methods necessary to achieve the requirement.

Achieving this requirement, however, will require very focused and dedicated technical and engineering efforts by the contractor, along with strong oversight by the government. The EFV program strategy had been to increase reliability through the reliability growth process. However, based on the operational test data, it was determined that this process was insufficient to generate reliability growth necessary to meet the requirement at Initial Operational Test and Evaluation. Therefore, a Design for Reliability (DFR) effort was initiated to generate significant improvement to reliability. In addition, the Joint Requirements Oversight Committee has approved a change in KPPs that gives the program more flexibility in modifications to the design.

The DFR effort underway includes the overarching systems engineering processes to mature the EFV design and vehicle reliability growth as well as the detailed planning, redesign, and validation efforts for EFV components and subcomponents to meet their reliability allocations. The DFR process will lead to building and testing new prototypes prior to a production decision to validate the results of the DFR effort and verify the KPP can be achieved.

73. Senator THUNE. Secretary Winter, what further cost impact will be caused by the redesign effort, including the related production delays?

Secretary WINTER. The EFV program did not achieve Milestone C decision in January 2007 as planned due to less than predicted reliability performance during an operational assessment conducted in 2006. As a result, the development phase has been extended and the estimated cost and schedule impacts of these changes were incorporated in the fiscal year 2008 President's budget request, which included an increase in total RDT&E funding of approximately $700 million.

Following the fiscal year 2008 President's budget request to Congress, the Navy notified Congress the EFV program was in breach of the Nunn-McCurdy amendment due to excess cost. Following notification, the Secretary of Defense is required to certify that:

- Program is essential to national security.
- No alternative will provide equal or greater capability at less cost.
- New cost estimates are reasonable.
- Management structure for program is adequate to manage program and costs.

The certification teams are currently conducting the necessary analysis and developing the required documentation in accordance with the statutory certification requirements. Updated cost estimates are being developed in conjunction with the proposed program strategy. If the program is certified, the new program baseline will be included in the certification package, to be submitted to Congress no later than 5 June 2007, as required by statute.

74. Senator THUNE. Secretary Winter, it is reported that the contractor has earned a 7 to 8 percent profit. How do we justify to the American taxpayer awarding

most of the profit available on this contract when we have a vehicle that falls critically short of its reliability performance requirement?

Secretary WINTER. The award fees earned by General Dynamics are in accordance with provisions of the contract negotiated in 1995. On this contract, award fees are the principle mechanism by which the contractor has the opportunity to earn a profit. As these fees were part of the original contract, there is no mechanism available to recoup them.

We recognize, however, that the award fees did not properly motivate General Dynamics to deliver required levels of reliability. We are in the process of negotiating a different contract for the next phase that will minimize award fees and include targeted incentives tied to carefully derived milestones. The program restructuring effort currently underway will result in development of an EFV that meets all operational requirements.

75. Senator THUNE. Secretary Winter, this is another example of the Government bearing the burden of failed performance on a cost-plus contract. What revised fee structure would you propose to ensure a more equitable sharing between the Government and industry of the downside risk on these types of development contracts?

Secretary WINTER. The EFV program plans to provide performance and cost incentives using Cost Plus Incentive Fee and Cost Plus Award Fee contracts for the remainder of the development phase. Incentives will be event-based and tied to well-defined, objective targets for technical performance, schedule adherence, and cost control. Multiple-incentive structures are being considered whereby the contractor must earn fee in each category or forego the fee entirely. This structure promotes a balanced approach so that no one evaluation category can control fee award.

The Navy remains committed to developing the EFV as a key element of future Navy-Marine Corps expeditionary combat capability while maximizing the value of taxpayer dollars.

EXPEDITIONARY BRIGADE REDUCTION

76. Senator THUNE. General Conway, the Marine Corps has held a longstanding requirement for the Navy to provide amphibious lift for three MEBs to support forcible entry operations. I notice in your statement this year that you are now calling for two brigades to perform such an assault. How did the Marine Corps determine it should reduce AE requirements for an opposed landing?

General CONWAY. The Marine Corps has not reduced AE requirements for an opposed landing. What has been reduced is the total amphibious lift requirement for AE-capable forces. The basis for the 3.0 MEB AE fiscally constrained to 2.5 MEB AE requirement noted in this question was documented in the Navy's 1992 Posture Statement signed by the Secretary of the Navy, CNO, and CMC, and is quoted in part, as follows:

> For a global ready response capability and forward presence, the Nation needs a tailored force with at least enough amphibious ships to lift the AEs of two and one-half brigade-size units. This allows the Navy and Marine Corps to meet current requirements for the forward deployed forces and still provide sufficient surge capability to assemble a brigade-size amphibious assault force in either the Atlantic or Pacific. This fiscally constrained goal meets the Nation's minimum requirements.

As noted above, the total requirement identified in the 1992 statement was for 2.5 MEB AE lift capacity, and the forcible entry component of that requirement was two brigade-size amphibious assault forces—one on each coast—totaling the same as today's stated requirement for 2.0 MEB AE.

The current requirement for 2.0 MEB AE is traced to the SPG, directing us to . . . consider capability alternatives . . . to support a single two MEB forcible entry operation. Although the language in today's SPG is different than in the 1992 statement, the requirement to maintain a 2.0 MEB forcible entry capability remains the same.

This capability can only be realized by maintaining a Battle Force that provides 30 operationally available amphibious warfare ships; of these 30 ships, 10 must be aviation-capable big deck ships [LHA/LHD/LHA(R)], 10 LPD–17 class ships, and 10 LSD–41/49 or equivalent ships.

77. Senator THUNE. General Conway, does the Navy's shipbuilding plan provide the necessary lift to support two MEBs?

General CONWAY. No, the Navy's current plan does not provide the required focus on amphibious programs to meet the two MEB AE requirement. The SPG directed

the Marine Corps to consider capability alternatives to support a single two MEB forcible entry operation. This capability is realized by maintaining a battle force that provides 30 operationally available amphibious warfare ships; of these 30 ships, 10 must be aviation-capable big deck ships [LHA/LHD/LHA(R)], 10 LPD–17 class ships, and 10 LSD–41/49 or equivalent ships. Current and projected ship availability based on scheduled and unscheduled maintenance suggests at least 33 ships are required to provide 30 that are operationally available.

While the amphibious ship (battle force) inventory is currently 32 ships, it stabilizes at 30 ships from fiscal year 2015 to the end of the plan. At no time does the Navy's plan provide a minimum of 33 ships to provide 30 operationally available. Additionally, the well-known maintenance challenges of the LHA and LSD class of ships and their age make them prime candidates for early retirement, potentially further reducing the inventory. Delivery of the LPD–17 has also been slower than expected in the wake of Hurricane Katrina further stressing the force and requiring older ships to remain in the fleet beyond their expected service lives.

The big deck (LHD/LHA) inventory varies between 10 and 11 ships between now and 2018, then stabilizing at 9 ships through the end of the 30-year plan—falling short of our long-term requirement for 11 big deck ships to provide 10 operationally available.

78. Senator THUNE. General Conway, how important is an additional LPD–17 class ship, included as the top Navy unfunded priority, to meeting your amphibious lift requirement?

General CONWAY. The 10th LPD–17 *San Antonio* class ship is extremely important to meeting the 2 MEB amphibious lift requirement, but still does not yet match the 11 necessary to field 2 operationally available MEB AEs, since 10 to 15 percent of amphibious ships (by class) are operationally unavailable at any time due to scheduled maintenance.

The LPD–17 class ships will play a key role in supporting the ongoing global war on terrorism 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.

Ths class of amphibious warfare ship also represents the Navy's commitment to a modern expeditionary power projection fleet and will assist our naval forces across the spectrum of warfare. It replaces four classes of older ships—the LKA, LST, LSD–36, and the LPD–4 and will have a 40-year expected service life.

TOP LINE SPENDING

79. Senator THUNE. Secretary Winter, you state in your posture statement that development of the budget has not been easy—tough decisions have been made and continue to be made throughout the Department. One of the issues that I have been concerned about for some time has been the top line of the defense budget and how much of a percentage of the gross domestic product (GDP) it is. Over time we have watched the percentage of the defense GDP drop. While this is the largest defense budget we have had, it is not as large of a percentage of the overall GDP as we have seen in the past. Do you think it would be appropriate for Congress to increase the top line of the military's budget to 4 percent of GDP as a baseline?

Secretary WINTER. It is the President and Congress that determine DOD total funding, and what is a necessary and affordable percentage of GDP for our Nation. From the Navy's perspective, I do believe that the Navy and Marine Corps will continue to need real budget growth to meet commitments and invest for the future.

80. Senator THUNE. Secretary Winter, looking 20 years down the road, can you comment on how the Navy will handle reset costs, modernization costs, and costs for fielding new platforms?

Secretary WINTER. Future budget development will continue to balance requirements against resources. Future budgets will be appropriately structured and have the necessary investment to successfully meet both our present and future challenges. I am confident that the initiatives we have in place now will result in efficiencies that will continue to streamline and improve the Navy and further improve our support for our National Military Strategy, while continuing to be responsible stewards of the tax dollars entrusted to us.

[Whereupon, at 12:30 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, APRIL 17, 2007

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

WHETHER THE ARMY AND MARINE CORPS ARE PROPERLY SIZED, ORGANIZED, AND EQUIPPED TO RESPOND TO THE MOST LIKELY MISSIONS OVER THE NEXT TWO DECADES WHILE RETAINING ADEQUATE CAPABILITY TO RESPOND TO ALL CONTINGENCIES ALONG THE SPECTRUM OF COMBAT

The committee met, pursuant to notice, at 9:36 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Bayh, Clinton, Pryor, Webb, McCaskill, Warner, Inhofe, Sessions, Collins, Chambliss, Cornyn, and Thune.

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

Majority staff members present: Jonathan D. Clark, counsel; Daniel J. Cox, Jr., professional staff member; Michael J. Kuiken, professional staff member; Michael J. McCord, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Gregory T. Kiley, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Sean G. Stackley, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Kevin A. Cronin, and Micah H. Harris.

Committee members' assistants present: Joseph L. Axelrad and Jay Maroney, assistants to Senator Kennedy; James Tuite, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Darcie Tokioka, assistant to Senator Akaka; Jonathan Cooper, assistant to Senator Bill Nelson; Jon Davey and Todd Rosenblum, assistants to Senator Bayh, Andrew Shapiro, assistant to Senator Clinton; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, as-

sistant to Senator Webb; Stephen C. Hedger and Jason D. Rauch, assistants to Senator McCaskill; Sandra Luff, assistant to Senator Warner; Jeremy Shull, assistant to Senator Inhofe; Mark J. Winter, assistant to Senator Collins; Adam G. Brake, assistant to Senator Graham; Russell J. Thomasson, assistant to Senator Cornyn; Stuart C. Mallory, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

Before we start our hearing, I want to recognize Senator Warner, who has been my partner on the Armed Services Committee for more than 28 years, and Senator Webb, for such comments as they may wish to make, because I know that they need to depart for Blacksburg.

Before they do that, I want to express, on behalf of all members of the committee and, I'm sure, all members of the Senate, to them, to the families and the friends of those who were killed or injured in yesterday's tragic event, to all Virginians, and to, of course, the Virginia Tech community, our deepest sympathy, our support, and our prayers to all of them in this very, very difficult time.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. I thank you and the distinguished ranking member, Senator McCain, and others on this committee. Senator Webb and I will be departing momentarily to go to Blacksburg, Virginia, together with other members of the congressional delegation. This is one of those unexplainable mysteries in life, this extraordinary tragedy. I think it could have happened in many places in the United States, and I hope out of this will come some understanding of how best America can prepare such that it not reoccur.

But this hearing this morning is one that I have supported you and the ranking member strongly in holding. I've been privileged to know all of these gentlemen through the years, and it is vitally important that this committee receive the benefit of their wisdom. Each has spent an extraordinary amount of time involving conflicts in both Iraq and Afghanistan, and I thank you gentlemen for your continued public service.

Mr. Chairman, I ask that the balance of my opening statement be placed in the record, together with two or three questions I have. One is that Senator Robert C. Byrd, a member of our committee, and I have put into the appropriations bill a request for a small amount of funds to institute—independent from the Federal system—Pentagon and all others—a totally independent analysis of the current and projected future capabilities of the Iraqi security forces (ISF). I do believe, Mr. Chairman, that second opinion is vitally necessary as we go forward, irrespective of such approaches that we have in the diversity of the Senate today.

So, with that, Mr. Chairman, I'd like to ask that that copy of the Warner/Byrd bill be put in the record, together with my opening statement and other questions.

[The prepared statement of Senator Warner and a copy of the Warner/Byrd bill follow:

PREPARED STATEMENT BY SENATOR JOHN WARNER

Chairman Levin, thank you. This is a very significant hearing and I appreciate that you have scheduled it.

Mr Chairman, I join you in welcoming all of our distinguished witnesses here today. Their many decades of service to our Nation, both in and out of government, have made significant contributions to national defense policy and to our Nation's men and women in uniform. Each is well known throughout the defense and national security community and are all known for their expertise and candor.

America has been engaged in this war against global extremists since the attacks on September 11. These military operations, to include combat against the Taliban in Afghanistan, beginning in October 2001, and then in Iraq, beginning in March 2003, have been joint service endeavors from the start: however, our ground forces—the Army and Marine Corps—and our Special Operations Forces, have borne a larger share of the combat operations in these campaigns.

Let there be no doubt, our military has performed magnificently and with the highest degree of courage and professionalism reflecting the best traditions of our Nation's military heritage. However, let there be no mistake, our military is under acute strain today.

The purpose of today's hearing is to receive testimony on whether the Army and Marine Corps are properly sized, organized, and equipped to respond to the most likely missions in the 21st century. This most fundamental *sine qua non* of national security is perhaps Congress' most important responsibility, and, unequivocally, one that we must get right.

This discussion on the future of our ground forces must begin with the recognition that we are engaged in a long war against global extremists; that this long war will dominate our national defense and national military strategy for a generation, or more; and that the war in Afghanistan and the war in Iraq are but its initial engagements. There is so much at stake in this struggle. Moreover, this war against global extremists will not be the only conflict, threat, or crisis that our Nation, and its ground forces, will face in the next decades of the 21st century.

In 1980, then Chief of Staff of the Army, General Edward Meyer, coined the term 'hollow Army' to describe the state of the Army in the post-Vietnam era, at a time when the Cold War was still a stark reality. Most of us remember that period in our history; we remember the state of our Army; and we know that it took at least 10 years to repair.

With great regret, I say that some of the indications and warnings of an Army under strain, or even a hollow Army, are present today. The readiness of non-deployed units is declining; equipment usage rates, under combat conditions, are increasing; standards for recruitment and basic training graduation have been lowered; the length of combat tours were lengthened; mid-grade officers and non-commissioned officers are reportedly leaving the Service at higher rates; and there is an over-reliance on the National Guard and Reserves as Active-Force augmentees than was ever envisioned.

In December 2006, General Schoomaker, said, in testimony before the Commission on the National Guard and Reserves, that the Active-Duty Army "will break" under the strain of today's war-zone rotations. That was compelling testimony. Just last week, Secretary Gates announced the extension of combat tours from 12 to 15 months. Earlier in the month the Department of Defense announced that mobilization warning orders have been issued to selected National Guard units, most of whom will be deployed for a second time in less than 5 years.

These are indicators that are cause for grave concern. Having served as Secretary of the Navy when the concept of the All-Volunteer Force was being developed, and having observed, in the ensuing years, the extraordinary success of that system in providing for America's security, I feel strongly that we must carefully monitor the possible risks to that system. While the hollow Army of the 1970s is one example of a military under strain and under-resourced, I am also reminded of the state of our military forces at the start of the Korean War. When the North Korean army invaded the Republic of Korea in June 1950, the United States deployed available, but largely unready and inadequately equipped troops, from the 24th Infantry Division in Japan. This unit is known as Task Force Smith. I am sure our witnesses are familiar with this episode.

Task Force Smith was a unit of about 400 soldiers—composed of 2 under-strength rifle companies, a communications section, a recoilless rifle platoon, 2 mortar platoons, and an artillery battalion with 6 howitzers. They were ordered to block the main road to Pusan. Task Force Smith held as long as they could, but finally withdrew. More than 150 soldiers of that unit were killed. The first U.S. engagement

in the Korean War, almost 57 years ago, offers a telling reminder of what happens when a force goes to war unprepared.

I, for one, shall retain the imagery of both the 'hollow Army' and 'Task Force Smith,' as we proceed today. The months to follow may be at one of those critical periods of dialog, debate, and decision about the way ahead for our ground forces. We must do this with vision, innovation, and commitment. Time is of the essence. We must act in the near-term to ensure there will be no hollow Army and no more Task Force Smiths.

In closing, we should not forget that our ground forces are more than a collection of brigades and regiments. It is at its core: about people. Our military forces, volunteers all, are America's sons and daughters who, each and every day, put themselves in harm's way—away from those they love and often on multiple, and now extended combat tours. I would also like to recognize, with our most sincere gratitude, the military families who have sacrificed so much, especially those who have lost loved ones, and those who are caring for those wounded in service to our Nation.

I look forward to today's important testimony.

SA 697. Mr. WARNER (for himself, Mr. *Byrd*, Ms. *Collins*, Mr. *Nelson* of Nebraska, Ms. *Snowe*, Mr. *Salazar*, Ms. *Murkowski*, and Mr. *Smith*) submitted an amendment intended to be proposed by him to the bill H.R. 1591, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. __. INDEPENDENT ASSESSMENT OF CAPABILITIES OF THE IRAQI SECURITY FORCES.

(a) *Findings.*--Congress makes the following findings:

(1) The responsibility for Iraq's internal security and halting sectarian violence must rest primarily with the Government of Iraq, relying on the Iraqi Security Forces (ISF).

(2) In quarterly reports to Congress, and in testimony before a number of congressional committees, the Department of Defense reported progress towards training and equipping Iraqi Security Forces; however, the subsequent performance of the Iraqi Security Forces has been uneven and occasionally appeared inconsistent with those reports.

(3) On November 15, 2005, President Bush said, ``The plan [is] that we will train Iraqi troops to be able to take the fight to the enemy. And as I have consistently said, as the Iraqis stand up, we will stand down".

(4) In testimony to Congress, on November 15, 2006, U.S. Central Command Commander General John Abizaid said, ``I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future".

(5) On January 10, 2007, the President announced a new strategy, which consists of three basic elements: diplomatic, economic, and military; the central component of the military element being an augmentation of the present level of the U.S. military forces with more than 20,000 additional U.S. military troops to Iraq to ``work alongside Iraqi units and be embedded in their formations. Our troops will have a well-defined mission: to help Iraqis clear and secure neighborhoods, to help them protect the local population, and to help ensure that the Iraqi forces left behind are capable of providing the security that Baghdad needs".

(6) The President said on January 10, 2007, that ``I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended" so as to dispel the contrary impression that exists.

(7) The latest National Intelligence Estimate (NIE) on Iraq, entitled ``Prospects for Iraq's Stability: A Challenging Road Ahead," released in January 2007, found: ``If strengthened Iraqi Security Forces (ISF), more loyal to the government and supported by Coalition forces, are able to reduce levels of violence and establish more effective

security for Iraq's population, Iraqi leaders could have an opportunity to begin the process of political compromise necessary for longer term stability, political progress, and economic recovery".

(8) The NIE also stated that ``[d]espite real improvements, the Iraqi Security Forces (ISF)--particularly the Iraqi police--will be hard pressed in the next 12-18 months to execute significantly increased security responsibilities".

(9) The current and prospective readiness of the ISF is critical to (A) the long term stability of Iraq, (B) the force protection of U.S. forces conducting combined operations with the ISF; and (C) the scale of U.S. forces deployed to Iraq.

(b) *Independent Assessment of Capabilities of Iraqi Security Forces.*--

(1) **IN GENERAL.**--There is hereby authorized to be appropriated for the Department of Defense, $750,000, that the Department, in turn, will commission an independent, private-sector entity, which operates as a 501(c)(3) with recognized credentials and expertise in military affairs, to prepare an independent report assessing the following:

(A) The readiness of the Iraqi Security Forces (ISF) to assume responsibility for maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, and bringing greater security to Iraq's 18 provinces in the next 12-18 months, and bringing an end to sectarian violence to achieve national reconciliation.

(B) The training; equipping; command, control and intelligence capabilities; and logistics capacity of the ISF.

(C) The likelihood that, given the ISF's record of preparedness to date, following years of training and equipping by US forces, the continued support of US troops will contribute to the readiness of the ISF to fulfill the missions outlined in subparagraph (A).

(2) **REPORT.**--Not later than 120 days after passage of this Act, the designated private sector entity shall provide an unclassified report, with a classified annex, containing its findings, to the House and Senate Committees on Armed Services, Appropriations, Foreign Relations, and Intelligence.

Senator WARNER. I hope that these gentlemen, in the course of the testimony, might give the committee the benefit of their analysis of the current status of the Iraqi forces.

I yield to my colleague, Senator Webb.

Chairman LEVIN. Thank you so much. We will do that.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

I also would like to suggest that the proposal by the senior Senator from Virginia regarding an independent look at what's going on over there is really needed at this time, and I fully support it.

I'd like to express my appreciation for the witnesses for coming today, and my apologies for the fact that we are going to have to leave very soon for the memorial service that's going to take place down in Blacksburg.

This is a hearing I look forward to. We are going to examine testimony very carefully, and we will have, from our perspective, a number of follow-up questions and, hopefully, dialogue.

As many people have—many people, such as myself, had predicted, today's sustained ground operations in Iraq are progressively stressing our ground forces in ways that were both predictable and predicted to those who saw that the country would unravel and descend into sectarian strife and civil war. Last week's announcement of troop extensions of the 15-month deployments for the Army is a further indication that this administration's failed strategic policies are breaking our military. That policy is going to ensure that disproportionate sacrifices are going to be placed on families and soldiers, and they are going to grow only more disproportionate in the coming year. These extensions are going to place new strains on an already overburdened Army, a force that is being broken progressively as a result of this strategy. The extensions may well affect morale. We've seen early indications, particularly with the numbers that came out on the West Point classes of 2000 and 2001, that perhaps we're overloading a small group of this country again and again asking them to accept the consequences of this misdirected war. It's one thing to say that we're putting predictability into systems, and it's another when we note that this predictability is uniformly negative on the people who have been serving. The strategy does not justify this continuing abuse of our people who have put their lives literally in the hands of our leadership, and I believe that there are limits to human endurance, and there are limits to what families can put up with.

All of this, Mr. Chairman, leads to my appreciation for these kinds of hearings, because today's circumstances only heighten the need for more forceful congressional oversight. I would note that Senator Hagel and I—we're the only two ground combat veterans from the Vietnam war serving in the Senate—put together a piece of legislation requiring that American military units be fully combat ready when they're deployed, that the length of the deployments be restricted, and that minimum time periods be maintained between deployments. I would hope that my colleagues would join us on that legislation.

I thank you very much for allowing me to speak early in this hearing.

Chairman LEVIN. Thank you, Senator Webb.

Senator Warner.

Senator WARNER. Mr. Chairman, I want to pick up on an important note that my colleague made about the stress on our forces, not only with this most recent announcement of the extensions. I think we're fortunate to have Dr. Korb here, because, Doctor, you and I were in the Department of Defense (DOD) in the mid-1970s, when the concept of the All-Volunteer Force was put in place. You recall the risks that we took, and I think you would share with me that it has worked out exceedingly well.

We must, at all costs, preserve the All-Volunteer Force. I cannot foresee of any—any—measure that Congress would return to a draft, certainly not at this time. So, I hope, perhaps, you could address, specifically, how the impact of the events, Dr. Korb, might affect the vitality and the success of the All-Volunteer Force.

I thank the chair.

Chairman LEVIN. Thank you, Senator Warner.

Senator WARNER. Mr. Chairman, can I put Senator McCain's statement in the record?

Chairman LEVIN. Of course. We will put Senator McCain's statement in the record, as well.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

Senator Levin, thank you. This is a very important hearing and I appreciate that you have scheduled it.

Mr. Chairman, I join you in welcoming our distinguished witnesses here today. Their many decades of service to our Nation, both in and out of government, have made significant contributions to national defense policy and to our Nation's men and women in uniform.

After my first visit to Iraq in 2003, I argued for more troops. I took issue with statements characterizing the insurgency as a few 'dead-enders' or being in its 'last throes.' I criticized the search and destroy strategy and argued for a counter-insurgency approach that separated the reconcilable population from the irreconcilable. That is the course now followed by General Petraeus, and the brave Americans and coalition troops he has the honor to command. I believe it is the right strategy. But having been a critic of the way this war was fought and a proponent of the very strategy now being followed, it is my obligation to encourage Americans to give it a chance to succeed. To do otherwise would be contrary to the interests of my country and dishonorable. Our defeat in Iraq would constitute a defeat in the war against terror and extremism and would make the world a much more dangerous place.

Consider our other strategic challenges in the region: preventing Iran from going nuclear; stabilizing Afghanistan against a resurgent Taliban; the battle for the future of Pakistan, Egypt, Saudi Arabia, and others; protecting Israel's security; the struggle for Lebanon's independence. Does any honest observer believe those challenges will be easier to confront and at lesser cost in American blood and treasure if we are defeated in Iraq?

I know the pain war causes. I understand the frustration caused by our mistakes in this war. I sympathize with the fatigue of the American people, and I regret sincerely the additional sacrifices imposed on the brave Americans who defend us. But I also know the toll a lost war takes on an army and a country. We, who are willing to support this new strategy, and give General Petraeus the time and support he needs, have chosen a hard road. But it is the right road.

No one would disagree that the Army's increased operational tempo and multiple combat tours in Iraq and Afghanistan have put our military, and especially our ground forces and special operations, under heightened burden. The announcement last week that the combat tours would be lengthened from 12 to 15 months reflects the complexity of the current circumstances.

The purpose of today's hearing is to receive testimony on whether the Army and Marine Corps are properly sized, organized, and equipped to respond to the most likely missions over the next two decades.

In recent months there have been reports that warn of costs on the troops and the readiness of the Army as a result of multiple deployments. This morning the committee will look forward to your responses to issues in this ongoing public debate on the readiness of our ground forces. The underlying concerns include: reports about the declining readiness of nondeployed units; the extremely high equipment usage rates; the departure of mid-grade officers and noncommissioned officers leaving the Service at higher rates; the over-reliance on the National Guard and Reserves as Active-Force augmentees; and the impact of the high operational tempo on Army families.

Accordingly, you will be asked if the planned expansion of the Army can be accomplished soon enough to mitigate the impact of the current pace of the force and, subsequently, avoid the hollow military that some suggest may be looming: and will that expansion impact the Department of Defense's ability to modernize.

In addition, the committee will want to examine whether the Army and Marine Corps's modernization and transformation programs will provide the country with the capability to provide relevant land power to both full spectrum combat missions and stability and support missions in this long war, and still be prepared for other uncertain and complex threats to our homeland defense and national interests. Accordingly, the committee will explore whether or not, and how, our military Army can concurrently modernize, transform, and restation the force under the demands of ongoing operations and rotation cycles.

Addressing Congress at the end of his long and distinguished career, Douglas MacArthur admonished that, "When America goes to war there can be no alternative to victory." With these simple words, MacArthur has given us the gauge, the standard, by which we need measure the size and organization of the future Army and Marine Corps. It is necessarily inexact and imprecise because such is the nature of war—it possesses an uncertainty that is exceeded only by the stakes which cause you to go to war in the first place. Much has changed in the world since General MacArthur uttered those words—but not our responsibility to provide America's sons and daughters the best equipment, the best training, the best care, and yes, the overwhelming superiority necessary to ensure that we leave no alternative to victory. Even then, however, success is not guaranteed. If today's war in Iraq has taught us anything, it is that the uncertainty of the battlefield of the future requires a level of planning and training and preparation and persistence that goes beyond our practice of the past.

There is certainly quite a deal of ground to cover, so, in closing, I do not want to forget that in all of this America's sons and daughters who put themselves in harm's way each and every day. Their service and dedication is selfless and inspiring. I would also like to recognize Army families who have sacrificed so much.

I thank our witnesses and look forward to their testimony.

Chairman LEVIN. The evidence is overwhelming that our ground forces are under intolerable strain. Last week's decision, announced by the Secretary of Defense, that deployments of all Active Duty Army brigades in Iraq and Afghanistan would be immediately extended to 15 months, as would all future deployments, will worsen that strain. It is also one more indicator that the burden of over 5 years of war in Afghanistan, and going on 5 years of war in Iraq, is falling disproportionately on the Army and Marines; more specifically, on soldiers and marines and their families. Some units are on, or entering, their third year of Afghanistan or Iraq service, and some individual soldiers are on their fourth. Marine Corps units and marines have seen equal, or greater, numbers of deployments, although of shorter duration.

The duration and intensity of the conflicts, beside wearing out the servicemembers, are tearing down the equipment at alarming rates. The readiness of nondeployed forces is at dangerously low levels as has been testified to by the former Army Chief of Staff and the Commandant of the Marine Corps.

A DOD Inspector General (IG) report in January identified force protection equipment shortfalls among units deployed in Iraq and Afghanistan, including armored Humvees, electronic counter-improvised explosive devices (IEDs), machine guns, night-vision equipment, and radios. The Army and Marine Corps were unprepared for the insurgency that followed the fall of Saddam Hussein, requiring the Nation to frantically increase funding and production of armored vehicles, body armor, and other equipment required for occupation and counterinsurgency operations. In order to equip forces deployed to Iraq and Afghanistan, units not deployed are short equipment necessary to stay trained and ready. This increases the cost and time required for nondeployed units to get ready for their turn in the rotation. Equipment is wearing out faster than anyone planned, and the cost and time to repair and replace this equipment increases the pressure on unit predeployment preparation.

The Ready Brigade that we have traditionally kept in reserve has now been committed and is not available for contingencies. According to a recent Time magazine article, ground forces face a laundry list of problems that undermine the readiness of our non-

deployed forces, and makes preparing units to deploy that much more difficult, costly, and risky. Troops are being sent into harm's way with less training, shorter breaks, and worn-out equipment. Troops deployed to Iraq and Afghanistan more than once, and over 170,000 have been so far, are 50 percent more likely to suffer acute combat stress. Soldier suicide has grown at a steady rate—has shown a steady increase, rising from 51 confirmed in 2001 to 91 last year. Desertions are climbing. Manpower shortages exist. Reportedly, an artillery battery arrived in Iraq with only 72 percent of its required personnel. Since 2004, the Army employs a stop-loss policy that prevents 70,000 from leaving the Army at the end of their enlistment.

To relieve some of the pressure on the Army, DOD has tasked 20,000 Navy and Air Force personnel to perform traditional Army roles, such as combat convoy security and detainee guards.

Recruiting is meeting its goals only with less qualified people. The lowest acceptable category of recruits has climbed to 4 percent of all enlistments. Only 81 percent of recruits have high-school diplomas, down from 94 percent in 2003 and below the DOD goal of 90 percent. The maximum enlistment age was raised from 35 to 42 years, with 12 percent of those over 35 dropping out within 6 months of enlisting. Waivers for criminal records, medical problems, and low aptitude have climbed to over 8,000, well above the 4,900 of only 3 years ago.

The dollar cost of recruiting and retaining soldiers is skyrocketing—$1 billion, this year and the next year, to recruit new soldiers; $600 million, in 2006, for re-enlistment bonuses. The Army will be at least 3,000 mid-level officers—captains and majors—short through 2013, with only 83 percent of the majors that it needs in aviation, intelligence, engineering, and military police.

So, the Army and Marine Corps are clearly overstressed, and we must act promptly to fix those problems. But we must fix these problems in a way that positions those forces to meet the most likely, as well as the most dangerous, contingencies for the future. Secretary Rumsfeld said, and I paraphrase, "You go to war with the Army you have, not with the Army that you need or wish you had." We never should hear words like that again, because unlike the Army that Secretary Rumsfeld sent, which was unprepared, underequipped, and ill-equipped to fight the insurgency in Iraq, we need to get it right before we commit future soldiers and marines. We need to ensure the Army and Marine Corps are properly organized, trained, and equipped to respond to the most likely contingencies of the next two decades, while retaining the capability to respond to all contingencies along the spectrum of combat.

What are those most likely missions? Conventional force-on-force fights or counterinsurgency? Does organizing for one, the conventional mission, ensure that we can do the other, which may be the most likely and prevalent?

Belatedly, after much pressure from members of this committee and others in Congress, the DOD intends to increase the size of the Army and Marine Corps. Had that decision been taken earlier, perhaps our soldiers and marines would be under less stress today. We need to examine these new plans for growth to determine the

appropriate size of the ground forces to minimize risk across the spectrum of combat at optimal cost.

Are the planned increases sufficient? Or must we add even more? Or, conversely, can we add fewer than are currently planned, and use those resources for other high-priority defense requirements? The Army and Marine Corps are planning to add additional combat units to help meet the demands of the current rotational cycles. But these additional units will probably not be available in time to relieve the stress on the current forces. We must ensure, as we grow the ground forces, that we don't simply create larger versions of the less-ready forces that we have today, or that we create forces which are ill-suited to the likely missions of the future.

We also have to ensure that the Army and Marine Corps modernization plans are correctly targeted to give those services the necessary capabilities, and are adequately funded to do so. That might mean a larger defense budget, a differently apportioned defense budget, or both.

For help in sorting through these issues, we've assembled a notable panel of experts in defense and national security studies: Dr. Lawrence Korb, Dr. Andrew Krepinevich, General (Retired) Barry McCaffrey, and Major General (Retired) Robert Scales. They're all well known to this committee and to the defense community. We value their expertise.

We thank them for taking the time to join us today. Their written statements will be inserted in the record, and, to allow sufficient time for questions and discussion, we would hope that they would summarize their written statements in their opening remarks.

Finally, let me express my appreciation to Senator Lieberman for his suggestion that these issues are most appropriate to be addressed at a full committee hearing instead of a three-subcommittee joint hearing, as originally contemplated. The committee began addressing these issues with a Personnel Subcommittee hearing on March 28 on military personnel matters, including recruiting. We will follow up this morning's hearing later this afternoon. I believe that's the schedule. The Readiness and Management Support Subcommittee holds a closed briefing with the Army and Marine Corps to go into details regarding the current readiness of our combat units. Subsequently, the Readiness and Management Support Subcommittee plans to invite nondeployed brigade commanders from the Army, Marine Corps, and National Guard to testify on the readiness of their units to respond to contingencies across the full spectrum of conflict, abroad or at home, and the challenges of manning, equipping, and training the force when not actively preparing to deploy to Iraq or Afghanistan. Next week, the Airland Subcommittee will hold a hearing with the acting Secretary and Chief of Staff of the Army to receive their responses to this morning's hearing and to other questions. The Seapower Subcommittee is attempting to schedule a hearing to follow up on Marine Corps issues.

Thank you, again, to our witnesses this morning for a very significant hearing.

We will start with General McCaffrey.

STATEMENT OF GEN BARRY R. MCCAFFREY, USA (RET.), PRESIDENT, BR MCCAFFREY ASSOCIATES, LLC

General MCCAFFREY. Senator Levin, thanks very much to you and the other members of the committee for the opportunity to come and appear before the committee.

Let me also, if I may, qualify my remarks by saying I appeared before the Senate Foreign Relations Committee and talked about the war in Iraq and Afghanistan. I'll try and confine my remarks directly to the substance of your hearing, the readiness of ground combat forces.

Seven quick assertions. I'd be prepared to either respond to your own questions or defend the assertions in the remainder of the hearing, but just put them on the table for us to consider.

Number one, the Army and the Marine Corps are too small. I've been arguing, for the last 36 months, the Army's probably short by 80,000 or more; Marine Corps, by 25,000 or more. You, in your opening statement, cited some of the obvious evidence of that fact. I play a trick question with serving Army officers: How big is your Army? The answer always comes back wrong, because they don't take into account that the serving combat forces include huge numbers of National Guard and Army Reserve, as well as members of the Air Force and Navy. I look at combat logistics units headed up into Iraq from Balad, and you'll find sailors and airmen throughout that battle force. The Army is simply too small. One can argue it's the smallest Active Force since prior to World War II, trying to sustain this campaign.

The second assertion is, the Army's ground combat equipment is a disaster. I've tried to put a number on it, and I think the answer is probably $212 billion. It's the cost of rebuilding not only our fighting-force equipment in the Active units, and the National Guard, and continuing a modernization program that has been badly dealt with. You look at the top projects on the DOD budget right now, number four is the Future Combat System (FCS); number 17 is Stryker. Those are the only two Army programs that break $1 billion. We're simply not funding the repair and reset of the Army ground combat equipment.

Number three, the National Guard. It is hard for me, and after 5 years as drug policy director, I learned that, in this country, the only large-muscle organization, outside of the standing military, is the National Guard. In my view, it is vital to our security. It's being broken by a policy that essentially uses it as an alternative to the standing Army. In the coming year, I think we'll be forced to call up as many as nine National Guard combat brigades for second involuntary tours, never mind the combat service support units that have to come out of the Reserve components.

Assertion number four—and this one, it's almost an out-of-body experience for me to listen to DOD spokesmen, such as Dr. Chu—I would argue, though Army reenlistment inside combat units in Iraq is superb—when you look at the morale, the spirit of our combat units in both areas of operation, it's superb—however, our recruiting, I would argue, is starting to unravel, and it's being masked by deliberate, deceptive number-keeping during the Rumsfeld era. The requirements have been kept artificially low by keeping stop-loss programs; calling up the Individual Ready Reserve,

people who have been out of the military for 20 years and have zero relevant skills, they're just a body; by the sailors and airmen who have been jerked into the Active ground-combat role; and excessive use of the Reserves.

My own gut feeling is that 10 percent of Army recruits are of poor caliber and should not be in uniform. They're in there under waivers for non-high-school graduate, moral turpitude, felony arrest, drug use. The notion that we're going to use 42-year-old first-term soldiers is simply laughable. We want teenaged boys and girls, and as old as maybe 30—that's who we're trying to get in, to carry M–16, M–4 rifles.

I think we've also tried to keep the Army reenlistment-rate numbers depressed by changing our standards on Army basic training. There's no question to me that the flunkout rate in Army basic training was deliberately put low to try and keep bodies flowing into the Active Force. We've cut the dropout rate by two-thirds. I'm sure the Army will come up with arguments on why that was a rational move. I certainly don't blame them for trying to maintain the fighting strength of the forces, but we shouldn't kid ourselves that we're not keeping in uniform people who simply don't have the physical or mental capacity to serve in this demanding environment.

Number five, an assertion: the Army's restationing strategy has been unexamined by the U.S. Congress. We have 200,000 troops and families coming out of western Europe back to the United States. We're pulling troops out of Korea, Okinawa, and Japan. In all those theaters of operations, the base infrastructure, the training infrastructure, has been paid for largely or partially by the North Atlantic Treaty Organization (NATO), the Korean Government, the Japanese Government, and others. We've ordered them home. The war's going to unravel in Iraq, I would assume, within 36 months. It's not clear to me that we have either the time or the resources devoted to restation these elements. They may well unravel, evaporate, simply because of the lack of a base to put them into.

In addition, if you bring brigades out of central Europe, where they're 3-hours' flying time from Baghdad, and bring them back to Fort Riley and Fort Bliss, did we examine analytically how we get them back 7,000 miles to their theater of operations? In two senses—one, not just the base infrastructure—the railroad, highway, aviation capacity to launch them—but to what extent did we examine the U.S. Navy and Air Force capability to support an expeditionary continental United States-based military ground combat capability?

I think the Air Force and the Navy, I might add—the number I'm using, I think, is probably low—have lost $55 billion of modernization money to put into Army and Marine ground combat operations. That's going to be a problem, not just in the long run, in terms of confronting deterring the People's Republic of China (PRC) expansionism in the coming 20 years, but, in addition, it argues that the Air Force has seriously underfunded programs like C–17 acquisition.

Do we have the time—the bottom line is, do we have the time or the resources to build base areas to bring that—those combat forces home?

Assertion number 6, I think we're at the knee of the curve in terms of loss rates in senior and mid-grade noncommissioned officers (NCOs) and middle-grade officers—captains, in particular. I think you're going to see a huge change in the caliber of that force as we start disproportionately losing Reserve Officer Training Corps (ROTC) distinguished military grad kids and West Pointers, and we're going to have to scramble and replace them with dedicated, but probably lower-caliber, forces—officers out of the existing Army. We're short thousands of officers, as you state. Our promotion rates have skyrocketed to almost automatic promotion to make up for the shortfall.

Then, the final assertion, for the first time, I would argue, since the end of Vietnam, we're faced with a situation where there is no strategic Reserve. There is no question in my mind, in the coming 10 years, that we will encounter shocks to our national security. We'll be attacked by terrorists, without question, in the coming decade. We will see the death of Castro and maybe a half-million Cubans at sea, where we're going to turn to our National Guard and ask them to safeguard people in a humanitarian disaster. We may well find interventions by the Syrians and North Koreans, the Iranians, or others. We simply do not have a strategic fallback position. The crisis will come, inevitably. I think this Congress, bottom line, I would urge, needs to step forward, under Article I of the Constitution—as I tell our cadets at West Point, you are charged with raising and supporting an Army and maintaining a Navy—not the administration.

The bottom line, Mr. Chairman, members of this committee, it is my judgment we are in a position of strategic peril that's going to take us 3 to 5 years to get out of. The time now is for action.

So, again, I thank you, sir, for calling this hearing, for the members of the committee being so engaged in the issue.

Thank you.

[The prepared statement of General McCaffrey follows:]

PREPARED STATEMENT BY GEN BARRY R. MCCAFFREY, USA (RET.)

THE CONGRESS MUST STEP UP TO YOUR CONSTITUTIONAL DUTIES

Senator Levin and Senator McCain—Thank you for the opportunity to testify today. This Senate committee is a vital part of America's defense. Thanks to all of you on this committee for your intelligent oversight, your commitment to our Armed Forces, and for upholding Article 1 of the Constitution to raise and support an Army and maintain a Navy.

America has a lot at stake in the coming 24 months. The war in Iraq is going badly. The under-resourced war in Afghanistan is now starting to turn around for the better despite the growing Taliban violence and the massive drag of opium production which has turned the Nation into the largest narco-state in history. The consequences of failure in Iraq will be a disaster to the American people and our allies if we cannot achieve our objective to create a stable, law-based state at peace with its neighbors—and which can create enough consensus among the three major warring factions of Shia, Kurds, and Sunni to govern without the continuation of the bitter civil war which now has engulfed the Iraqi people.

We have 150,000 U.S. troops battling in Iraq and 22,000 fighting bravely in Afghanistan. These are the finest, most courageous military men and women we have ever fielded in battle. Their commanders—who have almost without exception at company, battalion, and brigade level served multiple combat tours—are the most

capable battle leaders that I have encountered in my many years of watching our Armed Forces with admiration.

Our new leadership team in Iraq—our brilliant new commander General Dave Petraeus and the equally experienced Ambassador Ryan Crocker—are launched on a new approach to use political reconciliation, new methods and equipment to strengthen the Iraqi security forces, and enhanced U.S. combat protective power to stabilize the situation. We must give them time and space. They need the budget supplemental passed quickly—and the required congressional political backing to push this one last chance at success in Iraq.

However, the purpose of my testimony is not to talk about the ongoing tactical operations in Central Command—but instead the disastrous state of America's ground combat forces. Congress has been missing-in-action during the past several years while undebated and misguided strategies were implemented by former Secretary Rumsfeld and his team of arrogant and inexperienced civilian associates in the Pentagon. They have gotten us in a terrible strategic position of vulnerability. The Army is starting to crack under the strain of lack of resources, lack of political support and leadership from both the administration and this Congress, and isolation from the American people who have now walked away from the war.

No one is actually at war except the Armed Forces, their contractors, and the Central Intelligence Agency. There is only rhetoric and posturing from the rest of our Government and the national legislature. Where is the shared sacrifice of 300 million Americans in the wealthiest nation in history? Where is the tax supplement to pay for a $10 billion a month war? Where are the political leaders calling publicly for America's parents and teachers to send their sons and daughters to fight "the long war on terror?" Where is the political energy to increase the size of our Marine Corps and U.S. Army? Where is the willingness of Congress to implement a modern "lend-lease program" to give our Afghan and Iraqi allies the tools of war they need to protect their own people? Where is the mobilization of America's massive industrial capacity to fix the disastrous state of our ground combat military equipment?

We are fortunate that we now have a new Secretary of Defense Bob Gates—who is experienced, a patriot, and open to pragmatic logic on dealing with the perils we now face. Secretary Condi Rice is immensely experienced and now using the leverage of her powerful office to exert America's essential "goodness" in the diplomatic arena. The White House Chief-of-Staff Josh Bolton has now opened a frank dialog with many in the public policy arena to begin to build a unity we will need to deal with the international menaces we now face. We are not going to successfully deal with the many national security problems we now encounter unless Congress and the administration can hammer out a new strategy going forward which depends on international dialog, economic nation-building, and strong military determination and power.

THE CURRENT ARMY IS TOO SMALL

Our Army has 44 brigades—but 23 are deployed. We cannot sustain the current rate (20+ brigades to Iraq; 2+ brigades to Afghanistan) of deployment. The Army will unravel.

We will not be able to handle possible missions to Korea, the Taiwan Straits, the Balkans, Cuba (death of Castro), Syria, Venezuela, Darfur, and possibly Iran. We may be attacked by terrorists here in the continental United States. We may suffer from natural disasters—massive earthquakes or major hurricanes such as the devastation caused by Katrina in the Gulf Coast States.

Last week, the Secretary of Defense announced a 3-month extension on all Army deployments—a 25-percent increase. This was a good call by Secretary Gates for Army families—we have been piecemealing out these extensions to an enormously over-committed force at the last minute. However, this is just another indication of inadequate Army manpower.

THE SENATE SHOULD CONCLUDE THAT WE DON'T HAVE ENOUGH TROOPS

The combat overload on the Army is having a negative effect on readiness. First time Active-Duty soldiers will spend more time at war than at home.

We are encountering a negative effect on the retention of mid- and senior-grade noncommissioned officers. We also are already seeing the impact on the retention of company-grade officers.

All "fully combat ready" Active-Duty and Reserve combat units are now deployed or deploying to Iraq or Afghanistan. No fully-trained national strategic Reserve brigades are now prepared to deploy to new combat operations.

Secretary Gates has publicly stated that the 15 month extension recognizes that "our forces are stretched . . . there's no question about that."

We have used a back-door draft to keep 70,000 soldiers in the Army with the "stop loss program" beyond their voluntary commitment. We have jerked 20,000 sailors and airmen into ground combat roles and taken them away from their required air and sea power duties. We have recalled as many as 15,000 Individual Readiness Reserve—in many cases these people had no current, relevant military skills. They were simply needed as bodies.

We have called up all of our National Guard enhanced readiness combat brigades at least once for 18 months of combat requirements. The Reserve components have been forced to act as an alternate full-time combat extension of our active units with protracted deployments. This is not what they enlisted for—nor is it a sensible use of the National Reserve components.

SENIOR ARMY LEADERS HAVE SPOKEN

Gordon Sullivan, the President of Association of the United States Army and former Army Chief of Staff (CSA) has publicly stated that even with 65,000 new GIs by 2012—the entire U.S. Army will only be 547,000 soldiers—it should be 700,000. General Sullivan tells us that the Army and Marines are being asked to shoulder a disproportionate share of nation's burden.

General Peter Schoomaker our just departed Army Chief-of-Staff stated that "We have to go to some extraordinary measures to make sure that we have the ability to respond properly [to the President's surge strategy]. General Speakes noted: "We can fulfill the national strategy but it will take us increased casualties to do the job."

In recent Senate testimony, the former Army CSA Pete Schoomaker said that the increase of 17,500 Army combat troops in Iraq represents only the "tip of the iceberg"—and will potentially require thousands of additional support troops and trainers, as well as equipment—further eroding the Army's readiness to respond to other world contingencies.

General Schoomaker further asserted to the Senate Armed Services Committee: "I am not satisfied with the readiness of our non-deployed forces. . . . We are in a dangerous period." He added that he recently met with his Chinese counterpart, who made it clear that China is scrutinizing U.S. capabilities.

Even if United States were to carry out a significant troop reduction in Iraq, General Schoomaker said in Senate testimony that he would advise going ahead with the Army's plan for a permanent increase of 65,000 active-duty soldiers by 2013. "The Army's too small for the century we're in," he said.

THE MARINES NEED MORE TROOPS

In recent Senate testimony, the Marine Corps Commandant General Conway discussed a required increase of Marine troops from 180,000 to 202,000—an increase of 5 battalions. This marine increase will take 5 years; it doesn't address the current shortage of marines.

Deployment-to-dwell ratio is currently 1:1; DOD policy states that stateside training and recovery time should be 1:2. We do not have enough marines. The numbers speak for themselves.

This increase in deployment-to-dwell ratio means a direct decrease in the readiness of deployed units to carry out the full range of missions required for our global fighting force.

Over 70 percent of the proposed Marine Corps end strength increase will be comprised of first-time marines—challenging recruiting and retention efforts.

WEAKENING OF THE ARMY NATIONAL GUARD

The mathematics of our extended deployments suggest that we will be forced to call up as many as nine National Guard combat brigades plus required support forces in the coming 12 months for involuntary second combat tours—if we are to reset the force and create a strategic Reserve. (Note that DOD Assistant Secretary Chu states that this is "no big deal.")

The second round of involuntary call-ups may finally topple the weakened National Guard structure which is so critical to U.S. domestic security.

Eighty-eight percent of nondeployed Army National Guard units are rated as not ready or poorly equipped. The readiness of our National Guard forces is at a historic low.

However, the Washington Post has reported that the Pentagon is still planning to rely on these unready forces to meet surge requirements.

The Army Guard/Reserve is anticipated to grow to 20–30 percent of deployed combat forces.

We are now seeing a high loss rate in both Active and Reserve components of senior NCOs, West Point graduates, and many other highly-qualified battle leaders.

RECRUITING STANDARDS ARE COMPROMISED; TROOP BASIC TRAINING STANDARDS ARE COMPROMISED

The Army is lowering standards to meet enlistment goals and initial entry training standards in order to make manpower requirements. Recruitment will continue to be challenging as the Army tries to power up to add 65,000 permanent troops.

- In 2006, there was almost a 50-percent increase in waivers of enlistment standards from 2004—waivers for moral turpitude, drug use, medical issues and criminal records.
- Recruitment from least-skilled category recruits have climbed eight-fold over past 2 years; the percentage of recruits who are high school graduates dropped 13 percent from 2004 to 2006.
- We are increasing the age of first-time enlistees—we are now enlisting 42-year-old soldiers. We should only want soldiers in superb health—from age 18- to about 30-years-old. The Army is not push-button warfare—this is brutal, hard business.
- The promotion rates for officers and NCOs have skyrocketed to replace departing leaders. We are short thousands of officers. We have serious mismatch problems for NCOs.
- We have been forced to use U.S. and foreign contractors to substitute for required military functions. (128,000 contractors in Iraq—includes more than 2,000 armed contractor personnel.) Thousands of these brave and dedicated people have been killed or wounded. They perform most of our logistics functions in the combat zone. (Transportation, maintenance, fuel, long-haul communications, food service, contractor operation of computer based command and control, etc.) Under conditions of great danger such as open warfare caused by Iranian or Syrian intervention—they will discontinue operations. Our logistics system is a house of cards.

A LOT OF U.S. ARMY COMBAT EQUIPMENT AND TOO MANY AIR FORCE AIR LIFT ASSETS ARE BROKEN

The shortfall on Army equipment is $212 billon to reset the force and its reserve stockpiles—as well as buy the required force modernization for the additional troops.

The National Guard Bureau Chief, Lieutenant General Steven Blum, in House testimony, stated that the Army Guard has only 40 percent of its required equipment. (Generators, trucks, communications, helicopters, tentage, modernized fighting vehicles, medical equipment, etc.) We are compromising the quality of National Guard force training and limiting the Guard's ability to respond to domestic disasters; fundamentally the National Guard is in a "degraded state back at home."

About 40 percent of Army/Marine Corps equipment is in Iraq or Afghanistan or undergoing repair/maintenance. We are now drawing down gear from prepositioned stocks of major equipment. (i.e., Humvees, tanks) The situation creates a U.S. strategic vulnerability since rapid deploying units will find their equipment is unavailable for other conflicts.

LTG Blum has stated that even if the National Guard receives the funding currently pledged by the Army and Air Force—the equipment accounts will still be short $40 billion required to bring units back to 90 percent level of readiness.

Equipment shortages mean troops train on outdated equipment—or equipment which is not identical to the material they will be using in combat.

The nature and pace of operations in Iraq and Afghanistan is wearing out critical equipment much faster than expected. In some cases, equipment is being used as much as nine times the intended peacetime training tempo.

The DOD Inspector General (IG) concluded that U.S. troops are being sent into combat without the necessary equipment—troops are forced to delay operations while they wait for the right equipment to become available. (DOD/IG, Equipment Status of Deployed Forces.)

The required number of late model Improved Humvees will not reach Iraq until the end of year. The latest models of uparmor Humvees will better protect against the advanced roadside bombs which currently cause about 70 percent of all U.S. casualties in Iraq.

We are flying the wings off our C17, C5, and C130 fleet. We are being forced into excessive reliance on contract air lift for personnel and cargo. (To include former Soviet aircraft).

CONCLUSION

We are breaking our commitment to our soldiers. In return for their voluntary service—we are not providing them with tools they need to carry out their mission. We must fix the broken equipment of the Army, Marines, and Air Force on a crash basis.

We are failing our troops in that we are stretching them too thin and asking them to do more with much less. Many of these combat, CS, and CSS units are now serving on their third, fourth, or even fifth combat tour. 28,000 have been killed or wounded. Their training resources are being grossly short-changed. Their follow-on medical care is inadequate and under-resourced. We have ignored the reality of inadequate numbers of ground combat troops. We must increase the Active-Duty U.S. Army strength by 80,000 soldiers in the coming 36 months. We must increase the Active-Duty marines by 25,000 troops. We must create the Special Operations Forces needed to protect us in the coming 25 years of the war on terror. We must buy the strategic airlift and air refueling requirements to deploy global combat power. (600+ C17 aircraft for a single aircraft fleet.)

The monthly burn rate of $9 billion a month in Iraq and $1 billion a month in Afghanistan has caused us to inadequately fund the modernization of the U.S. Air Force and Navy by diverting funds (as much as $55 billion) to support the ongoing ground war. If this continues, we will be in terrible trouble in the coming decade when the PRC emerges as a global military power—which we will then face in the Pacific with inadequate deterrence.

Secretary Rumsfeld unilaterally pushed through a concept to bring our deployed military forces back from Europe, Okinawa, and South Korea without any debate on the strategic wisdom of leaving NATO/Japanese/Korean provided training and basing infrastructure—for an unfunded infrastructure requirement in the United States. Have we analyzed and funded the Air Force and naval resources required to project power from U.S. basing—back to operational areas in the global fight? How much time will be required to posture and build the U.S. transportation systems (rail, interstate highways, airports, and seaports) required to launch stateside units back to operational areas? Why is it a good idea to increase the separation of military families from their servicemembers—with a concept of unit unaccompanied deployments to rotational missions in the Balkans, etc?

The U.S. Armed Forces are in a position of strategic peril. Congress must act.

Chairman LEVIN. General, thank you for your testimony, for your service, and for all the contributions that you make on such an ongoing basis.

Dr. Korb?

STATEMENT OF DR. LAWRENCE J. KORB, SENIOR FELLOW, CENTER FOR AMERICAN PROGRESS

Dr. KORB. Mr. Chairman, I think you have summarized, in your opening statement, the current situation, so I won't go into that. I'll pick up on General McCaffrey's last comment, that we're in strategic peril, and address the concerns that Senator Warner mentioned.

About a quarter of a century ago, we were in a similar situation, in terms of the All-Volunteer Military. In the leadership in this committee, you had a bill that was actually started, called Nunn-Warner—before we had Nunn-Lugar, we had Nunn-Warner—to deal with the situation. I think, as a result of that, with this committee and working with successive administrations, we were able to assemble probably, by all accounts, the finest military we ever had.

Now, I think we learned an awful lot of lessons then that are important for now:

The first thing we learned is that you don't lower your standards. It's better to take a smaller force than to lower your standards, because once you do that, it begins unraveling. This is something we

did in the late 1970s, before people realized how bad the situation was.

The next thing is that you need to have predictability for the people in the Service. The unwritten contract that you make with people is that if you're deployed for 1 year, you'll be home for 2 years. After I finished my testimony, I happened to watch Meet the Press on Sunday, and I think General Anthony Zinni, USMC (Ret.) put it very well. He said, "Traditionally, you need three units for every one you have deployed. That's the ideal, in terms of training, reconstructing the unit, the kind of quality of life and family time necessary to rebuild the unit before it goes out." We're down to almost one-to-one, and, in fact, in some units, are not getting a year before they go back.

Similarly, we learned that to keep a vibrant National Guard, you should not deploy people for more than 1 year out of every 5. In fact, that was the policy under Secretary Rumsfeld. Again, there's a certain amount of predictability. People have civilian careers, they have other concerns. When you do that, you're going to cause yourself problems.

Now, in terms of where we are now—and you've all talked about the certainty—the readiness problems—but I think you also have a human—a moral dimension to this. We often talk about the fact that we cannot leave Iraq precipitously, because we have a moral obligation to the Iraqi people, having overthrown their government. Certainly, there is merit to that argument. We also have a moral responsibility to the young men and young women that we take into the service, to ensure, before we put them in harm's way, that, in fact, they are trained to the best of our ability to do so. As pointed out—you refer to the Time magazine article, I refer to it in my testimony—you're taking people—again, according to newspaper accounts—right out of basic training, putting them into units, they're missing the unit training out at Fort Irwin, and you're sending them into battle. The Time magazine article has a graphic description of a young 18-year-old man who missed the training cycles, joined the unit late December, was deployed in January, and then was killed by friendly fire in February. We do not know what would have happened had he been able to have that training, and bonded, and had this unit cohesion. But, the fact of the matter is, we should not be taking those risks.

Now, Secretary Rumsfeld said, "You go to war with the Army you have." We had a chance, as a Nation, right after September 11, and particularly—this administration knew back then they were going to go to Iraq, as well as Afghanistan—to increase the size of the Army, to increase the size of the Marines. We did not take it. It's going to be much more difficult now.

One of my relatives, a young man, tried to join the Navy. They wouldn't take him. I had been in the Navy, and somebody wanted me to call, and I said, "What's the problem?" It turns out that this young man had a driving-under-the-influence citation, and the Navy wouldn't take him. You know what the recruiter told me when I called? He said, "Tell him to join the Army." That's the type of thing that I think we have to be very, very, very careful about. General McCaffrey talked about the moral waivers, over 8,000 last year.

Now, we need to rebuild the force, and in my testimony I make a couple of points in there that I think we have to be very careful. We do need to rebuild the Army Ground Force. This so-called global war on terror is going to go on for a while, and you could have situations where we would have to send large numbers of ground troops in a place like Pakistan, for example, if that government should implode. When we do it, when you do it, I urge you, first of all, do not lower the standards. You have those standards. There's good, empirical evidence as to why we have the standards for high-school graduates and people who score average and above average on the Armed Forces qualification test.

I came across an article the other day, it said that the Army National Guard has told their people to take many more of the Category 4s (Cat 4s). That's not the way to go.

The next thing is, we cannot simply rebuild the Army that we have. You need to develop new capabilities, peacekeeping and counterinsurgency skills need to be developed.

Third, you need to do it in a fiscally responsible way. Your staff pointed out to me last night the Congressional Budget Office (CBO) study that said adding the additional ground forces to the Army and Marine Corps is going to add to the defense budget, over the next 5 years, over $100 billion. I think $108 billion was the number. We have to make some tradeoffs.

Senator Warner was kind enough to talk about some of us working to save the All-Volunteer Military in the 1970s, and one of the people, when we met with Senators Nunn and Warner, was former Secretary of Defense Melvin R. Laird under President Nixon. One of the things he told me is, "People, not hardware, have to be your highest priority if this is going to work." So, you have to give priority to that, you have to make some tough choices in the rest of the budget.

As I look at the budget, I think we have a lot of weapons that deal with threats from a bygone era, so I urge you to take a look at that, because, given the other constraints on the budget, in terms of Social Security as the baby-boomers start to retire, it's not going to be easy to add that money, over and above.

Then, finally, I would say that what we need to do is get rid of constraints on personnel that are no longer relevant. I agree with General John Malchase David Shalikashvili, USA (Ret.), it's time to get beyond, "Don't ask, don't tell." The Uniform Code of Military Justice is perfectly adequate for dealing with people who happen to be gay or lesbian. The same way, drop the artificial constraints on women in ground combat. As they have demonstrated over there in Iraq, they are perfectly capable of handling these missions, because there is no front line.

Now, let me conclude with this. Can we make it on a volunteer basis? With this size Army, it's going to be very difficult if we stay in Iraq very long. The concept, when we went to the volunteer military, is, you would have a small Active Army. You would then have an Army National Guard that would be a bridge to conscription if you got involved in a long ground war. As I tell young people—and I go around and speak in a lot of college campuses: Why do you think we make men register? So they can see the post office? We make them register as a fallback. I think we have to take a look.

I don't know what's going to happen. There's a lot of debate going on now about how long we will stay in Iraq and what we want to do. But, as Senator Levin mentioned, these additional units are not going to be available to deal with this situation in Iraq in the short-term.

So, I do worry, and I conclude with a quote I heard the late General Davenport Maxwell Taylor, USA (Ret.) say. He said, "We sent the Army to Vietnam to save Vietnam; we took the Army out of Vietnam to save the Army." The question really is, do we have to take the Army out of Iraq in order to save the Army?

Thank you.

[The prepared statement of Dr. Korb follows:]

PREPARED STATEMENT BY DR. LAWRENCE J. KORB

Chairman Levin, Ranking Member McCain, and members of the Senate Armed Services Committee, I appreciate the opportunity to appear before you with these genuine war heroes to discuss the current state of the Nation's ground forces. I cannot think of a more critical issue facing the Nation at this time.

After more than 4 years of being engaged in combat operations in Iraq and 6½ years in Afghanistan, America's ground forces are stretched to their breaking point. Not since the aftermath of the Vietnam War has the U.S. Army been so depleted. In Iraq, about 3,300 troops have been killed and another 24,000 wounded. The Army is severely overstretched and its overall readiness has significantly declined. As General Colin Powell noted in December even before the surge, the Active Army is about broken, and as General Barry McCaffrey has noted the ground forces are in a position of strategic peril. The Marine Corps is suffering from the same strains as the Army, and the situation for the Army National Guard is even worse. The decision to escalate or to "surge" more ground troops into Iraq will only put additional strain on the ground forces and threatens to leave the United States with a broken force that is unprepared to deal with other threats around the world.

Army and Marine commanders will only be able to provide these additional troops by cutting corners on training and equipment and by putting additional stress on those in uniform. The unprecedented decision by Secretary Gates last week, that tours for Army brigades would be extended from 12 months to 15 months, is something that was not even done in Vietnam when we had over 500,000 troops on the ground or in Korea where we had over 300,000. This only further demonstrates the dire situation that the Army is facing.

Meanwhile, the combat readiness of the total Army (Active units, the National Guard, and the Army Reserve) is in tatters. General Peter Pace, Chairman of the Joint Chiefs of Staff, conducted his own review of the military and concluded that there has been an overall decline in military readiness and that there is a significant risk that the U.S. military would not be able to respond effectively if it were confronted with another crisis. The simple fact is that the United States currently does not have enough troops who are ready and available for potential contingency missions in Iran, North Korea, or anywhere else. For example, when this surge is completed all four brigades of the 82nd Airborne will be deployed, leaving us with no strategic ground reserve. Even at the height of the Korean War, we always have kept one brigade in the continental United States. But it is not simply that so many of our soldiers are committed to Iraq, but that so much of the Army's and the Marine Corps' equipment is committed to Iraq as well.

In the following four sections I will discuss the misuse of the All-Volunteer military in Iraq, the personnel and equipment challenges confronting the ground forces, and in the final section I will make some recommendations for rebuilding and expanding the ground forces.

IRAQ AND THE ALL-VOLUNTEER MILITARY.

The current use of the ground forces in Iraq represents a complete misuse of the All-Volunteer Military. America's All-Volunteer Army, made up of well-equipped and highly-trained Active-Duty soldiers, backed up by a Ready Reserve, was designed to act as an initial response force, a force that would be able to repel and counter aggression. If America ever found itself in a long protracted ground war, or was forced to act against an existential threat, the All-Volunteer Force was to act as a bridge to re-instating conscription. This is why we require young men to register when they turn 18.

The All-Volunteer Force, particularly the Army component, as General John Abizaid noted last fall, was not "built to sustain a long war." Therefore, if the United States is going to have a significant component of its ground forces in Iraq over the next 5, 10, 15, or 30 years, then the responsible course is for the president and those supporting this open-ended and escalated presence in Iraq to call for reinstating the draft. That would be the responsible path.

In my view, however, this would be a mistake on par with the initial invasion of Iraq. Instead, I believe the United States should set a firm timetable for the gradual redeployment of U.S. forces over the next 18 months. During that time the United States should work to train and support Iraqi security forces and the Iraqi government while gradually handing over responsibility for security to the Iraqis. This action should be backed up with a diplomatic surge in which the United States would engage all countries in the region. There is no guarantee that this approach will be effective in stabilizing Iraq or the region. In fact, given the misleading justifications for the initial invasion and the way in which the Bush administration has conducted the war, there are no good options left. But I believe that this course, a strategic redeployment and a diplomatic surge, provides the best chance for stabilizing the region as well as mitigating the impact of Iraq on the ground forces and U.S. national security. As General Maxwell Taylor noted some three decades ago, "we sent the Army to Vietnam to save Vietnam; we withdrew the Army to save the Army." The same is even more true for Iraq today.

GROUND FORCES OVERSTRETCHED

Following September 11, the Bush administration had a tremendous opportunity to increase the size of the ground forces. Unfortunately, the President and Secretary of Defense Rumsfeld pursued a misguided and naíve policy. Instead of increasing the size of the ground forces they actually sought to cut them. This error was compounded when the Bush administration diverted its efforts from Afghanistan and proceeded to undertake an ill-advised invasion of Iraq. This strategic mistake has allowed the Taliban to reconstitute in Afghanistan, weakened the standing of the United States in the world, and has undermined the Nation's efforts in the fight against the radical extremists responsible for the attacks on September 11.

Today there is little doubt that the ground forces are overstretched. In early March, we at the Center for American Progress released a study chronicling the effects that sustained deployments in Iraq are having on the Army.[1] By analyzing every Army brigade we were able to convey the strain and fatigue placed on the force and illustrate its implications for our Nation's national security. The facts that we compiled are troubling:

Of the Army's 44 combat brigades, all but the First Brigade of the Second Infantry Division, which is permanently based in South Korea, have served at least one tour. Of the remaining 43:

- 12 Brigades have had one tour in Iraq or Afghanistan
- 20 Brigades have had two tours in Iraq or Afghanistan
- 9 Brigades have had three tours in Iraq or Afghanistan
- 2 Brigades have had four tours in Iraq or Afghanistan

Additionally, the task of sustaining or increasing troop levels in Iraq has forced the Army to frequently violate its own deployment policy. Army policy holds that after 12 months of deployment in a combat zone, troops should receive 24 months at home for recuperation and retraining before returning to combat. Even before the surge, the Army had reduced dwell time to 1 year. Increasing troop levels in Iraq will only force the Army to place more strain on those serving. In fact, on April 2 the Pentagon announced that two units will be sent back to Iraq without even a year at home. Extending deployments and shortening dwell time cause havoc on the lives of those serving in uniform.

It is also wrong, both militarily and morally, to send troops into a war zone who are not fully combat ready. Three units that are part of this surge show what happens when units do not receive what the Army calls the proper dwell time between deployments.

- The 1st Brigade of the Army's 3rd Infantry Division based at Fort Stewart became the Army's first brigade to be deployed to Iraq for the third time. It was sent over in January 2007 after about a year at home. But, because of its compressed time between deployments, some 150 soldiers joined the unit right out of basic training, too late to participate in the

[1] Lawrence Korb, Peter Rundlet, Max Bergmann, Sean Duggan, and Peter Juul, "Beyond the Call of Duty: A Comprehensive Review of the Overuse of the Army in Iraq," Center for American Progress, March 2006.

training necessary to prepare soldiers to function effectively in Iraq. Unfortunately one of the 18-year-old soldiers, Matthew Zeimer, who joined the unit on December 18, 2006, was killed on February 2 after being at his first combat post for just 2 hours. He missed the brigade's intensive 4-week pre-Iraq training at the national training center at Fort Irwin, California, getting instead a cut rate 10-day course.

- The 4th Brigade of the Army's 1st Infantry Division based at Fort Reilly was sent to Iraq in February, about a year after it was reactivated. More than half of the brigade's soldiers classified as E–4 or below and are right out of basic training and the bulk of its mid-level non-commissioned officers in the ranks of E–5 and E–6 have no combat experience.
- The 3rd Division's 3rd Brigade was sent back to Iraq this month for the third time after spending less than 11 months at home. In order to meet personnel requirements the brigade sent some 75 soldiers with medical problems into the war zone. These include troops with serious injuries and other medical problems, including GIs who doctors have said are medically unfit for battle. Medical records show that some are too injured to wear their body armor. According to Steve Robinson of Veterans for America, "this smacks of an overstretched military that is in crisis mode to get people onto the battlefield."

The strain on personnel and the difficulty of recruiting new soldiers in the midst of an unpopular war has prompted the Army to relax many of its standards and dramatically increase enlistment and recruitment bonuses.

While overall retention is good, the Army is keeping its numbers up by increasing financial incentives and allowing soldiers to reenlist early. Worryingly, however, retention among West Point graduates is declining and the Army's personnel costs continue to increase. Spending on enlistment and recruitment bonuses tripled from $328 million before the war in Iraq to over $1 billion in 2006. The incentives for Army Guard and Reserve have grown ten-fold over the same period.

After failing to meet its recruitment target for 2005, the Army raised the maximum age for enlistment from 35 to 40 in January—only to find it necessary to raise it to 42 in June. Basic training, an essential tool for developing and training new recruits, has increasingly become a rubber-stamping ritual. Through the first 6 months of 2006, only 7.6 percent of new recruits failed basic training, down from 18.1 percent in May 2005.

Alarmingly, this drop in boot-camp attrition coincides with a lowering of recruitment standards. The number of Army recruits who scored below average on its aptitude test doubled in 2005, and the Army has doubled the number of non-high school graduates it enlisted last year. In 2006, only 81 percent of the new enlistees have high school diplomas, compared to 94 percent before the invasion. Even as more allowances are made, the Government Accountability Office reported that allegations and substantiated claims of recruiter wrongdoing have increased by 50 percent. Last May, for example, the Army signed up an autistic man to become a cavalry scout.

The number of criminal offenders that the Army has allowed in the military—through the granting of "moral waivers"—has also increased significantly. Last year, such waivers were granted to 8,129 men and women—or more than one out of every 10 new Army recruits. That number is up 65 percent since 2003, the year President Bush ordered the invasion of Iraq. In the last 3 years, more than 125,000 moral waivers have been granted by America's four military services. A senior noncommissioned officer involved in recruiting and retention summarized the situation well when he told The New York Times on April 9, 2007, "We're enlisting more dropouts, people with more law violations, lower test scores, more moral issues. . . We're really scraping the bottom of the barrel to get people to join." Private Steven Green, the soldier arrested for his alleged role in the rape of an Iraqi girl and the murder of her family, was allowed to join the Army upon being granted one such moral waiver. Green had legal, educational, and psychological problems, didn't graduate from high school and had been arrested several times.

Most of last year's Army waivers were for serious misdemeanors, like aggravated assault, robbery, burglary, and vehicular homicide. But around 900—double the number in 2003—were for felonies. Worse, the Army does no systematic tracking of recruits with waivers once it signs them up, and it does not always pay enough attention to any adjustment problems.

READINESS CRISIS

Currently there are virtually no Active or Reserve Army combat units outside of Iraq and Afghanistan that are rated as "combat ready." The Army has deployed 20 of its 43 available Active-Duty combat brigades—meaning that virtually all its

forces are either in Iraq or are preparing to return there. In order to ensure that troops fighting in Iraq are fully equipped, units rotating out of Iraq have been leaving behind their equipment for units taking their place. The units that return home are often so depleted that the Marines have been referring to this phase as the 'post-deployment death spiral.'

As a result, combat-readiness worldwide has deteriorated to crisis levels. The equipment in Iraq is wearing out at four to nine times the normal peacetime rate because of combat losses and harsh operating conditions. As we have documented in studies done in coordination with the Lexington Institute, the total Army—Active and Reserve—now faces at least a $50 billion equipment shortfall and the Marines about $15 billion.[2] Without equipment, it's extremely difficult for nondeployed units to train for combat. Thus, one of the hidden effects of the Iraq war is that even the troops not currently committed to Iraq are weakened because of it.

To equip those on the ground in Iraq and Afghanistan, the Army and the Marines have been drawing down their prepositioned equipment stocks around the globe. These stocks are stored on ships or in strategic locations around the world to enable deploying units to be supplied rapidly. These stocks have been extensively diminished and limit the ability of the United States to respond to possible crises around the world. For instance, the Marine Corps has drawn down their prepositioned Reserve equipment stocks in the Pacific and Europe by up to 70 percent. The Army and Marines have been so overstretched that the United States has almost no ready Reserve of ground forces to effectively deal with a potential crisis on the Korean peninsula, in Iran, or in unstable Pakistan, for example, or to help alleviate the grave humanitarian crisis in Darfur.

The Reserve component is also in tatters. Lieutenant General Steven Blum, the head of the National Guard Bureau, stated that the National Guard is "in an even more dire situation than the Active Army but both have the same symptoms; I just have a higher fever." The Pentagon has had to increasingly employ the National Guard and Reserve in order to meet demands on the ground in Iraq and Afghanistan.

Both the Army Guard and Reserve began the wars in Afghanistan and Iraq with their units short tens of thousands of soldiers, or about 15 to 20 percent, and lacking more than 30 percent of their necessary gear. Those shortages have deepened as people and equipment are borrowed from units staying home to fill out those about to go overseas. According to Lieutenant General Clyde A. Vaughn, Chief of the Army National Guard, what the Guard is trying to deal with right now is "a situation where we have absolutely piecemealed our force to death."

To make matters worse, the Pentagon is set to notify National Guard brigades to prepare again for duty in Iraq. Some 12,000 troops are scheduled to be deployed to Iraq early next year. This would be the first time that full Guard combat brigades would be sent to Iraq for a second tour. These deployments are becoming increasingly necessary because the regular Army is not large enough to handle the mission in Iraq on its own. Originally these Guard units were to serve no more than 24 months total. However, these units and others in the Guard have already served 18 months—with training time and time in Iraq or Afghanistan—and now they are looking at least another 12 months in Iraq.

EXPANDING AND REBUILDING THE GROUND FORCES

Secretary Gates' decision to expand the Army and Marines is long overdue. At the Center for American Progress we have been calling for such an expansion for the past 4 years. However, the difficult situation facing the Army and the Marines requires a long-term approach toward expanding and rebuilding the ground forces. Increasing the size of the Army and Marines will not help the situation on the ground in Iraq. Instead, growing these forces is about preparing America's military for the future. I have the following recommendations:

Don't Lower Standards

The Army and Marines should meet their new end-strength goals without relaxing recruitment standards or retention and promotion criteria. In order to ensure the Army and Marines continue to get the best and the brightest, the current target of adding 7,000 soldiers and 5,000 marines per year is too ambitious in light of current circumstances and should be scaled back. Recruitment and retention standards should return to at least pre-Iraq standards. Congress must make sure that the

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[2] Lawrence J. Korb, Loren B. Thompson, Caroline P. Wadhams, "Army Equipment After Iraq," Center for American Progress and the Lexington Institute, April 2006; Lawrence J. Korb, Loren B. Thompson, Max A. Bergmann, "Marine Corps Equipment After Iraq," Center for American Progress and the Lexington Institute, August 2006.

quality of U.S. military personnel does not slide as it did in the 1970s. It is worth waiting a few extra years to ensure that the Army and Marines attract the men and women who possess the specialized skill sets needed for an effective 21st-century military.

Expand with a Focus on Peacekeeping and Counterinsurgency Operations

Following the war in Vietnam, instead of building off the experience of fighting an unconventional force, the military adopted the mantra of "no more Vietnams" and shifted its focus back to confronting conventional threats. We cannot make this same mistake today. It is clear going forward that America's ground forces have to be prepared to engage an entire spectrum of operations, from conventional ground combat to humanitarian and peacekeeping operations. The wars in Iraq and Afghanistan have shown that while our ground forces remain conventionally unmatched, there is significant room for improvement in our ability to conduct counterinsurgency and peacekeeping operations. In my view, the U.S. Army should consider developing specialized "peacekeeping" or "stabilization and reconstruction" brigades. Such specialized brigades would alter both the type of recruit the Army is seeking and the type of person who might be interested in joining the Army. It is important, therefore, that the decision about whether to create specialized brigades of this sort be made as soon as possible.

Grow the Forces in a Fiscally Responsible Manner

Growing the ground forces is an expensive endeavor. The current average annual cost of maintaining a single service member already exceeds $100,000. Currently the defense budget is severely unbalanced. Despite claims that September 11 changed everything, during Secretary Rumsfeld's tenure only two weapons systems were canceled. Many of the current weapons programs are unnecessary relics that were borne out of Cold War-era thinking. The challenge confronting the Army and Marines in terms of both escalating personnel costs and the deepening equipment crisis requires significant congressional attention and funding. Expanding the ground forces and recovering from Iraq and Afghanistan should be the overriding priority of the defense budget.

Open up the Military to all Americans who Possess the Desire, Talent, and Character to Serve

The Army and Marine Corps cannot afford to place unnecessary obstacles in the way of qualified men and women who want to serve. To this end, the military should make two major changes to its personnel policy.

- First, repeal the "don't ask, don't tell" policy. The "don't ask, don't tell" policy is counterproductive to military readiness. Over the past 10 years more than 10,000 personnel have been discharged as a result of this policy, including 800 with skills deemed "mission critical," such as pilots, combat engineers, and linguists. These are the very job functions for which the military has experienced personnel shortfalls. General John M. Shalikashvili, the Chairman of the Joint Chiefs of Staff in 1993 when the "don't ask, don't tell" policy was enacted, no longer supports the policy on the grounds that allowing gay men and women to serve openly in the military would no longer create intolerable tension among personnel and undermine cohesion. Additionally, a recent Zogby poll supports this view. It found that three-quarters of Afghanistan and Iraq veterans were comfortable interacting with gay people.
- Second, all military occupations should be open to whoever qualifies, regardless of gender. Currently, the Army prohibits women from serving in infantry, field artillery, and Special Forces units that directly engage the enemy on the ground. The idea that women who possess the requisite mental and physical skills should somehow be "protected" from the dangers of combat fails to acknowledge the reality of the modern battlefield and the role women are already playing in Iraq and Afghanistan. Nearly 100 women have been killed in these wars. We only impede our ability to build a 21st century military by constructing barriers where none need exist.

Twenty-six years ago I was fortunate enough to be confirmed by this committee to assume responsibility for the readiness of the Armed Forces. Because of Vietnam and its immediate aftermath, this nation had what the Vice Chief of Staff of the Army called a "hollow army." With the help of Congress, and in particular this committee, we were able to reverse this situation. Successive administrations and Congresses continued to maintain the quality of the force. It is hard to believe that the Bush administration has allowed the readiness of our ground forces to deteriorate

so rapidly in so short a time. I urge Congress and this committee to take the initiative in fixing the problem.

Chairman LEVIN. Thank you so much, Dr. Korb.

General Scales, you're next.

Thank you.

STATEMENT OF MG ROBERT H. SCALES, JR., USA (RET.), PRESIDENT, COLGEN, INC.

General SCALES. Thank you, Mr. Chairman, and thank you for the opportunity to testify today.

I think, in the various pieces that we've written, and in our statements for the record, General McCaffrey and the rest of my colleagues have talked about the conditions of the Army. What I'd like to do, sir, is just cast forward a little bit, because I think it's important to emphasize that, oftentimes, times of stress, times of great stress for a military, are just the times when the military can take stock of its condition and plan for how to reform itself and how to rebuild itself. All of us have gray hair here who are testifying, and all of us remember the days in 1971, 1972, and 1973, when the Army began the process of rebuilding during wartime. So, let me cast, for a moment, into the future and talk about three aspects of the next decade or so, as we look to reform and rebuild the Army and the Marine Corps.

First, I have to agree with everyone here, we simply have an Army and a Marine Corps that's too small. Senator Levin, remember 2 years ago, you and I and Senator Clinton and Lieutenant General Daniel W. Christman, USA, stood in the Senate and talked about 100,000 more forces needed for both. That was 2 years ago, and only about 4 months ago was a decision made to increase the military by about that number. I think it's just incontestable now that the Army and the Marine Corps need to be bigger. But the important question to ask is, if we're going to increase the size of the ground forces, how will we shape them? Clearly, we need to build a combat force in the future that's capable, not just of intervention, but capable of persistent presence overseas. I've heard different numbers thrown around, but the number that seems to support persistent presence in theaters of war is about 50 brigade combat teams.

But it's also important to remember, sir, that an Army is more than a collection of brigades, that, in fact, the Army that we build to the future has to be able to do more than just deploy brigades, it has to be able to build coalitions of willing partners, it has to deal with alien cultures, it has to provide advisors and trainers and instructors to build country teams and military advisory groups. These are functions beyond just mere intervention.

President Lincoln, in the Civil War, used to talk about the arithmetic. One of the facts we have to remember from this terrible experience in Iraq is the arithmetic. What he meant by that was, as soon as the bullets start to fly, soldiers start to die and armies begin to attrit over time. The arithmetic is not our choice; it's determined by the actions of an enemy. In virtually every war we've fought since the Civil War, we have run out of close combat soldiers, because we go to war with an Army that is not robust enough to last the duration. If we're going to fight wars in the fu-

ture with a long-service professional force, the lesson we should take away from what's happening today is, the force you begin the war with will probably not get any bigger or any better through the duration of the conflict.

So, it's important, as we add more troops, to do a couple of things. We have to build robustness into our brigades. The 101st, in World War II, added an extra 1,000 infantrymen to every regiment. That's why the Band of Brothers principle works so well, because, by the time they got to Holland, they were still full strength, tightly coalesced, tightly bonded units, because they had built robustness into their units. We have to consider increasing the leader-to-led ration. We have to increase the number of leaders, because these same soldiers not only have to be members of deployed units, but they have to perform these other combat functions, as well.

Also, it's important to realize that, other than brigades, if we're going to fight this new style of war, we need nonbrigade types of units: civil affairs, psychological operations, military police, and engineers.

The second issue deals with reforming the Army's materiel. It would be a mistake, in my mind, if we took the cheap alternative, if you will, for rebuilding the Army, and simply brought back our Cold War materiel, refurbished it, and put it back on the shelf for the future. I believe that history, that experience in this war, and that all of the analysis that I've ever seen, argues for the core of the Army, as we move into the future, needs to consist of light, mobile, flexible, middle-weight mechanized forces. Certainly, light forces are useful, but one of the lessons we learned is that the price you pay for fighting dismounted in places like Fallujah and Ramadi is very high. The optimal force for a counter-guerrilla or counter-insurgency force is one that is dense in infantry, that's able to move about the battlefield very quickly, that is efficient in the use of fuel and maintenance, such that it doesn't rely on that very dangerous, huge, logistical umbilical cord which is causing so many casualties, that it's infantry-heavy, and that it's able to put more soldiers under armor, for longer periods of time, closer to the enemy.

So, it's important, I think, to recall that the force that's fighting in Iraq today is a legacy force. It was designed to fight on the plains of western Europe. If we're going to fight pre-insurgency and insurgency campaigns in the future, we're going to have to not only fix what we have already, but design a new force for the future.

The third point I want to make is that we've all come back to the realization that war—this war and virtually every war we've fought—is as much a human as it is a technological enterprise, and that as we look into the future, the human, cultural, and cognitive dimensions of war are becoming increasingly important.

It's important to also realize that in counterinsurgency wars, the focus of action moves from the strategic and the operational down to the tactical level, that success in these types of wars is determined by the ability to knit together, to mold together small units—squads and platoons—that are superbly efficient and effective at what they do. The strategy in a counterguerrilla campaign is to knit together, to weave together a series of tactical successes.

As the focus moves down the level of command, the human factor, then, becomes as important, or more important, than the materiel and the technological factor. Therefore, this requires a reform of our human capital. You can't throw money at this. It takes time to develop great leaders, flexible and adaptive leaders. It takes time to develop great squads and platoons. Unfortunately, because of the rotation scheme today, our Army and Marine Corps have simply become too busy to learn.

So, as we move into the future, Mr. Chairman, we have to make a commitment to send the Army and the Marine Corps back to school. Education becomes important. We have to rebuild our institutional Army, and put instructors back on the platform. Sadly, the Army, because of its shortage of officers, has actually had to contract out the instructor duties. Recall, in World War II, 31 of the 35 successful Corps commanders in World War II had spent at least 3 years instructing in the Army's school system. Today, contractors perform that function.

We have to help our soldiers become more culturally aware, give them culture training and help them learn languages so they can deal with alien cultures. We have to develop a special cadre of leaders with qualifications as advisors and instructors; and to do this, we have to send them back to school. It's important that they shouldn't have to pay a professional price for improving their human capital. We have to reward these initiatives, rather than punish them.

Finally, let me end on the importance of making better small units. This is a process that can't be hurried. Like a good wine, a small unit takes time to mature. It takes years for a small unit to bond, to coalesce, and to become a Band of Brothers. These are national treasures. They're precious and rare commodities. These are the soldiers and marines who do virtually all of the killing and dying. So, we have to treat them much like a professional sports team. We have to be able to put the resources into small units to provide the means of assessing leaders, stressing the soldiers to make sure that they can perform these tasks, to have a sort of Top Gun, if you will, for these small units to learn how to fight bloodlessly before, as Larry says, they're put into the crucible of war and have to learn to fight by fighting, which is the most wasteful way to train soldiers.

I guess I'll end by saying that inadequate manpower is not a new issue. It's generational. It goes back, over 50 years, to the Korean War. We've learned, I think, painfully, in this war and other wars, that "shock and awe" won't work. The reason it doesn't work is because the enemy has a vote. There's this great quote from Ho Chi Minh, who, when asked, in 1964, how he ever expected to beat the American Army, said, prophetically, "They will kill many of us, we will kill a few of them, and they will tire of it first." He understood, just like al Qaeda understood—or understands—that killing Americans is not a means to an end, but it's an end in itself. Those Americans most likely to die in this war and in future wars, I would suggest, are soldiers and marines.

So, not only from the standpoint of humanity, but also from the standpoint of strategic direction, it's important to do all we can to find the best men and women for the Army and the Marine Corps,

to equip them adequately, and, most importantly, to increase the value of their human capital so they will win on the battlefield and stand much less a chance of becoming killed or wounded.

Thank you.

[The prepared statement of General Scales follows:]

PREPARED STATEMENT BY MG ROBERT H. SCALES, JR., USA (RET.)

The condition of our ground force is troubling. Two thirds of our regular brigades and virtually all of our Reserve brigades are not combat ready. The Army's Cold War Reserves of fighting equipment are nearly gone with half destroyed or worn out though constant overuse. Too many soldiers chasing too many missions for too long have resulted on an Army that spends more time in combat than at home. The stress of back to back deployments has created uncertainty and anxiety among military families that is affecting the morale and resolve of those who we will rely on to fight the long war for a generation.

These conditions are too well documented to dispute. The issue at hand is what to do next. Past history tells us that often the adversity and stress of war can lead to renewal and rebirth. The Army came out of the trauma of Vietnam resolved to rebuild. That same opportunity exists today.

A LARGER LANDPOWER FORCE

No one from the Vietnam generation ever would have foreseen that America's ground forces would be so stretched for so long without breaking. The robustness and resiliency of the forces in Iraq and Afghanistan testifies to the value of fighting the long war with a long service professional Army and Marine Corps. The bad news is that the Pentagon has grossly underestimated the number of ground forces needed to fight this long war. We have learned painfully that the challenge of recruiting a professional force during wartime dictates that the number and quality available at the beginning of the conflict will never get larger or better. The consequences of this miscalculation have been strategic as well as personal. For the first time since the Civil War the shrinking pool of soldiers is shaping strategy rather than strategy determining our manpower needs.

The lesson for the future is clear. We simply cannot rely on Cold War manning models to tell us how many soldiers and marines we need. Pentagon personnelists know a great deal about human resource management but very little about war. We must plan future force structures to accommodate the sad fact that wars wear down armies. We must build robustness into our ground forces, particularly our close combat units, the ones who do most of the fighting and dying.

The planned increase in the size of ground forces is a proper beginning. The Army's effort to modularlize an increased number of brigade combat teams will make the best use of this additional manpower. But it is also important to remember that ground forces of the future will be made up of more than just brigades. We will need a very strong corps of trainers, advisors and military assistance groups capable of being sustained for decades in regions of the world where new allied armies will be created or improved. We will need many more specialized units to assist in nation building such as special operating forces, civil affairs, military police and engineers.

How much should the Army grow? If the Army is to restore the optimal ratio of three brigades for every brigade deployed then at least fifty brigade combat teams will be needed to maintain any reasonable presence and fighting capability for the long war. But experience in Iraq shows that casualties will begin to reduce the ranks of these brigades once in combat. So additional close combat soldiers, mainly infantry, armor and Special Forces must be added above and beyond the proscribed table of allowances to insure that these brigades will be sufficiently robust to sustain themselves over an extended campaign. In addition the Army and Marine Corps will need to increase the proportion of leaders to followers, the so called "leader to led ratio," in order to provide additional skilled leaders to advise, train, and instruct coalition partners in the war against radical Islamism.

MATERIEL

Attrition of the Army's fighting materiel due to wear and combat damage in Iraq presents an opportunity for the Army to rebuild its arsenal. One rebuilding alternative would be to expand the number of light foot mobile infantry and Special Forces brigades. These units are relatively inexpensive to equip and are particularly useful in terrain where vehicular traffic is difficult such as in Afghanistan. But 50

years of experience in American wars has shown that fighting on foot is very costly in human life. Since the end of World War II, four out of five Americans from all the Services killed at the hands of the enemy have been light infantry, not soldiers and marines, but light infantry, a force that comprises less than 4 percent of those in uniform.

In contrast, when soldiers and marines fight mounted in vehicles their chance of survival in battle increases an order of magnitude. Thus it makes sense to rebuild the Army around a core of mechanized brigades. At first glance the cheapest way to rebuild the Army's mounted fighting force would be to repair the mountain of Cold War gear that served the Army so well in the Gulf War and put it back into action. Unfortunately, this generation of Abrams tanks and Bradley fighting vehicles offers protection to be sure but protection unsuitable for today's battlefield. Tanks designed to fight on the plains of Europe in huge tank on tank engagements required very thick and very heavy frontal armor. It's interesting to note that in the practical laboratory of real combat frontal armor hasn't been terribly useful. Of the tens of thousands of American soldiers killed in wars since the end of World War II fewer than ten died in tanks struck on the front.

Weight extorts a very heavy price in diminished capability. Heavy Cold War era fighting vehicles cannot move great distances. They consume a huge amount of fuel that must be transported by vulnerable unarmored convoys from Kuwait to Baghdad. They cannot be easily transported by air. It takes a multitude of repairmen, many of them civilian contractors and a huge base infrastructure to keep them running in the punishing heat and dust of Iraq. As we have seen from Generals Petraeus's recent success in Baghdad fighting a dispersed insurgent is best done by infantry who are able to disperse in turn and stay dispersed for very long periods. The logistics and support demands of Cold War fighting vehicles prevents them from operating for very long in entities much smaller than a brigade while their cramped crew compartments limit severely the number of infantry they carry into battle. The actual price of keeping Cold War materiel in action will actually be very expensive because over the long term these antiques will cost more in maintenance and soldier overhead than the fighting systems intended to replace them.

To be sure the Army will continue to need very heavy Cold War equipped and very light units in some proportion. But a half century's worth of combat experience, to include most recent experience in Iraq, supports the contention that the majority of future ground units should consist of mechanized brigades equipped with a high density of compact, medium weight, easily transportable fighting vehicles such as Stryker today and the Future Combat System tomorrow. We learned in Iraq that more soldiers can be kept alive in combat by placing more of them under armor and allowing them to remain under armor for longer periods. Experience in close combat in places like Falluja suggest that survival rates increase when soldiers are able to move in closer to the enemy before dismounting in the tactical fight. In addition lighter, more agile, reliable and fuel efficient armored vehicles will greatly reduce the size and vulnerability of the logistical umbilical cord that has proven so costly to maintain in Iraq. Medium weight brigade combat teams carry far more infantry into combat, the essential component for counter insurgency operations.

Future medium weight brigades compensate for less bulk and weight by their ability to see and engage the enemy from great distances using broad assortments of aerial and ground sensors. Much of the dirty and dangerous work of tomorrow's mounted soldiers will be done by unmanned robots controlled from FCS fighting vehicles. Future mounted soldiers will have access to the power of a digital network that will provide them with immediate information about the enemy and the whereabouts of fellow soldiers. Future brigades will be able to subdivide easily into much smaller fighting units, at least to company and probably down to platoon, in order to better meet and defeat an insurgent enemy at his own level.

Properly equipping the Army to win the Long War will be very expensive. But we have fought 12 wars in the last 30 years and all but 1 has been decided on the ground. We will fight another one sooner than any of us would like so we must start now to build the fighting equipment for a new Army rather than put yesterday's Army back on the shelf.

CULTURAL AND COGNITIVE DOMINANCE ON THE BATTLEFIELD

All of the pre-September 11 military pundits who forecast quick victory through shock and awe and precision strike are a distant memory. The techocentric view of war has failed because it denied the fundamental truth that war is inherently a human rather than a technological enterprise. The future will only increase the relative importance of the human, cultural and cognitive aspects of war. We will continue to witness the classical centers of gravity shift from the will of governments

and armies to the perceptions of populations. Success in battle will be defined as much in terms of capturing the human and cultural rather than the geographical high ground. Understanding and empathy are already important weapons of war. The ability to build ties of trust will offer protection to our troops as effectively as body armor. Leaders will seek wisdom and reflective thought rather than operational and planning skills as essential intellectual tools for guaranteeing future victories.

Human capital cannot be bought. It must be accumulated through learning and reflective thought. Unfortunately our soldiers and marines have become too busy to learn at a time when learning has never been so important to the future success of our military. World War II leaders understood the truism that students gain knowledge while teachers gain wisdom. Thus it was no accident that 31 of the Army's 35 corps commanders taught at service schools. Today many of our institutions contract out teaching to civilians because so few serving officers are available for the classroom. After Vietnam the Army sent 7,400 officers to fully funded graduate education. Today that figure is about 450, half of whom are studying to join the weapons buying community.

The Army's school system is starved for resources and is unable to make best use of the dismally limited time available to soldiers for learning. Before Vietnam some of our best universities such as Duke, Yale, and Princeton had vibrant defense studies programs that gave future combat leaders the opportunity to learn from many great teachers of the art of war. For the most part those programs and teachers are gone; victims of an academic culture that somehow believes that ignoring the study of war will make wars go away.

As the Army begins to pull back from Iraq it must go back to school. Talented officers and senior non commissioned officers should be given a "soldier's sabbatical" to attend the best civilian graduate schools to study alien cultures and the art of war. More senior officers should be assigned to instructor duties at all of the Army's schools of higher learning. Both students and teachers must be rewarded professionally for their intellectual as well as their operational proficiency.

Cultural isolation in Iraq creates a tragic barrier separating Iraqis of good will from the inherent goodness that American soldiers demonstrated so effectively during previous periods of occupation in such places as Korea, Japan, and Germany. This cultural wall must be torn down. Lives depend on it. Every young soldier should receive cultural and language instruction. The purpose would not be to make every soldier a linguist but to make every soldier a diplomat in uniform equipped with just enough sensitivity training and linguistic skills to understand and converse with the indigenous citizen on the street.

The Army and Marine Corps have proven remarkably competent in the complex human skills necessary to stitch together coalitions by building, often from whole cloth, effective indigenous armies in such remote places as Greece, Korea, Vietnam, El Salvador and now in Iraq. But the unique human talents required to perform these tasks have rarely been valued or rewarded. Today's soldiers and Marines would prefer to be recognized as operators rather than advisors or trainers. This must change. If our success in coalition building will depend on the ability to create and improve partner armies then we must select, promote and put into positions of authority those can do so. We must cultivate, amplify, and inculcate these skills in educational institutions reserved specifically for that purpose.

Soldiers need more time to train for combat. Years not months are required to produce a close combat soldier with the requisite skills and attributes to do the increasingly more difficult and dangerous tasks that await him in the future. At least a year together is necessary for small units to develop the collective skills necessary to coalesce and fight as teams. An infantry squad is the same size as a football, soccer or rugby team. Professional team coaches understand that blocking and tackling are not enough to win the Super Bowl. Instead a pro player must undergo a scientific regimen of physical conditioning. He does "two a day" during summer camp and watches the films at night. He has to fight for his position on the team because there is always the eager and hungry rookie looking to take his spot.

This is the image that we must internalize if we are to build exceptional close combat soldiers for the future. Not all need apply and very few should expect to join. Any shortcoming in performance should threaten a soldier's place on the team. Finally every manager knows that winning teams are purchased at a premium. The Air Force and Navy have more first line fighter aircraft costing between $50 and $450 million apiece than the Army has infantry squads. The precious few squads we have must be treated as national treasures. Soldiers in close combat units, those most likely to die for our country, must be given time to train, bond and coalesce before entering combat.

In the industrial age, junior officers were expected to lead men on the battlefield directly by touch and verbal commands. They were trained to follow instructions from their immediate commanders and to react and conform to the enemy. The image of very junior soldiers, isolated in some distant outpost, performing peacekeeping missions one moment and engaging the enemy the next reaffirms the truth that tomorrow's soldiers must acquire the skills and wisdom to lead indirectly—skills formerly reserved for officers of a much higher grade and maturity. They must be able to act alone in ambiguous and uncertain circumstances, fight with soldiers they cannot touch, and think so as to anticipate rather than react to the enemy's action. We can make such soldiers. But it takes time.

History teaches that great combat commanders possess a unique, intuitive sense of the battlefield. They have the ability to think in time, to sense events they cannot see, to orchestrate disparate actions such that the symphony of war is played out in exquisite harmony. In the past the only sure venue for exposing the naturals was battle. Soldier's lives had to be expended to find commanders with the intuitive "right stuff." Human science offers the opportunity to find the naturals without bloodshed. We must exploit this opportunity by conducting research in cognition, problem solving, and rapid decision making in uncertain, stressful environments such as combat. Leaders must be exposed during peacetime to realistic simulations that replicate the conditions of uncertainty, fear and ambiguity that he will experience on the battlefield.

THE NEW ARMY WILL BE EXPENSIVE

The circumstances that created the Army's dire condition are generational. Excessive Korean War casualties convinced President Eisenhower to fight the Cold War with firepower rather than manpower. All of his successors followed suit, each devising a war-winning version of shock-and-awe built principally around airpower. These strategies would have worked splendidly except for the tiresome fact that the enemy had a vote. Ho Chi Minh got it right: "They will kill many of us," he prophesized in 1964. "We will kill a few of them but they will tire of it first." Al Qaeda is simply following Uncle Ho's philosophy, so far with success.

So, if our vulnerability is dead Americans, both empathy and strategic necessity would dictate that we spend more money to keep alive those most likely to die. This year the administration has raised the Army's share of the budget—a good first step. But the Army will need many more resources if it is to meet the demands of the Long War. I hope the painful and tragic condition of our land forces will finally convince us that land warfare is no longer the cheap alternative.

Chairman LEVIN. General Scales, thank you so much for the testimony.

Dr. Krepinevich?

STATEMENT OF DR. ANDREW F. KREPINEVICH, JR., PRESIDENT, CENTER FOR STRATEGIC AND BUDGETARY ASSESSMENTS

Dr. KREPINEVICH. Thank you, Mr. Chairman.

I think there, at last, is a fairly high level of agreement, among the Defense Department, Congress, and the strategic studies community, that, while the Army continues to perform effectively in Afghanistan and Iraq, it is under great stress. What's even more worrisome is, a lot of the trendlines, a lot of the metrics and indicators that have been alluded to today, are almost uniformly moving in a more worrisome direction, the direction that could lead our ground forces to cross that line, that red line that separates a ready Army from a hollow Army. So, I'll focus most of my commentary on the response, what is being done.

Of course, we have the planned 92,000 troop increase, more Army brigades—6—an additional Marine regiment. We also have $19 billion this year, and more on the way, to replace or repair destroyed or broken equipment. The question that the committee poses is: is this the right approach? Can we do better? My sense is that it's not clear that this is the right approach.

We're talking about an Army increasing its end strength by 65,000. This is an Army that's having trouble recruiting its current end strength, that's having to sacrifice quality to do so. Now, we may be able to bridge some of that gap by doing some of the things that Dr. Korb talks about, eliminating "Don't ask, don't tell," expanding opportunities for women. But, quite frankly, this is not a done deal.

Look at the slowness at which the Army plans to ramp up its end strength, roughly—it was about 7,000 a year over the next 5 years. Five years. That's longer than we spent in World War II, longer than we spent in the Civil War. If help were on the way, in this sense, help is likely to arrive far too late.

If that's the case, if we don't want to compromise quality, as Dr. Korb says—and I think he's right—we may have reached our force-structure limit, unless we're willing to adopt extreme measures, like the draft, like what some members of the strategic studies community are advocating: welcome foreigners into our Army in exchange for American citizenship. Of course, we already have 20,000 security contractors, many of whom are not U.S. citizens, already operating in Iraq. This reminds me of what the Duke of Wellington once said about these sorts of folks, in commenting on one of his newly formed regiments. He said, "I don't know what they'll do to the enemy, but, by God, they sure scare me."

We can have a case, as Dr. Korb says, where we have subtraction by addition. Those of us here who have commanded Army units understand that there are certain people in your unit that you'd be better off without. It's not just purely a numbers game; it is a quality game. Even if we do recruit the additional 65,000, even if they do meet the quality standards that Dr. Korb talks about, even these additional numbers, even this size of an Army, is not going to meet the force requirements that would be imposed by plausible contingencies, such as a widespread breakdown in order in countries like Pakistan or Nigeria or others. If we're just looking at population, Pakistan's six times the population of Iraq; Nigeria, four or five times the population of Iraq. There's no guarantee, of course, that disorder won't occur in more than one place at one time; it could happen simultaneously.

The 2006 Quadrennial Defense Review (QDR) understood this. It said we have to get serious about the business of building partner capacity. There are manpower limits to what we can do, in terms of our own ground forces. Unfortunately, that QDR did not put anything in the way of meat on the bones. I'll talk to that in a minute.

Also of concern is the sense that the Army and the Marine Corps seem to intend to use their new, or increased, troop strength to increase the number of brigades and regiments, respectively, in their force structure. Both seem to be tending to orient this force on conventional operations, as opposed to irregular warfare. In my discussions with some senior flag officers in the Services, they tend to say, "We have to worry about North Korea. We have to worry about Iran. We have to worry about maintaining that rotation base." That may be true, but if you look at the contingencies that North Korea and Iran represent, I would argue that the least of our prob-

lems is confronting another Republican Guard-like force on the battlefield.

In fact, I would argue, we are probably well into what we might call an irregular warfare era. Why? I think there are about four reasons for this:

Number one, we so dominate, our ground forces are so proficient in conventional warfare, that it is astounding that anyone would think that the best way to beat the American military is somehow to confront it directly on the battlefield.

Second, we have the diffusion of technology—rockets and missiles, precision-guided munitions, advanced explosive charges, the Internet—as a means for irregular forces to become far more effective. One of the questions that goes around the Pentagon these days is, how much destruction can 10 determined men cause? The slope of the graph is going up dramatically over time.

Third, if you look at third-world demographic trends, inequitable wealth distribution, and our enemy's ability to exploit what we call strategic communications to convince the people that they have grievances, and that their grievances are, in large part, against the United States, we find that, in much of the underdeveloped world, there is growing motive, means, and organizational skills to create disorder on a large scale.

Finally, and perhaps most important, we have proven, our military has proven, far less effective in combating enemies waging irregular warfare than those engaged in conventional war. One of the reasons I'm convinced, myself, sitting before you today, is because I could not learn to hit the curve ball as a baseball player. Once the pitching staffs of the other team found that out, all I saw was curve balls. Right now, the American military does not hit the curveball. Until they learn to do it, that's all they're going to see, or that's a lot of what they're going to see.

In a sense, our ground forces are at a crossroads. In previous times, when we put our hand on a stove, whether it was Vietnam or Iraq, there's a tendency to say, ''We're not going to do that anymore. No more Vietnams.'' On the other hand, the fact is that if we're entering an era of irregular warfare, that's what we're going to see.

Lieutenant General Thomas F. Metz, USA, who's the Deputy Commanding General at the United States Army Training and Doctrine Command (TRADOC), said, ''We argued in those days, before the Iraq war, that if we could do the top end skills, we could do all the other ones. I've had to eat a little crow.'' There is, I think, a sense in the Army and the Marine Corps that if we orient on conventional war, somehow those forces can quickly and rapidly adapt themselves to wage irregular war. Vietnam and Iraq and Afghanistan stand as case studies of why that hasn't happened, or it certainly hasn't happened quickly enough for us to be effective, as we would have liked to have been.

Given that, and given our manpower limitations, given the need to build partner capacity, given the limitations on our force structure, it's surprising to me that, as part of this reorganization, we have not talked about creating a standing training organization, something like the old Military Assistance and Advisory Groups we had during the Cold War to train indigenous forces, to train forces

of our allies, so that, together, we could deal with these common threats to our security.

Right now, we're in the process of stripping officers and NCOs out of our line units to serve as advisors, because the Army is not structured with a lot of excess officers and NCOs to perform that function, so the Army is having to rob Peter to pay Paul. Yet, we know that if they're going to stand up so we can stand down, you can train an Iraqi private, perhaps, in 60 to 90 days, but you're going to have to have people working with Iraqi officers, NCOs, and the same goes in Afghanistan, for a much longer period of time for them to get the skill set they're going to need to operate effectively.

We need to orient our training on irregular warfare challenges to include stability operations and counterinsurgency. This is significantly underway right now, but, again, as was pointed out by General McCaffrey, in some cases we're actually giving up valuable training areas that are going to be needed to organize and train our forces for this kind of warfare.

When we realize that, for example, in the second Gulf War, we defeated the Republican Guard with essentially one heavy Army division, three brigades, the fact that we have 48 brigade elements would indicate that we should take some of them—in fact, perhaps a good portion of them—and orient them more on counterinsurgency and stability operations. In a sense, the old argument that we have to have one Army that can do everything, I think we're going to have to look increasingly at a division of labor within the Army, within the ground forces, between conventional war operations and stability operations.

Finally, as we've seen, there's a shortage of equipment. We seem to have forgotten, after the Vietnam war, that we could actually suffer attrition in battle. The canary in the mine shaft here is the equipment that we've had destroyed and lost in this conflict, and in need of repair. Our industrial base is not really organized and equipped to surge production, as we've seen. This argues, I think, for creating some kind of war reserve stocks that can be employed. For example, if we had had them in this war, we could have deployed them much more quickly, to help stand up the Afghan National Army, the ISF, who are, in many cases, still less well equipped than the enemies they go up against, and of course, the re-equipping of our own forces in the field, as we surge, in order to deploy combat forces into theater.

In summary, I think the committee is right to be concerned over whether our ground forces are stressed and in danger of becoming broken. Even though they still perform effectively in the field, obviously we can't rest easy. I was told by General Shy Meyer, the Army Chief of Staff who coined the phrase "the Hollow Army," that once you cross that red line, there is a point at which the erosion of the force begins to accelerate. There's a knee in the curve where readiness and organizational capability and effectiveness really begin to go downhill rapidly. He said, "once you cross that point, like we did in the late 1970s, it becomes a lot more difficult, in terms of time, in terms of human resources, in terms of material resources, to dig yourself out of that hole."

So, again, I compliment the committee on taking up this issue now, because time is not on our side. Even making changes now, in terms of force structure, equipment, and so on, are going to take time to implement and bring into effect.

I thank you very much, Mr. Chairman, for the opportunity to be here today.

[The prepared statement of Dr. Krepinevich follows:]

PREPARED STATEMENT BY DR. ANDREW F. KREPINEVICH

Thank you, Mr. Chairman, for the opportunity to appear before you today, and to share my views on the future of U.S. ground forces. My testimony is intended to provide a context within which one might evaluate evolving Department of Defense (DOD) plans for the current size, organization, and equipment of the Army and Marine Corps, with an eye toward better preparing these two Services for the challenges and requirements of the next two decades.

THE ALL-VOLUNTEER GROUND FORCE: STRETCHED TO THE LIMIT

Without question, U.S. ground forces are under considerable strain, the result of over 5 years of high operational tempo and combat in Afghanistan, Iraq, and other locations. Even prior to these wars, U.S. ground forces were far from idle. Since 1990, the United States has deployed major ground force contingents in a variety of peacekeeping, peacemaking, humanitarian and disaster relief, counterterrorism, and partnership building missions in places such as Somalia, Haiti, Rwanda, Bosnia, Indonesia, Colombia, the Philippines, and the Horn of Africa. These have been augmented by routine forward deployments too numerous to count.

Former Secretary of State Madeline Albright once asked "What's the use of having a first-rate military unless you use it?" A better question might have been, "What is the maximum force utilization rate we can sustain before degrading a first-rate military?" After over 5 years of combat operations in Afghanistan and Iraq, both the Army and Marine Corps are now stretched to the limit. Our ground forces are simply too small to sustain a permanent combat force of over 150,000 in Central Command's area of operations. This condition has prompted the DOD to announce a 92,000-troop increase in the size of the Army and the Marines, with 65,000 of that total going to the Army. Moreover, as General McCaffrey and General Scales have pointed out, Army and Marine Corps equipment is in such a state of disrepair that it will take years and tens of billions of dollars to repair or replace. The list of "high-demand, low-density" equipment is significant and growing. It includes items such as individual body armor, mine- and IED-resistant vehicles, nonlethal munitions, and certain kinds of robotics (e.g., small-unit UAVs; ground robots).[1] Readiness and training are also suffering, as the Army is forced to play a shell game with its equipment to insure its forces in the field and those about to deploy are properly equipped. Even then, units training to deploy still end up short.[2]

Obviously, something must be done to help restore our ground forces. The natural question, then, is: How should we go about doing it?

INCREASING THE SIZE OF THE FORCE

The first issue is whether or not to increase the ground forces by 92,000 personnel. The case for such a move is by no means clear-cut. There are very likely clear limits on the size of an All-Volunteer ground force the Army and Marine Corps can achieve without dramatically increasing the pay and bonuses of soldiers and marines. The annual cost for American Active-Duty personnel is already at historic highs. For example, between the start of the Second Gulf War and the end of last year, the Army had to increase the amount spent on retention bonuses by nearly an order of magnitude, from $85 million to $735 million.[3] At the same time, the cost

[1] These UAVs and land robots are part of the FCS effort; however, they are but two elements in an overall program comprising 14 (originally 18) systems, including a family of ground combat vehicles. See Andrew F. Krepinevich, Transforming the Legions (Washington, DC: Center for Strategic and Budgetary Assessments, 2004), pp. 52–57.

[2] Greg Jaffe, "Despite a $168 Billion Budget, Army Faces Cash Crunch," Wall Street Journal, December 12, 2006; and Yochi J. Dreazen and Greg Jaffe, "Calibrating a Troop 'Surge'," Wall Street Journal, January 2, 2007, p. A6.

[3] Tom Vanden Brook, "Army Pays $1 Billion to Recruit and Retain Soldiers," USA Today, April 12, 2007, p. 8.

to support each soldier, as measured by personnel costs, increased by well over 50 percent since 2001, from $75,000 to $120,000 per soldier in 2006.[4]

Moreover, despite these substantial increases in the financial incentives being offered to Americans to serve in the military, there are worrisome indicators that the quality of the force has declined, perhaps significantly. The Army granted some 8,500 moral waivers for recruits in 2006, more than triple the 2,260 granted a decade ago. Waivers for recruits who committed felonies were up 30 percent in 2006 over 2005. The Army is also accepting more high school dropouts. Last year roughly 82 percent of Army recruits had high school diplomas, compared to a benchmark of 90 percent. This is the lowest rate since 1981, when the Army was beginning to come out of the depths of the "hollow force" of the immediate post-Vietnam era.[5]

The Army's problems do not end there. Only 61 percent of Army recruits scored above average on the Service's aptitude test for recruits last year, the lowest scores since 1985. The Army has lowered its weight standards for recruits and increased the recruiting age to the point where it would not have met its recruiting targets in 2006 without those recruited who are over the age of 35.[6] It seems evident, then, that even the dramatic increases in financial incentives instituted in recent years are not, by themselves, sufficient to attract enough higher quality personnel to fill even its current force requirements, much less a substantially larger force.

Even more worrisome is the fact that, despite the lower quality of recruits being accepted in the Army, the Army's basic trainee graduation rate leaped from 82 percent in 2005 to 94 percent in 2006.[7] This result seems counter-intuitive. Why is it happening? Why are lower quality recruits graduating at a higher level than their more qualified predecessors? The likely answer: maintaining tough basic training programs increases the number of "washouts" while reducing the number of graduates ready to fill the ranks. Given the choice of sending units to combat zones at substantially less than full strength, or sending them with less than the best recruits, the Army, forced to make a difficult choice, is opting for the latter.

The Army is also having problems filling its officer requirements. For example, the Active component was short some 3,000 officers in 2006 and according to projections the shortage will increase to over 3,500 by next year. Meanwhile, the Guard and Reserve confront a shortfall of nearly 7,500 officers.[8] Recent declines in retention rates of West Point graduates are also a source of concern.[9]

Under these conditions, despite the Army's shortage of soldiers—both in quantity and quality—it will take 5 years to increase its ranks by 35,000. While the Marine Corps' problems do not appear to be as severe as the Army's, the Marines also plan to take up to 5 years to increase their ranks by 22,000.[10] Simply stated, we appear to be reaching the size limit on our ground force structure, unless we are willing to resort to extreme measures such as conscription, or, as some propose, offering citizenship to foreigners who are willing to fight Americans' battles for them.[11]

Another problematic course of action is already being pursued: the use of security contractors to perform duties that have traditionally been performed by soldiers and marines. The Defense Department estimates that roughly 20,000 security contractors operate in Iraq alone, the equivalent of over three Army combat brigades and their associated combat support and combat service support elements. Unlike our soldiers and marines, these contractors are typically subjected to little in the way

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[4] Greg Jaffe, Despite a $168 Billion Budget, Army Faces Cash Crunch," Wall Street Journal, December 12, 2006.

[5] Tom Vanden Brook, "Older Recruits are Finding Less Success in Army," USA Today, February 19, 2007.

[6] Tom Vanden Brook, "Older Recruits are Finding Less Success in Army," USA Today, February 19, 2007; and Associated Press, "Lower Standards Help Army Meet Recruiting Goal," USA Today, October 9, 2006.

[7] Vanden Brook, "Older Recruits are Finding Less Success in Army," USA Today, February 19, 2007.

[8] Government Accountability Office (GAO), Military Personnel: Strategic Plan Needed to Address Army's Emerging Officer Accession and Retention Challenges (Washington, DC: GAO–07–224, January 2007), p. 27; and Greg Jaffe, "Despite a $168B Budget, Army Faces Cash Crunch," Wall Street Journal, December 12, 2006.

[9] Bryan Bender, "West Point Grads Exit Service at High Rate," Boston Globe, April 11, 2007, p. 1.

[10] The Marine Corps has traditionally had less difficulty filling its ranks than the Army, in no small measure because while the Army is well over twice the size of the Marine Corps, both recruit from the same manpower pool.

[11] This latter option has gained some currency in some quarters across the political spectrum.

of oversight, despite the fact that counterinsurgency operations demand the highest levels of restraint on the part of counterinsurgent forces.[12]

Contractor personnel from "private security companies" hail from a variety of nations. To be sure, there are substantial numbers of Americans and British. But the ranks of private security companies also comprise significant numbers of Australians, Chileans, Fijis, Romanians, and Ukrainians, to name but a few of the nationalities involved.[13]

One challenge counterinsurgent forces have in dealing with insurgents is differentiating between them and noncombatants. In a combat situation, oftentimes the safest thing to do from an individual soldier's perspective is to shoot first and ask questions later. This, however, risks incurring noncombatant casualties and alienating the population. It is for that reason that U.S. forces operate under strict rules of engagement (ROE). The contractor security forces, however, do not function under the ROE imposed on U.S. and coalition forces. It is not clear whether the contract forces even have standing ROE. This has the potential to undermine the overall U.S. war effort.[14] One American general officer summed up the effect of contract security agents as follows:

> These guys run loose in this country and do stupid stuff. There's no authority over them, so you can't come down on them hard when they escalate force. They shoot people, and someone else has to deal with the aftermath. It happens all over the place.[15]

In brief, we may need a bigger Army and Marine Corps, but it is not clear we can get them at an acceptable price. Moreover, even an additional 92,000 personnel will likely prove inadequate to address some of the highly plausible contingencies outlined below.

PREPARING THE GROUND FORCES FOR THE FUTURE

Quite apart from the question of increasing the size of the force are questions over what types of units will be formed from the increase, what type of training they will receive, and what type of equipment they will use. The Army plans to utilize the soldiers being added to its force structure to create 6 additional brigades (and associated combat support and combat service support elements) over the 42 currently planned, for a total of 48. The Marine Corps plans to use their end strength increase to add a regimental combat team to round out their three division-wing teams.[16] Both moves suggest that U.S. ground forces will be trained and equipped primarily for conventional, high-intensity ground combat operations. Is this a smart move? If experience since the end of the Cold War is any indication, the answer is: not likely.

The post-Cold War era has been dominated by irregular warfare contingencies. These contingences, as has been the case with most such conflicts of this type throughout history, have been dominated by land forces—although maritime and air forces have played significant roles in many of them—and it seems this will likely continue to be the case in the future.

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[12] Steve Fainaru, "A Chaotic Day on Baghdad's Airport Road," Washington Post, April 15, 2007, p. A1.

[13] Daniel Bergner, "The Other Army," New York Times Magazine, August 14, 2005.

[14] There are indications that security contractors have alienated both U.S. troops and Iraqis. As one U.S. intelligence officer stated, "Those Blackwater [security contractor] guys, they drive around wearing Oakley sunglasses and pointing their guns out of car windows. They have pointed their guns at me, and it pissed me off. Imagine what a guy in Fallujah thinks." [Fallujah is where four U.S. security contractors were killed and their bodies mutilated by Iraqis, setting off a confrontation between U.S. and insurgent forces that led to two major battles.] Michael Duffy, "When Private Armies Take to the Front Lines," Time, April 12, 2004. A year after the initial Fallujah battle, 16 American security contractors were arrested by marines after they allegedly twice fired on a marine position in Fallujah. Iraqi officials asserted that, on average, security contractors kill a dozen civilians a week without probable cause. This has the potential to create enormous problems for coalition forces in a society where the killing of a family member or tribal member is likely to trigger a "blood feud." The marines later cited the group in a letter that read, in part, "Your convoy was speeding through Fallujah and firing shots indiscriminately, some of which impacted positions manned by U.S. marines. Your actions endangered the lives of innocent Iraqis and U.S. servicemembers in the area." Adrain Blomfield, "Shootings May Lead to Security Guard Curb," London Daily Telegraph, June 11, 2005, p. 1; and T. Christian Miller, "Contractors Say Marines Behaved Abusively," Los Angeles Times, June 11, 2005, p. 1.

[15] Jonathan Finer, "Security Contractors in Iraq Under Scrutiny After Shootings," Washington Post, September 10, 2005, p. 1. The observation was made by Brigadier General Karl R. Horst, Deputy Commanding General, 3rd U.S. Infantry Division.

[16] "DOD News Briefing with Under Secretary of Defense David Chu, LTG Stephen Speakes, and LTG Emerson Gardner from the Pentagon," U.S. DOD Transcript, January 19, 2007, available at http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=3871.

To be sure, the First Gulf War in 1991 and the conventional combat operations phase of the Second Gulf War in 2003 involved major combined-arms ground operations. However, both of these conflicts vividly demonstrated the enormous overmatch that exists between the United States military and those that might choose to challenge it by waging conventional warfare, as Saddam Hussein's military did, not once, but twice. At the same time, however, the U.S. military's performance in irregular warfare campaigns has been far less impressive.

This should come as no surprise. Following the Vietnam War our ground forces were optimized for conventional warfare. The slogan "No More Vietnams" reflected the military's desire to avoid protracted, ill-defined conflicts. General William DePuy, one of the Army's leading thinkers, viewed the 1973 Middle East War as a godsend of sorts, as it enabled the Army to reorient its thinking on the greatest threat to U.S. security, the Soviet Army in Central Europe. The attitude of "No More Vietnams" was heartily seconded by the American people and the country's civilian leadership. It spawned the Weinberger and Powell doctrines of the 1980s and the "Exit Strategies" that obsessed political and military leaders during the deployment of U.S. ground forces in the 1990s. The force was organized, trained and equipped to fight short, decisive wars. When this was not possible, the intent was to set clear limits on the duration of U.S. force deployments and avoid another "quagmire" like Vietnam.

Alas, as our generals are fond of reminding us, "The enemy gets a vote," and many of our enemies—especially those espousing the radical Islamist creed—have "voted" against taking on the United States with conventional forces, instead opting for irregular warfare.

There are three primary reasons for this:

- First, as noted above, the U.S. military has overwhelming dominance in conventional warfare;
- Second, even if they had wanted to confront the United States conventionally, most of our enemies simply lack the human and material resources to build conventional forces on anything like the scale and level of sophistication required to pose a serious challenge to our military; and
- Third, and perhaps most important, the U.S. military, and other militaries of the first rank like Israel's, have proven far less effective in combating enemies waging irregular warfare than those engaged in conventional war.

To buttress their line of thinking, our enemies can cite from an impressive run of successes: among them our defeat in Vietnam and withdrawal from Lebanon in the 1980s and Somalia in the 1990s; the Soviet defeat in Afghanistan; and Israel's apparent inability to defeat the Iranian-backed irregular forces of Hezbollah.

To use a sports analogy, if you're a dead-eye fastball hitter, but you can't hit a curveball, and the pitcher has a curveball in his repertoire, all you're going to see will be curveballs. Given the factors noted above, it seems likely that the U.S. military is destined to encounter adversaries waging irregular warfare unless these enemies gain an advantage in conventional warfare (an unlikely occurrence over the foreseeable future), or until the U.S. military demonstrates an ability to deal effectively with the irregular warfare challenge.

Reasonable minds can certainly differ concerning whether the war in Iraq represented a war of necessity, or a war of choice. Moreover, given the enormous difficulties associated with counterinsurgency operations, some might also reasonably argue that the United States should only deploy forces in such operations when the U.S. interests at stake are perceived to be very high, and no other options acceptable options appear to be available.

However, given the experience of the past 5-plus years, the likelihood of continued operations in Afghanistan (whatever happens in Iraq) and the other trends I mentioned, it seems only prudent to make sure that our ground forces are trained and equipped to carry out counterinsurgency operations.

In summary, the attacks on New York and Washington on September 11 and subsequent events indicate that, whatever our desires to avoid operations against irregular forces, these kinds of conflicts no longer represent wars of choice, but in many cases are now wars of necessity.

PRIMACY FOR CONVENTIONAL OR IRREGULAR WARFARE?

To be sure, there is the possibility that a "No More Iraqs" mood will dominate our thinking in the coming years. If by this we mean that we should not repeat the errors that have foiled our efforts to succeed in Iraq, the slogan is an apt one. If, however, the phrase is meant to indicate that the U.S. military should get out of the business of developing a strong competency in irregular warfare, this would al-

most certainly be a serious error in judgment. Yet there are some who argue that Iraq and Afghanistan are "one-offs"—that given the difficulties we have experienced in these wars, we will see a repeat of the "No More Vietnams" attitude that dominated U.S. foreign policy for nearly three decades after that war.

Several key trends indicate that we are not likely to be afforded such a respite. Rather, it appears we may be entering an era of irregular warfare:

- First, as I mentioned, most of our enemies have little choice: the investment required to take on the U.S. military in conventional warfare is prohibitive;
- Second, once an enemy finds a weakness, he tends to exploit it until we develop an effective counter;
- Third, the diffusion of technology (e.g., the internet, rockets and missiles, precision-guided munitions, advanced explosive charges, etc.) is greatly enhancing the capabilities of irregular forces, and this seems likely to continue for some time; and
- Finally, Third World demographic trends, highly inequitable wealth distribution, and our enemies' ability to exploit what we now term "strategic communications" more effectively than we have to date suggest there are likely to be large numbers of alienated people in the underdeveloped world with the motive, the means and the organizational skills to create disorder on a large scale.

To paraphrase Pericles, "Just because we don't take an interest in the forces of disorder doesn't mean the forces of disorder won't take an interest in us." Indeed, it is not difficult to imagine the world becoming a much more dangerous place in a very short period of time. Consider but two examples that could quickly develop into crises requiring a far greater capacity for stability operations than our forces currently possess, or plan to develop:

- Pakistan, a fragile nuclear-armed state with a sizeable radical Islamist population complete with an internal sanctuary and a fertile recruiting ground in the form of scores of radical madrasas.
- Nigeria, a major supplier of the world's oil, is beset with widespread corruption, uncontrolled and armed militias, and a growing sectarian fault line between Christians and Muslims.

If this analysis is correct, and we are entering a national security era dominated by irregular warfare, history shows us that ground forces will dominate our operations against these kinds of threats, although it must be noted that air and naval forces will very likely play important and sometimes dominant roles in certain irregular warfare contingencies. If this is the case, then the question naturally becomes: should our ground forces be optimized primarily for major conventional combat operations—MCOs in "Pentagonspeak"—or irregular warfare?

When presented with this question, the Army and Marine Corps are quick to note that, given the potential stakes and effects of MCOs, they cannot ignore conventional war contingencies. However, this concern, which remains valid, rings far more hollow than it did during the period following Vietnam, when the Soviet armies posed a threat to us that far exceeded any rivals pursuing irregular warfare. But the evidence today strongly suggests that no one wants to play the role of Saddam Hussein's Republican Guard, now or in the foreseeable future. One searches in vain through the pages of military journals to find stories of countries assembling tank armies to oppose us. Truth be told, the two countries most often cited by our military leaders as opposing the United States in major combat operations involving large-scale conventional forces—North Korea and Iran—lack even a Republican Guard mechanized force, let alone a Soviet tank army.

As members of this committee well know, the threat from North Korea stems from its budding nuclear arsenal, ballistic missiles, special operations forces (perhaps armed with chemical or biological agents) and artillery positioned in caves and mountains near the demilitarized zone (DMZ). Moreover, the mountainous DMZ itself is perhaps the most heavily fortified territory in the world, with both flanks anchored on the ocean. The South Koreans have both the incentive and the resources (a population twice that of the North and an economy dozens of times greater) to field ground forces capable of blocking any attempt by North Korean forces to advance south—a concept Pyongyang seems ill-disposed to execute in any event.

Iran, having witnessed first hand the American military's utter drubbing of Saddam Hussein's conventionally armed and organized militaries, and the subsequent success of irregular operations against U.S. forces, would not likely be attracted to Saddam's method of challenging the U.S. military. Moreover, it is the Iranians who have armed and trained groups like Hezbollah and Hamas, and who are providing support for Iraqi irregular forces like the Mahdi Army. Discussions of Iranian mili-

tary power center on Tehran's quest for weapons of mass destruction, its terrorist networks and its ability to close the Strait of Hormuz to shipping traffic by developing anti-access/area-denial capabilities. Were the U.S. military to confront Iran in a major combat operation—now or a decade from now—Tehran's conventional forces would almost certainly be a secondary consideration.

To be sure, our ground forces must remain dominant in conventional (or what the 2006 Quadrennial Defense Review calls "traditional") operations. However, it is far from clear that the Army and Marine Corps must be principally, or even primarily, devoted to this task. Consider that, thanks to the gains in effectiveness realized by our Armed Forces, improvements in their ability to fight as a joint force, and the U.S. military's enormous advantages in advanced capabilities (e.g., precision munitions; C4ISR), only one heavy Army division was needed to defeat Iraq's army in the Second Gulf War.[17]

The argument is also heard that it is far easier to adapt a force oriented on conventional warfare to irregular warfare, than the reverse. While this debate is certain to continue, the fact is that a U.S. military configured for conventional warfare failed to adapt quickly or effectively enough in both the Vietnam War and the current wars in Afghanistan and Iraq. As Lieutenant General Thomas Metz, USA, the Army's deputy commander of its Training and Doctrine Command, has observed,

> We argued in those days that if we could do the top-end skills, we could do all the other ones. I have had to eat a little crow.[18]

PREPARING OUR GROUND FORCES FOR FUTURE IRREGULAR CONFLICTS

Congress and the Defense Department must therefore decide how best to prepare our ground forces—whether to keep them at their current size or expand by another 92,000 personnel—for an era in which irregular warfare operations are likely to dominate America's ground force operations—while retaining the capability to fight a major combat operation (albeit one quite different from either of the Gulf Wars), if required. The Pentagon's 2006 Quadrennial Defense Review took an initial step to address this problem when it called for a strategy that emphasized "building partner capacity"—training and equipping indigenous military forces in those countries threatened by radical elements, and doing the same for the militaries of those countries that stand by us as allies and partners. The idea is to acknowledge America's manpower limitations and to work with allies and partners, to include indigenous forces, to generate the forces required for sustained irregular warfare operations. Unfortunately, there has been little in the way of action to back up this noteworthy idea, aside from mandating a significant increase in our Special Operations Forces (SOF).[19]

For example, we have spent over 3 years training indigenous forces in Afghanistan and Iraq to "stand up" so our forces can "stand down." We have been handicapped in this effort by the lack of a standing organization for training these forces, and a lack of equipment stocks from which to outfit them. These capabilities must exist in advance of our engagement in stability operations, not be cobbled together on the fly. Equipment to outfit these forces should be stockpiled, similar in some ways to the prepositioning of materiel configured to unit sets (POMCUS) equipment that was positioned to support U.S. forces during the Cold War.[20]

We also need to consider creating something equivalent to an "Advisor Corps"—a cadre of officers and NCOs that can train indigenous and allied forces in peacetime while serving with newly trained indigenous force units in wartime. After several false starts, our advisor effort with the Iraqi security forces appears to be improving. However, since the Army has no standing Advisor Corps, it is forced to strip its own units for officers and NCOs to fill this requirement, while confronting officer and NCO shortages. It comes as no surprise that oftentimes the soldiers sent by the Army to serve as advisors are the men it can most easily afford to do without. Nor is this sort of duty looked upon favorably by the Army's best young officers and NCOs.

As I mentioned earlier, the Army plans to utilize its 65,000-troop end-strength increase to expand the number of its active brigade combat teams, which are oriented

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[17] One Marine division was also involved in the major combat operation, as was the Army's 101st Airborne Division (Air Assault) along with some brigade-sized maneuver elements.

[18] Greg Jaffe, "Despite a $168 Billion Budget, Army Faces Cash Crunch," Wall Street Journal, December 12, 2006.

[19] In one respect, increasing the size of U.S. special forces exacerbates the Army's manpower problems, as it strips out even more high quality soldiers from the Army at the same time the Service is having to accept lower quality recruits.

[20] POMCUS stands for positioning of materiel configured in unit sets.

primarily on conventional warfare operations. I am aware of no plans the Army has to create training and advising organizations to build "partner capacity" by enabling America's allies and partners to "scale up" quickly to meet the challenges that might be posed by irregular warfare contingencies. In its defense, the Service cites the need to maintain a rotation base of brigades for such conflicts and the need to "hedge" against a major combat operation characterized by conventional warfare. While the Army is right to see the need to address these issues, as noted above, the way in which it is doing so appears highly imbalanced in favor of conventional warfare contingencies.

Put another way, given the overwhelming success of our ground forces in conventional warfare operations, and the shift of rival militaries and nonstate entities toward irregular warfare, orienting 48 Active Army brigades, 28 National Guard brigades, and 3 Marine Corps divisions primarily on conventional warfare operations would appear to reflect a desire to prepare for the kinds of challenges we would prefer to confront, rather than those we will most likely encounter.

In addition to creating a standing capability for training and advising indigenous and allied military forces, strong consideration should be given to restructuring a substantial number of Army brigades for stability operations. As noted above, the Army should also be supported in its efforts to equip its forces for stability operations, while reducing emphasis on those aspects of its modernization program that are devoted to conventional operations, the Future Combat System (FCS) in particular. Despite assertions by some to the contrary, the FCS, which is projected to cost over $150 billion to equip only 15 Army brigades, is optimized to deploy quickly and defeat the kinds of enemy forces the Army is least likely to encounter on the battlefield—combined arms, mechanized ground forces operating in the open.[21] The Marine Corps' modernization efforts should be viewed in a similar light.

The goal here, of course, is to support these Services' efforts to liberate funding to support modernization efforts designed primarily to enable our ground forces to operate more effectively in irregular warfare environments, such as those they are experiencing now in Afghanistan and Iraq, and also against the kind of threat confronted by the Israelis in their war with Hezbollah last summer.

Equally important, our defense industrial base should be capable of producing this equipment in quantity. As I mentioned earlier, the irregular warfare campaign that followed the end of major combat operations in Iraq has found our ground forces suffering substantial attrition of its equipment in a way not seen since the Vietnam War over 30 years ago. Indeed, recent conflicts such as the First Gulf War, the Balkan War, and operations in Somalia and Haiti saw only minor losses of equipment, to the point where we seem to have assumed that the capacity to replenish our troops with equipment lost or worn out in operations is a trivial consideration. This has led to problems with equipping not only our ground forces, but those indigenous ground forces, such as the Afghan National Army and the Iraqi Security Forces, that are badly needed to support operations against our enemies.

There is also the need to husband America's scarce ground forces. The sooner indigenous forces are ready to take the lead, or shoulder more of the burden for ground stability operations, the sooner American ground forces can reset for other existing or prospective contingencies. Finally, while U.S. assistance may be welcomed by others, a large U.S. force "footprint" may not be. In many cases, the sooner this footprint can be reduced the better it will be in terms of maintaining the support of the indigenous population, typically a key factor in prevailing in counterinsurgency operations.

This being the case, the U.S. industrial base needs the capacity to surge production to replace destroyed or worn out equipment, whether it is equipment used by U.S. ground forces, or employed by forces we have trained to take on a greater responsibility for conduct of the war. More than that, strong consideration should be given to stockpiling some amount of equipment to facilitate the training of other militaries quickly, should that be necessary.

TRAINING

As counterinsurgency warfare is typically protracted in nature, U.S. forces may find themselves engaged in this form of conflict for the better part of this decade, and perhaps a major part of the next. Thus the U.S. military could benefit substantially from creating the necessary infrastructure to support high-fidelity counterinsurgency training.

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[21] See Andrew F. Krepinevich, Transforming the Legions (Washington, DC: Center for Strategic and Budgetary Assessments, 2004), pp. 52–57.

To be sure, both the Army and Marine Corps are trying to adapt their training to prepare soldiers and marines, and their units, for combat operations in Afghanistan and Iraq. For example, a remarkable transformation has occurred at the Army's National Training Center (NTC) at Fort Irwin, California. Not long ago, the NTC was optimized for training Army brigades in combined-arms mechanized warfare. Now the NTC has taken on the form of warfare that confronts GIs in Iraq. The training area, which is the size of Rhode Island, has no front lines. Insurgents plant improvised explosive devices (IEDs) and employ car bombs. Army units must convoy their supplies distances approaching 100 miles, while being subjected to attacks by insurgents. A dozen Iraqi "villages" dot the landscape, populated by Iraqis and Iraqi-Americans who participate in the training. U.S. troops must recruit men from this population for the Iraqi security forces; negotiate with local leaders; and defend against an array of roadside bombs, car bombs, suicide bombers, and mortar attacks.[22] The International Red Cross has even been invited to participate in the training involving mock detainee operations.

However, a more coherent, focused, long-term approach is needed for the U.S. military's training infrastructure for irregular wars, like counterinsurgency. Training facilities must not only be adapted, they must operate at a higher capacity. This is all the more true given the de facto expansion of the active force created by large call-ups of National Guard brigades, and by the rapidly growing requirement to train the forces of partners in irregular warfare (e.g., Iraqi security forces; the Afghan National Army; etc.).

Compounding the challenge of shoring up its high-fidelity training competitive advantage, the insurgents in Iraq are the beneficiaries of perhaps the world's best training center for insurgent warfare. Put another way, the Iraqi insurgents are in the world's finest high-fidelity "training center"—Iraq itself—24 hours a day, 7 days a week, 365 days a year. They are being "trained" by the world's best "Opposing Force (OPFOR)"[23]—the U.S. military. Since insurgent forces are not rotated in and out of combat, but are constantly in the field, the Army and Marine Corps must find ways to avoid having the combat skills of units rotating back to the United States atrophy.

At some point, these soldiers and marines will likely rotate back to Afghanistan or Iraq. If they are sent back into the area where they were previously deployed, this training gap may be mitigated. The effectiveness of unit operations might be enhanced, perhaps dramatically, if a major portion of its members remained together over successive deployments. There is some debate as to whether such "unit manning," as envisioned by the Army, actually produces greater unit cohesion, or that the gains in unit cohesion are worth the costs of creating it.[24] However, there would seem to be significant benefits to be derived from unit manning and rotation if, as part of the Army and Marine Corps rotation sequences, units that had operated in a particular area of Afghanistan or Iraq returned to those same areas in their successive deployments.

For this to happen, retention rates must remain high. For retention rates to remain high, a rotation base must be established that encourages high retention rates. At present, the rotation base for Army (in particular) and Marine Corps forces deployed on hardship/combat tours appears woefully inadequate to sustain high retention rates. This could pose serious problems over time, both for U.S. military effectiveness in Afghanistan and Iraq, and for the U.S. military's training infrastructure. If, in this protracted conflict, the U.S. military is not able to deploy units that contain a significant number of veteran soldiers and marines, the training gap between them and their enemies may widen.[25] During the Vietnam War, when U.S. forces had a high percentage of draftees in their ranks who were discharged after a few years' service, including 1 year in Vietnam, it was said that the United States military had "1 year's worth of experience in Vietnam ten times over," whereas many of the communist guerrillas they confronted had a decade or more of experience. A similar phenomenon could occur in today's volunteer military if retention rates decline. Should this occur, it will place greater stress on the military's training infra-

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[22] Stephen J. Hedges, "Mock Village Helps GIs See Iraq Reality," Chicago Tribune, December 14, 2004, p. 1; and Richard Whittle, "In the Army's Sandbox, No Playing Nice," Dallas Morning News, October 9, 2005. In addition to training at the NTC, other training areas have been modified to assist soldiers and marines preparing for deployment to Iraq.

[23] "OPFOR" is a term used by the U.S. Army to denote the units stationed at its training centers that serve as the opposing force to the units being trained.

[24] See Pat Towell, Forging the Sword: Unit-Manning in the U.S. Army (Washington, DC: Center for Strategic and Budgetary Assessments, 2004).

[25] One reason this might not happen is if enemy insurgent forces are suffering severe casualties, or experiencing substantial defections. This could increase substantially the percentage of inexperienced insurgents in their ranks.

structure to make up the difference, as the training infrastructure will have to prepare a higher percentage of "green" troops for counterinsurgency warfare. The implications for U.S. military effectiveness could be striking.

"SOFT" TRAINING AND EDUCATION

Tactics are clearly important in military operations. Soldiers and marines must be proficient in individual and small-unit training on tasks such as detecting and handling IEDs, conducting convoy operations, clearing urban structures, and manning checkpoints. But counterinsurgency training is even more challenging. Soldiers and marines must also be trained in unconventional, or at least traditionally peripheral, tasks that are not central to the "fire and maneuver" or "move, shoot and communicate" that form the core of conventional combat operations. Among these tasks are those that focus on:

- Possessing an appreciation of cultural norms;
- Maintaining fire power restraint;
- Undertaking civic action with local government and civic leaders;
- Operating (and perhaps integrating) with local security forces;
- Providing security and other forms of support to reconstruction efforts; and
- Possessing sufficient cultural awareness and language skills to enable the actions described here.

It is not clear how well individual soldiers and marines, or small units, can be "trained up" for these tasks prior to their deployment to the combat theater. Training in some skills may be relatively easy. There are, for example, ongoing programs to provide U.S. forces with an appreciation of Afghan and Iraqi customs and cultural norms. American units operating with local security forces can be critical to an effective counterinsurgency campaign, as demonstrated by the Army's Special Forces in the Buon Enao program and the Marine Combined Action Platoons (CAPs) initiative in Vietnam.[26] Yet other than personal experience, and relying on well-crafted "lessons learned" reports, it would seem difficult to conduct training in these types of tasks beyond basic military skills (e.g., patrolling). Similarly, building the necessary confidence among local leaders and the population in general, so as to promote civic action, enhance security, and thus win their "hearts and minds" is likely to be, at least in part, a function of U.S. troops' "people skills." Yet even for those possessing the necessary cultural awareness, building up a level of confidence and trust with local religious and civic leaders can only occur over time. This cannot be "pre-loaded" at a U.S. military training facility.

Finally, the ability to prepare U.S. forces through training also depends on how counterinsurgent forces choose to prosecute the war. For example, a strategy that emphasizes periodic sweeps through an area is far less likely to provide the level of contact that "secure and hold" operations would. Familiarity can breed trust, as well as contempt. If the local population trusts coalition forces will provide it with security, it becomes easier to obtain the intelligence that is critical to defeating the insurgents. The choice between a strategy that emphasizes periodic sweeps and one that places high priority on sustained presence in an area could have a significant influence on the type of skills most needed in the force, and thus on what might constitute an optimal training program.

SUMMARY

In an era dominated by irregular warfare challenges, the United States will require a large, first-rate ground force for some time, and the committee is right to be concerned over whether our ground forces, the Army in particular, are "broken," or in danger of "breaking." At present, the evidence indicates this is not the case. Our Army and Marine Corps units continue to operate effectively.

But this does not mean that we can rest easy. If current trends continue, we run the risk of crossing a "red line" that will find our ground forces in a severely "hollow" state. The problem is that no one knows precisely where the "red line" is, or how and when it will be crossed, for an All-Volunteer Force in the midst of a long, hard fight against enemies waging irregular warfare. One thing we do know, however: the Army and Marine Corps—and this committee—are deeply concerned that we not cross that line, and rightly so. As we witnessed in the mid- and late-1970s, once the force crosses that line, problems snowball and it becomes very costly, both

[26] Andrew F. Krepinevich, The Army and Vietnam (Baltimore, MD: Johns Hopkins University Press, 1986), pp. 70–73, 172–177.

in terms of time and resources, to restore the force to acceptable levels of effectiveness.

Indeed, as outlined earlier, while the force may not be broken, there are a number of warning indicators that indicate the Army, in particular, is moving ever closer toward that red line. These indicators function in a manner similar to canaries in a mine shaft—used to indicate the presence of dangerous gases or lack of oxygen—as harbingers of possible impending disaster. For example, the Army has already employed many of the basic tools such as increased compensation, and enlistment and reenlistment bonuses, to keep its strength and quality up. However, it is still being forced to take lower quality recruits than have recently filled out the ranks of the All-Volunteer Force. As these trends become more worrisome, as we see ''canaries dying,'' we must recognize that we may be courting disaster unless remedial measures are taken. Unfortunately, as noted above, our ability to remedy these manpower problems quickly or easily is limited.

Similarly, it is difficult to replace large quantities of equipment quickly, when the industrial base is not structured to do so. It is difficult to field new equipment within an acquisition system that is renowned for its sluggishness.

Perhaps most critically, solving the manpower and equipment problems would be daunting enough if we simply wanted to recreate a ground force focused on conventional operations. However, as we have discussed, solving these problems must occur as we reorient the ground force toward irregular warfare—or, at the very least—rebalance the emphasis between forces organized, trained, and equipped for conventional MCOs and irregular warfare campaigns. Under the best of circumstances, it will be difficult to introduce new doctrines and force modifications into military organizations that have for decades relegated irregular warfare in general, and counterinsurgency in particular, to low-priority status.

Consequently, I applaud the committee's intention to take on these issues now. Time is clearly not on our side. The sooner effective remedial action is taken, the better. As history shows, major changes in doctrine, force structure, and equipment take years before their full impact is realized in the force. However, I urge the committee to make such changes with an eye toward how relevant they are, not only in terms of our current operations, but also—and perhaps even more so—with regard to the kinds of challenges the Army and Marine Corps will confront, not only in the weeks and months ahead, but over the next decade or two as well.

Chairman LEVIN. Thank you so much, Dr. Krepinevich. Your testimony's really quite extraordinary. This is, I think, a very, very significant presentation, and we're very grateful for it, from each one of you—you put a lot of thought in your testimony, both written and oral, and that testimony has a lot of specifics in it, as well as a lot of general thematic points.

There seems to be almost a consensus that the challenges that we face are different from the legacy challenges, in that we're going to have to equip and train and organize differently than we have before. I would like to press you, in probably a very unfair way, to be very specific: pick five or six things that you would do that you would think are the most specific priorities for us. What kind of modernization would you drop? Some of you, in your written testimony, have been very specific on that point, what modernization plans you think are a mistake, given the other needs, and what directions would you go.

So, I'm going to ask each of you to pick a half-dozen very specific changes that you would make in our equipment that's being planned and funded, our training, our organization, force size, that you think would be the most significant changes that we could make, either legislatively or just in the Pentagon, to address these changes that you all so, I think, brilliantly describe.

Why don't we start with you, Dr. Krepinevich, and we'll go down the other end. To my colleagues, this will be an 8-minute round.

Dr. KREPINEVICH. If I were to come up with a short list, I would say, first of all, if we're looking at 48 Army brigade-size units and nine or so Marine regiments in the Active Force, we need to think

about taking a sizable number of those elements—a number of those brigades—and orienting them primarily on irregular warfare, not only for purposes of wartime, but also for purposes of peacetime operations.

I work on an advisory board for General Lance L. Smith, USAF, who commented that when he was in the U.S. Central Command (CENTCOM), one of the things that impressed him most was the work of Combined Joint Task Force Horn of Africa. He said if we're looking at this part of the world, if we're looking at a part of the world where countries are increasingly at a crossroads, the fact that you have forces in there working with indigenous forces, training them, doing civic action, and so on, is kind of a mini-boost, in terms of not only their capability, but the kind of positive effect that we saw when we did humanitarian relief operations in places like Indonesia, after the tsunami, and Pakistan, after the earthquake.

Chairman LEVIN. Good. I'm going to make this even a tougher quiz. I'm going to ask each of you to list, say, five, if you can, in a couple of minutes each, because I only have 8 minutes.

Dr. KREPINEVICH. All right. Well, even faster, then.

Chairman LEVIN. Yes.

Dr. KREPINEVICH. An advisor corps—we're short officers and NCOs to help build partner capacity.

Third, I think we need some kind of standing training organization—one of my colleagues calls it "Multi-National Security Transition Command-Iraq in a box"—so that you have a group, whether it's a Military Assistance Advisory Group that's able to go in and begin quickly—not after a year or so, but quickly—to begin to train indigenous forces.

Fourth, I think—this is a recommendation we made 10 years ago as part of the National Defense Panel—a joint urban warfare training center. Thirty-eight percent of the Arab world population is under the age of 14, and most of that population is in urban areas. These are young, frustrated, undereducated, underemployed males that are exposed to the jihadist ideology, day in, day out. The world's becoming more urbanized. We need to have those kinds of training facilities, as badly as we need places like the National Training Center.

Finally, in terms of equipment, obviously the Chairman listed a number of equipment shortage items of our troops going overseas. I think we need to take another look at the FCS, which principally was a gleam in somebody's eye when they were worried about Republican Guard Forces, and is an awfully expensive way to try and get more effective at dealing with irregular-force enemies.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

General McCaffrey?

General MCCAFFREY. It's difficult to dictate Army or Marine programs on the fly. Clearly, one of them is increase Army and Marine end strength. I'd be a little more cautious than Dr. Krepinevich, in one sense. I tell people I spent the early part of my career crawling around in the mud with a sack full of hand grenades, shooting it out with people at 20-feet range. We're really good at it. My rifle company had 100 percent casualties, probably, in the 8½ months

that I commanded it. It's not a good way to fight. If you can find another way to do it, try that. So, I tell people how I fell in love with the M1A1 tank. If you countersniper, crowd control, or fight other tanks, go with armor every time. So, I'm a little uneasy about asserting that there is a light, cute way to fight people. We talk enemy capabilities, not intentions. It's not clear to me that our only security threat comes out of counterinsurgency. We have to have the Air Force and the Navy sitting there in 20 years to deter the PRC. So, careful we're not going to create 2.4 million men and women who are prepared to crawl around in Arab cities and fight block to block.

I do think we have to buy strategic mobility. If we're going to bring the Armed Forces home from western Europe, Korea, and Okinawa, which probably isn't a good idea, but I think it's probably irreversible, we'd better fund their basing and then sort out how are we going to get them back to the combat area. I personally love the C–17 as much as the M1 tank, but I want to see how we get the infrastructure to operate in a global environment.

FCS, I couldn't agree more. We have really been diddling around with this program for the last decade or so. I got a briefing on it yesterday. Looks to me like they're closing in on it. But we ought to tell the Army, "You have—the first year of the second term of the next President, you'd better tell us what the first FCS brigade looks like. If you can't figure it out, then move this thing back into some kind of a test and evaluation program that—rather than a real one." But I think FCS is required. Just got to neck people down and force them to come up with the decent ideas.

I'm appalled at the Army's inability—Marine Corps, also—to get language training. I've been saying for 3 years, "You have to take every Leavenworth class, count off by threes, and tell the number twos, 'You're going to 90 days of immersion Arabic-language training at Defense Language Institute.'" You can't do it in 2 weeks. I was an advisor as a lieutenant in Vietnam, 90 days of Vietnamese produces subfluent ability to operate in a foreign environment. For God's sakes, we're in year 5 of the war now, and we still haven't committed to doing the sensible thing.

Finally, and probably most importantly, a necessary, but not sufficient, reason for us to succeed in our goal in Iraq and Afghanistan and withdraw is to equip, appropriately, Afghan and Iraqi security forces. We have not done this. It's appalling to me. We look at the ISF, they're going to have 70 Soviet helicopters at the end of this process, 6 C–130s, 1 squadron of ground attack aircraft, a collection of junk Soviet armor, some new, admittedly, I think, 800 BTR–80s, and Cougar fighting vehicles. What are we thinking of? We can't get out of there until these people can step forward. If we have 800 helicopters in Iraq, why do we think 70 Soviet helicopters is going to allow them to control this giant country? So, I think we need to re-look lend-lease to our new allies, so we can get out of there.

Thank you.

Chairman LEVIN. Thank you, General.

Dr. Korb?

Dr. KORB. I think you have to take a hard look at how to pay for this, the things you're going to have to do for the ground forces, I think you should stop the FA–22 Raptor right where it is. I think

you have enough of them to hedge against anything you need. I think the DDG–1000, I'd take another look at that. I think the littoral combat ship can do the job just as well, and the costs of that are just exploding. *Virginia* class submarine, I would extend the *Los Angeles* class longer, and I think you could then push that off.

A big thing that we should do, and it would not only help save money, is to cut down nuclear weapons, because our main concern is the whole question of nuclear proliferation. We need to lead by example. I think we can go down, as General Eugene E. Habiger, USAF (Ret.), former head of the Strategic Command said, 600 operational, 400 in Reserve, more than enough to protect our interests, and it could save substantial amounts of money.

Why we're rushing ahead with ballistic missile defense, to me, makes no sense. It's really not ready to go, and it deals with the least likely threat that we face. To me, it's appalling. We spend more on ballistic missile defense than the entire Coast Guard. I'm much more worried about somebody sneaking something in here than that.

FCSs, you have to slow it—I thought I understood defense issues. I can't understand the system. I've been over there. I'm not quite sure what it is. There's 57 different type technologies, and somehow, we have to slow it down until we get a handle on it.

I don't think the Marines need a new amphibious vehicle. I think they have other things that they need. The V–22, I would stop there now. I think you have enough of those things, and go buy some helicopters.

The most important thing, I think, that you need to do, though, and you have to do it, is set a specific withdrawal date to get out of Iraq. I think you ought to start a phased withdrawal to get out over the next 18 months. That would give the Iraqis time to get their act together. General McCaffrey's right, they may not have enough equipment. But, a week ago today I was in Iraq, sitting next to the Deputy Minister of Interior, and he told me it's not a question of training or equipment, it's motivation. They're not motivated. I don't think they ever will, until those political compromises are made. Those political compromises will not be made unless we put the pressure on them.

Then, finally, I think, when we get out of there, you need to continue the supplementals, consider them with the regular budget, to deal with the equipment situation. This is something we didn't do after Vietnam, and it took us about 10 years to get our equipment back up.

Thank you.

Chairman LEVIN. Thank you, Dr. Korb. [Audience interruption.]

We're going to have to ask the people in the back not to say anything. We've tolerated your holding up signs, but any more oral comments, I'm afraid we're going to have to ask you to leave the room.

General Scales?

General SCALES. Sir, I have to agree and disagree with my colleagues. First of all, when we talk about equipment, we have to understand that it's about balance. Andy is just dead wrong when he refers to FCS as a system designed for western Europe. I was at the beginning, the birth of FCS in the mid-1990s, and we didn't

call it that then, we had a different phrase for it, but the whole concept behind the FCS is to design a system for the full spectrum, with focus on counterinsurgency and irregular wars. Obviously, the system will need some tweaking over time, because it's a very complex system.

We have three choices, Mr. Chairman. We can go back to a dismounted infantry force that General McCaffrey and I have experienced, and we know that 81 percent of every soldier killed in combat since the end of World War II were light infantryman. You stand a tenfold greater chance of surviving in the close fight if you're mounted on anything than if you're dismounted. To give up the reform of the Army's mounted force, I think, would be irresponsible.

So, now you have two choices: bring back the old Cold War gear, the 70-ton gas-guzzling behemoths designed to fight the Soviets on the plains of western Europe, or build a new force. I think we need to take a close look at how the new force is built, but, the best I can tell, for the last 12 years, that force was built around a full-spectrum force, not about taking on the Soviets.

I don't believe in specialized units. I believe that good soldiers, given time to train, coalesce, and bond, can do a multitude of missions across the full spectrum, and that units themselves shouldn't be specialized, because you suboptimize the Army when you do that. So, I would not build special counterinsurgency units.

But I would build special people. What's important in counterinsurgency are skills, not structure. The ability to speak a language, the ability to commune with alien cultures, the ability to train, to advise, to—as Andy says, be part of military advisory groups and country teams, those are very special skills. Brigades don't do that. People do that. So, in order to facilitate that, Mr. Chairman, I would—as I said earlier, I would change the culture and change the policy that deals with officer education and officer training. I would reward people for acquiring these skills, rather than punish them. Frankly, what I would do, as this war winds down, is, I would send the officer corps back to school, I would establish a soldier's sabbatical program by which young officers, in their fourth to eighth year of service, are sent back to civilian graduate schools to study alien cultures and to study the art of war so that they can be culturally aware and adaptable the next time they go to war. That's my motto.

Chairman LEVIN. Thank you, all.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

This is one of those few meetings where the statements that have been made were not really what I expected, so I'm changing around the questions that I would ask.

Let me, first of all, just share with you a personal experience. During the 1990s, there was a drawdown in our modernization program, a drawdown in our troop strength, a euphoric attitude that the Cold War is over, that our military doesn't need to be as strong as it has been in the past. I watched it. In the administration, if you add up all 8 years, the amount of money lower than a straight-line funding was $412 billion. Now, this committee enhanced that to about $313 billion. So, we added about $100 billion to the funds.

But we watched things going on at that time. As General Schoomaker said, we started September 11 with a $56 billion shortfall in equipment across our Army, Active and Guard and so forth, so I think we know that we had a problem.

During the 1990s I saw a starvation diet for our military—I watched a lot—I remember at Fort Bragg, they used to call them the RPM accounts, real property and maintenance. They have a new word for it now, but they were actually taking anything that isn't bleeding today, and taking the money out of that, and putting it in what we had to have. So, they had to have bullets for training at Fort Bragg, and they were actually not repairing the roofs, and the kids were having to cover up their equipment with their own parkas just to keep it operable.

I look at some of the statements that were made. Dr. Korb, I don't agree with you on a lot of things, but I do agree when you said that ideally we need to have for every one-third deployed, two-thirds that are either in rotation or in training. We want to make sure everyone's trained when they go in. We don't want to lower the standards, I agree with that. But if you don't have the money, you have to do something that you don't want to do. I just think that's the situation that we found ourselves in.

I'd like to go back, just for a minute, to the FCS thing. I had very strong feelings about this. Most of our military people realize that we hadn't made any changes. In fact, I'll tell you something interesting. When I was in the House in 1994, there was someone who testified at that time that we would no longer need ground troops in 10 more years. Now, I have to say, I love generals, but the generals are all going to line up and say, "What are our needs going to be 10 years from now," and you're not going to be right. So, I think some of us feel that the only solution, if we really want to make America as strong as the expectation of the American people, that we need to see the overall problem.

I know it's easy to beat up on Secretary Rumsfeld, but I remember at his confirmation hearing I asked him, "How are you going to resolve the problem of trying to anticipate what your needs are going to be 10 years from now?" I suggested to him the only solution would be that we have the best of everything in all fields—best strike vehicles, the best equipment, best on the ground. He said, "during the entire century, the 20th century, the average amount of money during those years spent on military was 5.7 percent of GDP. It went down at the end of the 1990s to 2.7. Now it's about 3.8." So, I see this as a problem, that, if we are going to have the best of everything, we're just not spending the money.

I know—and I'd like to ask—I believe, General Scales, you said something to the effect that you can't continue just to throw money at it. I think that you were the one who said that. No, that must have been one of other witnesses.

Well, anyway, what I'd like to do is, just have you look into the future—and, I think, particularly the two generals on the panel—as to what we should do today in looking to the future, so that, if I'm correct when I said that expectations of the American people are that we would have the best of everything, what should we do today in planning for that?

General McCaffrey?

General MCCAFFREY. I've tried going into this with a little bit of humility—I'm not sure I can see the future. I basically agree with your going-in assertion that we ought to build a capability to respond across a broad range of potential threats. The most important thing we do, bar none—and here, I would probably part company with Dr. Korb—is to try and deal with the notion of nuclear proliferation. So, I personally think we ought to have a modernized, robust, nuclear attack capability, and would build a ballistic defense capability. Now, how much is enough is where the debate ought to be, not whether or not we ought to do this.

The second most important thing I would do is ensure that we control the seas and the air. I'd have a world-class Air Force and Navy, without which none of the rest of this stuff works. The Army can't get there to fight to intervene in any of these contingencies unless we control the seas and the air to get in there.

Then, finally, I think, back to FCS, we have to have a modernization program for the Army. We have to, at some point, walk away from a 70-ton tank that goes by sea, and get lighter, more nimble equipment. I think Bob Scales is entirely right. We don't want to elect to fight masses of foreign infantry on foot. We're really good at it. There's probably no more better team players than U.S. light infantry formations—28,000 killed and wounded; their morale is high. But we're trying to find a better way to do it. So, we have to do FCS and focus the Army, and then getting it out there. Right now, I think they're talking 2017 for a first FCS brigade. That's ludicrous.

Senator INHOFE. Yes, I understand that.

General Scales, I'm sorry, but our time is cranking away here. Let me get into something else.

When General John P. Jumper, USAF, I thought was courageous, back in 1998, when he came up and said that—talking about the F–22 program—when the Russians started with their SU–30s, SU–35s, they actually had some things that were better than our best strike vehicles, which were the F–15 and F–16. Then, when you talk about FCS, the best thing that we have out there in a non-line-of-site canon is the Paladin, which is World War II technology. I just can't imagine anyone who wouldn't believe that we need to have the FCS so that we get it lighter, faster, more transportable for these less predictable enemies that we have out there.

General Scales, do you have any thoughts about that?

General SCALES. I do, Senator. Let's just talk about that for a moment. General McCaffrey is onto something here. The advantage of FCS is not just the fact that it's lighter, faster, and all the rest of that, but the essence of counterinsurgency is what the pundits call ''area control,'' the ability to control areas, rather than to capture or kill the enemy, maneuver along broad arrows on a map. What light, mobile, autonomous, mechanized forces bring to the table is the ability to spread your forces out, to distribute your forces, and to remain there for long periods of time, and yet, still protect them. The dream of the Army has always been to build an Army that can sustain itself over a long period of time, and yet, at the same time, fight at a mechanical advantage. The only way to do that, particularly in a counterinsurgency and a pre-insurgency environment, is to lighten the force, to be able to spread it

out, distribute it; so, instead of having bases that are based around brigades, or maybe battalions, build the ability to have platoon, and even squads, as autonomous fighting elements.

So, it's not just about the machine, it's about the concepts that you're able to use, in counterinsurgency, that the machine actually facilitates. So, sometimes we get too tied up with the technology, we get too focused on sensors and platforms, and the rest of that. The key here is to back off from the technology and back off from the programs, and ask the Army, "Tell me how you would use this in a counterinsurgency environment." The answer is—any soldier in Iraq will tell you, "I would rather man a guardpost in Baghdad," or, "I would rather go into close attack in Fallujah and Ramadi, mounted, rather than dismounted." That is the bottom line. If we don't buy this next generation of fighting equipment, then the next generation, my children, are going to have to go to war, just like I did in Vietnam, with nothing to protect us, except an armored vest. I think that is absolutely wrong.

Senator INHOFE. Yes. General Scales, I agree with you. I had an occasion to be in that area of responsibility some 13 times now, and have seen the areas where we're really having problems. It just seems to me—and it frustrates me, because I can remember going to the Senate floor back in the 1990s saying, "Someday, this day is going to come." I would just encourage you, in your advisory capacity, and you, General McCaffrey, to keep in mind that it's really all of the above that we need. Yes, we do need the missile defense. I know that Senator Sessions is going to be probably talking about that. It's inconceivable to me that we can watch the Chinese knock down one of their own satellites that's in the same orbit as our reconnaissance satellites, and not be concerned about that end of it.

So, I appreciate very much your comments.

Thank you, Mr. Chairman.

Senator LIEBERMAN [presiding]. Thanks very much, Senator Inhofe.

I want to thank Senator Levin for convening this hearing. I appreciate it very much. The truth is—and the testimony of this superb panel puts a punctuation or exclamation point behind this conclusion, which is, I don't think there's anything more important this committee and Congress can do with regard to our military this session than to come to the aid of the U.S. Army. But we're having a lot of debates, obviously, about Iraq. Whatever you think about Iraq, the cumulative impact of the testimony—superb testimony that the four of you have offered today, to me, is both an indictment of the people and policies that have allowed our Army to come to this point of stress, and it is an urgent appeal—and, fortunately, an informed appeal by the four of you—to do something quickly to fix it as best we can.

In some sense, as I listen to you, it seems to be that America, in this stage of our history, repeated a mistake that we see so often in history, which is that nations demobilize too quickly after victory in war. Here, the evidence is clear that we demobilized after our victory in the Cold War. We went from average size of the Army of about 780,000, now to about 480,000. In some senses, that demobilization is understandable. What is unacceptable is that we failed to remobilize, as we went to war, after we were attacked on Sep-

tember 11. That's what we really have to do something about, as quickly as we can, as relevantly as we can, to the combat that we're involved in, in Iraq and Afghanistan today. Obviously, I fear, as all of us do, that the shortage—we're in that circumstance where the shortage of soldiers begins to define the military strategy more than the military strategy defines the manpower we need.

General Scales, you make that point very effectively in your prepared testimony. In some sense, what we're experiencing right now is that the development of a new military strategy, the one that General Petraeus is implementing with new troops, we don't have the manpower to really carry it out. So, that's why the Pentagon has had to increase the stays of so many people who are there now, with the consequent negative effects.

Anyway, I do want to say that Senator Cornyn and I, next week, are going to convene a hearing of our Airland Subcommittee, which will hear, I hope, Secretary Geren and General Casey, to essentially respond to the allegations, the charges, the observations, and the suggestions that you've made today. I thank you for them.

The administration has now recommended an increase in the size of the U.S. Army by 65,000—but it won't reach that number until 2013. So, General Scales, I want to ask you, how much should we be increasing the size of the U.S. Army? Is it not possible to come to higher numbers before 2013?

General SCALES. Senator, first of all, I think the 100,000 number has stood the test of time. You may recall, 2 years ago we had this long discussion, and the issue, as you recall, wasn't the Army. I think the issue we used was the term "ground power." That would be Army, Marines, and Special Operating Forces.

Senator LIEBERMAN. Right.

General SCALES. My answer to you is, we don't have until 2013 to increase that force. My concern is that we haven't been imaginative enough in using the tools that we have at our disposal, other than lowering standards. We don't have the tools at our disposal to be able to focus our recruiting those soldiers we need most. Remember, now that the infantry force of the Nation is only about 5 percent of the 1.3 million. If you took every infantryman in the Army and the Marine Corps, it wouldn't fill FedEx Stadium.

Senator LIEBERMAN. Yes.

General SCALES. So we're not talking about mobilizing the Nation here, we're talking about taking a small part of the population, men and women in uniform, and a small part of that, those who are engaged in ground combat, which is even a small percentage of the Army and the Marine Corps, and raising the numbers of those forces in order to get the advisors, the trainers, the Military Assistance Advisory Group officers, as well as the members of the brigade we need.

So, my suggestion is—number one, we need to change our policy on pay and allowances. Why can't we pay, for instance, soldiers, not only for their skills, but for their risk? In other words, why can't we pay them a lot more for doing the dirty, filthy job of close combat? If we did that, I think we would be able to accelerate that curve of accessions without diminishing the quality of the force. But I mean do it a lot, not just $1,000 a month, but do it substan-

tially, because we're only talking about a fairly small number of men and women who perform these tasks.

Senator LIEBERMAN. It's an excellent point. Look, right now we are paying some of the private contractors for doing military work enormously more than we're paying our people in uniform.

General McCaffrey, I want to ask you a question in the time remaining about the other side of this, which is the obvious need in wartime to repair and recapitalize your forces, your equipment. I believe I heard you use a number of $212 billion. Give us some content to that, and, if you had your druthers and you were king, how quickly you'd try to do it, apart from right now or yesterday.

General MCCAFFREY. Let me, if I may, Senator, also add to Bob Scales's response. The notion that a country—here, in 1939, my dad got commissioned in West Point, we were a quarter of million people in the Armed Forces, and 6 years later, we had 16 million.

Senator LIEBERMAN. Right.

General MCCAFFREY. There were 130 million people in the Nation then. Now it's 300 million. The thought that we can only add 7,000 a year is a rounding error, for God's sakes. It's completely asinine.

Senator LIEBERMAN. You are absolutely right.

General MCCAFFREY. There's 140,000 contractors in Iraq right now. Some of them are getting $120,000 as the base salary to go over there. Why would we think it was—and, I might add, I have not heard one political leader in this country—not the President of the United States, nor any Governor or mayor or any Member of Congress—get on TV and say, ''We need your sons and daughters to join us to fight.'' I bang away at the White House. The President used a remark, something about, ''For those of you who are considering a career in the Armed Forces, there can be no more honorable way to serve.'' We're not talking about a career, we're talking about 19-year-old boys and girls carrying M–4 carbines in downtown Ramadi. So, if we want our kids to come to the colors, we have to ask them. The principals of high schools, the university presidents, have to say, ''We're in danger. Come protect us,'' and they'll come. They actually don't need $120,000 as a base salary, although I clearly would join General Scales in saying you ought to use every tool required in a volunteer military to get the manpower we need.

Senator LIEBERMAN. Right.

General MCCAFFREY. Then, back to the equipment thing, I remember going out a few years ago to Warren, Michigan, Detroit, talking to our Tank Automotive Command people, and they reminded me that the entire U.S. military production for ground combat equipment is a fraction of 1 day's output by Detroit. We are not a big asset—load on the industrial capacity. We haven't funded it. We haven't done a darn thing. We have hundreds of vehicles broken at Army depots all over the country. We have industrial capacity that could surge and fix this stuff within 18 months if we told them, ''this is a crash basis, 7 days a week, three shifts.'' We're not modernizing the force. We have this preposterous 15-year plan right now to modernize the existing heavy brigade combat units. So, again, to be honest, I think there's been a failure of imagination and political will in the Pentagon. I personally hold Secretary

Rumsfeld and a small group responsible, which has let this fighting force get to the edge of a disaster. I think that's where we are.

Senator LIEBERMAN. Thank you. That's a real cry to us to respond, and I'm confident that we will.

Thank you. My time's up.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

General McCaffrey, I agree with the seven assertions that you made in your testimony, and you've really painted a very worrisome picture. In addition, you and I have had the opportunity to sit down. I very much appreciate the information you've shared with me as a result of your trips to Iraq.

Dr. Korb raised what is perhaps the central question, and it is a question that I'd like to pose to you. It is, can we save the Army, can we rebuild the Army, while we're still fighting the conflict in Iraq?

General MCCAFFREY. Here's the good news. Right now, an objective viewpoint, having hung around this military for a better part of 42 years, and coming from military family, the leadership strength of the Army is simply beyond belief, both Active and Guard. You could go to the best company commander in each one of these fighting battalions and say, ''You're now a lieutenant colonel, you're in charge of forming up a new battalion,'' and they're fully capable of doing it. So, the leadership limitation, which we faced in World War II during a surge, isn't there. They absolutely can do it.

Second, I think the question is, will the country respond? Will the 18- to 30-year-old men and women in the country step forward and fight? I think the answer is yes, they would, if we sat down and said, ''What do we need to do to get the results we require?'' I couldn't agree with Dr. Korb more, lowering the standards is the last thing we ought to do. I talk to command sergeant majors now in motor pools, they'll say 10, 20 percent of these kids we're bringing in right now simply shouldn't be in uniform. That's going to be a problem to us, because they're going to be our staff sergeants, 6–7 years from now, in the next crisis. We shouldn't lower our standards, we should increase the size.

Then, finally, I think we have to remind ourselves that the national security of the United States isn't just at stake in Afghanistan and Iraq. We have to be concerned about controlling the Pacific Ocean. We have to be concerned about the proliferation of weapons of mass destruction. We should not take the entire defense establishment and turn it into a counterinsurgency force. That isn't the way to protect the American people in the coming two decades.

So, I actually don't think it's too much of a challenge to change the base of the Armed Forces, which is now failing our operational commanders. Dave Petraeus is not going to get 20 brigades for the next 36 months. This thing is coming apart on him back here in the United States, and we are in denial. Rumsfeld has refused to accept the obvious evidence in front of his eyes that that was taking place. So, these nine joint commanders, when they turn around and ask for the tool, are finding broken Air Force airlift, ships that are undermanned, a modernization program that's been put on

hold, and an Army whose equipment is in disarray because we've under-resourced it.

Thank you.

Senator COLLINS. Thank you.

General Scales?

General SCALES. Yes, ma'am. I'm a historian, so let me put a little military history into the discussion.

Oftentimes, the greatest opportunity for transformation and change is during times of great stress. Militaries are, by their very nature, bureaucratic institutions. They're pyramidical and they're—I know this really surprises you—they grind on very slowly, and they're not likely to change quickly. So, it's during times of stress, it's during times of uncertainty, it's during times of great ambiguity, when the military tends to make its greatest advances in vision and concepts and transformation.

So, I would argue with you, now is the time to begin the process, when everybody in this room, I believe, agrees that the Army and the Marine Corps are under enormous stress. I have never found anyone who's ever come up to me in the street and said that a marine infantryman in Fallujah is overpaid or that he's well-equipped, or he's as trained as he needs to be.

So, I guess I view this as a window of opportunity, not an open door. I think that's why all four of us are here, because the time to begin the process of change and reform is in the time of greatest stress, because that's when you are able to shine the spotlight of reform on the problem and get reform started.

Senator COLLINS. Thank you.

General McCaffrey, at a previous hearing before this committee, the then-Chief of Staff of the Army testified that 55 percent of the total Army force was made up from the National Guard and Reserves. I was really surprised that we have reached such a high level. It shows why we're so dependent on our National Guard, and why we're placing such demands on them.

What is your reaction to the fact that only 45 percent of our total force is now made up of Active Duty soldiers?

General MCCAFFREY. I personally believe that a robust National Guard is essential to America's security. When you start looking around a State—pick a State at random—there'll be 2,000 or 3,000 State police, there'll be—you look at the Nation as a whole—12,000 local sheriff departments and police forces. If you have a problem, you need the National Guard—the Air Guard and the Ground Guard. In particular, engineering, signal, medical, transportation, the tools that a Governor needs to deal with a Hurricane Katrina or with a radiological attack. So, I would actually argue the National Guard is too small, and the Reserve Forces are too small.

I think we've had a role problem. We can't allow them to fulfill their mission unless the Active Forces are capable of picking up these responsibilities. We were looking at an Army of 490,000 people, trying to maintain this rate of deployment, and it's simply incapable of doing so.

So, I do believe the Active Force should be substantially increased, and not—we keep talking about fighting brigades. This thing doesn't work just because of fighting brigades. Right now, when you look at the force as it's postured in Iraq, contractors are

doing long-haul communications, transportation, feeding the soldiers, repairing our equipment. You go in a division or a brigade Tactical Operations Center, and you have contractors in there, in blue shirts, keeping the thing running. At some point, when fighting gets intense, they won't do it. A marine private will do it for $800 a month, but a contractor simply won't, at some point, stay there. So, I believe our logistics capability in Iraq and Afghanistan is a house of cards that will fall down under intense pressure. The Active Force is too small, there's no question.

Dr. KORB. Senator, could I add something?

Senator COLLINS. Dr. Korb?

Dr. KORB. I think it is important to keep in mind why the Guard and Reserve are as big as they are. This was a deliberate policy on the part of a general who I'm sure all the people here know, Creighton Abrams. He was very concerned that, during the war in Vietnam, we never mobilized the National Guard. The reason for that is, they were concerned that if they did, given some of the people who were in there, to avoid going in the Active Service, that it would have sparked a debate that he did not want. So, the late General Abrams basically said, "We're never going to have this again. My Active Force is going to be so small that if you want to do anything serious, you're going to have to mobilize the Guard and Reserve, because we want the American people to feel an emotional investment." So, it was a rationale for why they did it.

Senator COLLINS. Thank you.

Chairman LEVIN [presiding]. Thank you, Senator Collins.

Senator Reed.

Senator REED. Thank you, Mr. Chairman. Thanks, gentlemen.

General McCaffrey, you seemed to indicate that the possibility of success for the latest development, the surge, is constrained by inadequate resources, in terms of manpower, in terms of support. Is that a fair estimate?

General MCCAFFREY. It may be fair, but it's probably less important than other assertions one could make, because it's not too clear to me—and, again, I didn't intend to talk about the policy in Iraq—that we're fighting a counterinsurgency campaign in Iraq. I think it's a civil war we're trying to tamp down. When we do tamp it down, the end result won't be delivered by five brigades, one a month, from now through June, but, instead, by political reconciliation, by leverage with economic tools, which are lacking in the current plan. So, I fundamentally think we're probably still not focused on the right approach.

In addition, though, Petraeus ain't gettin' 20 brigades for the next 24 months.

Senator REED. That situation is a culmination of decisions that have been made over the last 4 years or more, in terms of sizing the Army, providing equipment, a host of issues. Is that fair?

General MCCAFFREY. It is, and—there are some brilliant, I know, patriotic people over in that Pentagon. Dr. Chu, personally, fascinates me, because I know what an intelligent, experienced man he is. But, as we start calling up the National Guard brigades here, and the first four have been notified, more are to come, he actually said, "This is no big deal." He completely misunderstands what's going on in this fighting force. Those staff sergeants in the 82nd

Airborne, with their high morale and their unbelievable courage, are not staying for 3 years straight in Iraq and Afghanistan. Their wives are saying, "Wait a minute. There's 300 million of us who live here. Let somebody else take their turn." Those military people are watching statements out of the Pentagon that there was adequate combat power to sustain his policy. There isn't, and the troops know it.

Senator REED. Thank you, sir.

We've been at this for more than 4 years, and I just wonder, looking forward to the Army that comes after, what are the lessons that we draw, both the bad lessons and the good lessons? In fact, it's more important, probably, to identify the bad lessons, because sometimes they're more harmful.

General Scales? Then I'll go down the panel.

General SCALES. Senator, I may repeat myself a little bit, but let me just go down the laundry list for you.

I think the first is that the realization that war is a human, not a technological, enterprise, that wars are fought as one group of men and women against another. At the end of the day, we have to walk away, or we have to amend a theory of war that's evolved in this country over the last 5 or 6 years, this netcentric approach to warfare that views the enemy as objects, and views warfare as an engineering problem, and, increasingly, change our attitude about how wars are fought. That's hard for us, as a Nation, to do, because we tend to apply the physical sciences, rather than the social sciences, to war, and you know that better than anyone.

The second thing, if we're going to use the term "long war," then we ought to believe it. The object of a military force is not just to get there, cause damage, and leave. We have to understand that the strategy for fighting the long war is persistence, and the ability to get somewhere and stay somewhere, and to have some effect.

The third thing is the idea of a military is not to preempt, it's not to destroy, it's to build—it's to build trust, it's to form coalitions, it's to build partnerships, it's to aggregate, if you will, a collection of willing partners.

Now, is force necessary for that, sometimes? Of course it is. But far more the weapon or commodity that we can apply most in the next 10 or 20 years to win this long war is trust. Trust in the ability and the intentions of the American people, trust in the skill and the empathy of the American military. That's a sea change from the way we've viewed warfare in the past.

Senator REED. Dr. Korb?

Dr. KORB. I think the main thing we've learned is that you have to level with the American people. I have great confidence in the American people, and they will trust you, the Government, their leaders. But if they feel they've been had, they'll turn against you. The best way I can summarize it is to quote from Francis Fukuyama, the author of the book, "The End of History," who was one of the neoconservative supporters of the war. He said, "If you had told the American people, back in early 2003, that we would go to Iraq and lose"—now it's over 3,300 lives, close to 30,000 wounded, maybe 500,000 Iraqis dead, "costs spent, $500 billion, so Iraq could have an election"—these are his words—"you'd have been laughed out of the ballpark." That's not what they signed up

for. I think one of the things we have to do, when you go to war—I don't have the military experience of these gentlemen, but I did spend some time in the Navy, and what we were always told was, "You obviously hope for the best, but you plan for the worst." The idea that somehow—and you all know—we've been over this—how many troops that they thought they would have, and how quick it would be—basically, was not the way to approach it.

I think we also learned that there becomes a moment when you can really spark the debate. I think Senator Levin and General Eric K. Shinseki, USA (Ret.) will go down in history. Everybody knows the question you asked them. The question is, "Why did we stop there?" We being the American people, "Why didn't we press it more?" The media, the academic community—and say, "Okay, do we have enough troops?"

Then, finally, I think we learned that there comes a time—and after September 11, the country was ready to do the things that people here are talking about. They would have risen to the challenge if you had told them to do it. I think you could have increased the size of the Army then. I don't think you can do it now, because mothers and ministers and priests and rabbis and coaches are telling youngsters, who might want to go into the Army, "You really don't want to do it now, because this war has become"—to use Tom Ricks's term, "such a fiasco." So, I think we have to learn, you have to be honest with the people. If you want to go to war, make sure people understand.

I'll end by quoting Colin Powell, as he told the President, "You break it, you own it." Did we really realize what that meant when we went in there?

Senator REED. I think I'm running out of time, but first Dr. Krepinevich and then General McCaffrey.

Dr. KREPINEVICH. Five lessons.

First, an Army organized and optimized to run a sprint, fight a short war, a decisive war, is not the Army you need for a marathon, a long, irregular war.

Second, in long wars, attrition is not only possible, it's likely. We hadn't had sizable attrition of military equipment for roughly 30 years after Vietnam. We're seeing it now. It's not just a case of this war, it's a case of other contingencies and other wars and other services.

Third, a force that's optimized for conventional war can't easily shift gears to fight an irregular war. It's been demonstrated twice, in a stark way, not only in Vietnam, but in this recent war.

Fourth, modern communications. In Vietnam, if you went into a village, you'd be lucky if they had a radio, and that radio would be lucky if it reached Saigon stations, let alone Radio Hanoi. You go into Iraq, and the place is swimming in information. We are fighting on their terrain, when it comes to what we call strategic communications. We say we are there to help build democracy, to provide economic growth. What they hear inside that country from people who know how to push their buttons is, "The Crusaders are here to defile your religion, defile your women, steal your oil, and colonize you." We're not even in the game when it comes to those kinds of arguments.

Finally, I guess, the issue of scale. I think a number of these contingencies are clearly beyond the scale of the military that we're likely to be able to build, especially in terms of ground forces, which means indigenous forces, partners, and allies are going to be increasingly important to us, something that I think we lost track of in this war.

Senator REED. General McCaffrey, quickly?

General MCCAFFREY. I think Dr. Korb got the most important point, you have to level with the American people. You simply can't have a divergence between your public rhetoric and what the media are reporting. Media have done a first-rate job in this war, in my view. They've taken a few raps on, ''why aren't they telling us the truth of the goodness going on in Iraq?'' All of you in the room have been there. This is a tough situation. You have to level with the American people.

Number two, don't get involved in fair fights. The whole notion of the planning prior to the intervention in Iraq, that we were going to go in there with tiny forces and not waste money, was insane. The last thing you ought to choose is the military tool. If you do use it, you ought to use overwhelming force.

Then, three, don't think military power is enough. We solve these situations—we keep talking the interagency—economic power, political power, diplomacy, covert action—right now, we have two people fighting the war, the Armed Forces and the Central Intelligence Agency, and that's it. The rest of them are missing in action.

Senator REED. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

General McCaffrey, in your statement you have—under the first category of your subheading, you said Congress ''must step up to your constitutional duties,'' and that's what I want to address with you in my brief time with you.

First, do you—both on the short-term basis and on the long-term basis—it seems to me we can have the very best in optimal policies, procedures, and practices, but if Congress doesn't provide the funding to make it happen, it's not going to happen. In the short-term, you point out the importance of funding the war supplemental so that the new plan can go forward in Baghdad under General Petraeus to give the Iraqis the time and space in order to do the political reconciliation that needs to occur. Is that correct, sir?

General MCCAFFREY. Yes, sir. It seems to me we have no option, at this point, but to give General Petraeus and Ambassador Ryan Crocker the tools and the time they need to do their job. If it doesn't work within a year, this Congress is going to pull the plug on the war. But, in the short-term, I can't imagine any other realistic option.

Senator CORNYN. Yesterday, the Army issued a press release which reiterates what Secretary Gates and others have warned Congress about, the delay in providing the emergency supplemental spending, beyond mid-April, will slow the purchase of repair parts and other supplies, defer training and other nonmission-

critical aspects of our readiness. If it's delayed until May, the Army says they'll "cease entering into new contracts and task orders, suspend some service contracts supporting training events and facilities." If Congress doesn't get the money there until the end of June, this concludes that "there will be substantial disruption to installation functions, decreasing efficiency, and, potentially, further degrading the readiness of nondeployed units."

I'd also like to ask about the overall level of funding and the stream of money coming in, so that the military can do the kind of planning that's necessary. Over the period of time ranging from, of course, World War II, where funding for the DOD was at 38 percent of gross domestic product, we ranged from, during the Vietnam war, 9.5 percent, to Korea, 14 percent. We are now trending down to where the Office of Secretary of Defense Comptroller projects 2007 defense spending to be about 3.9 percent of gross domestic product.

All of the various solutions that have been proposed here, growing the size of the end force, allowing for expanded training functions, rebuilding the National Guard, and perhaps deferred compensation of our military dimension, are all going to cost some more money. I would just like to ask, first, General McCaffrey, then General Scales, to comment on what is Congress's responsibility in terms of providing a reliable and steady and predictable stream of funding so that the kind of planning and preparation that you've talked about can actually occur?

General MCCAFFREY. Senator, one comment, certainly on that supplemental. I personally believe that the intense debate over the future of the war here in Washington is helping Ambassador Crocker and General Petraeus. I think it has put the fear of God into the Maliki government. I think the Sunni tribal leaders are saying, "My gosh, what if these people actually pull out in 2 years? We're 16 percent of the population, we're going to get slaughtered." So, I think the political debate's a good thing, not a bad thing, in terms of the situation on the ground in Iraq.

Senator CORNYN. I agree with you about the debate. It's the delay in the funding I'm worried about.

General MCCAFFREY. To go on to the second point, I think the delay of the supplemental would be monumental bad judgment. I don't understand how the Pentagon budget works, and never have. I was in and out of that system for the better part of 35 years. I'm sure of this, it's like watching a person freezing to death. The last thing that shuts down is blood flow to the brain. We're going to fund that war. Congress will have—unless they actually pull the plug on the war—no impact on whether we buy ammunition, buy petroleum, oils, and lubricants (POL), care for our wounded. That'll happen.

What will happen is, we'll turn off every other program, so we're going to start sucking money out of the Air Force and Navy, we'll close down—and a lot of it will be staged, but that'll be minor theater. The grass will grow long at Fort Benning. But, in fact, programs are going to start to atrophy and suffocate. Once we start that process, backing out of it will screw us up for 2 years.

So, again, now this political argument, I cannot imagine why the loyal opposition to the government would want to buy responsi-

bility for the outcome of the war in Iraq. I do personally think you have to make a political statement of opposition to the war, and then give the Commander in Chief the tools he needs to fight in the short run.

Now, the harder question—you talk about reliable, steady stream of money—that's been a problem in Congress since World War II. Norm Augustine, one of the smartest people we ever had in the DOD—I think the figure he used was, "You can't raise the budget by more than 8 percent, or decrease it, without DOD screwing it up." I think that's probably the case. We need to see these programs, 5 years or more, with reliable, steady streams of funding. That's what gets us in trouble. You cut down the funding on Comanche, and start starving it, and the military will continue saying, "Sir, we'll do it." Then, at some point, the technology fails on you. So, I think it's a challenge to Congress, how do you get 5- to 15-year headlights in front of you on building the national defense? But the supplemental, I sure hope we pass that, or there's going to be real consequences over in the Defense Department.

Senator CORNYN. General Scales?

General SCALES. Senator, historically, the Army has drawn about 23 to 24 percent of the total obligation authority of the defense budget since 1950. It's a couple of percentage points beyond that right now. So, you have a force that does virtually all the killing and dying, living on less than a quarter, or approximately a quarter, of the budget. There are many, many different reasons for that, much of it driven by culture, much of it driven by inertia, much of it driven, as I mentioned earlier, by this idea that we can win wars with machines and not men.

But, clearly, you have two choices. Number one is, you can grow a bigger pie, or, number two, you can re-slice the pie to give the Army's share of the budget somewhere beyond 24 to 25 percent, in the range of 30 to 31 percent. I think if you're going to keep the Army—if you're going to reform the Army and allow the Army to fight this war, you're going to have to increase the amount of money that goes to the Army.

One caution. The general officers who I've been raised with all my life, have about them this can-do "hoo-ah" attitude about resources. In other words, you're a platoon leader, and you want 1,100 rounds of machine gun ammunition, and you get 600 rounds of machine gun ammunition to train with, and your answer is, "Sir, I can do it."

So, be very, very careful, I believe, as we continue the hearing process, to look beyond the "hoo-ah" can-do attitude about resourcing, and ask the tough questions about the institutional Army and its health, about some of the second-order needs that an Army has, beyond just bullets and beans, and look inside that institution, and open it up, and see what's broken. Look at the canaries in the mine to find out who's dying in the mine, rather than simply look at some of the statistics, the top-line statistics that you get. Make sure that you go beyond the "hoo-ah" attitude and give the Army—I hate to say this, what it needs, not necessarily what it decides to ask for.

Senator CORNYN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Cornyn.

Senator Akaka.

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

Let me add my welcome to our witnesses, and commend you for your service to our country.

As chairman of the Subcommittee on Readiness and Management Support, I'm extremely concerned, as you are, about the readiness of the Army and Marine Corps, and also their ability to respond to the emerging threats, not only of the war we're in, but of the 21st century. The challenges that we are in are even more difficult, because we are simultaneously increasing the size of the force, and having to restructure our military posture to effectively deal with the threats and, as you mentioned, counterinsurgency operations. There's no question, we must do all we can to provide the training and the equipment and all that our troops need.

Regarding this, I have some questions for Dr. Krepinevich and General Scales. During the early 1970s, talking about history, the Army was reorganized so that the regular Army could not conduct an extended campaign without mobilizing the Guard and the Reserves. It's not clear, however, that the Defense Department leadership at that time anticipated the kind of protracted conflict we are facing today, with the global war on terror and an Army that is comprised of 55 percent National Guard and Reserves. I believe Dr. Korb is right, in that the All-Volunteer Force was meant to be an initial defense against threats against our country. Now, in a prolonged war, I believe that the All-Volunteer Force is meant to be a bridge for dealing with threats until a full-time wartime force be built.

Now, Dr. Krepinevich or General Scales, with the current Army organization, is the Army too reliant on the National Guard to meet its global commitments? In other words, are we fighting a sustained war with a peacetime organization? Since our Army force structure consists, as I mentioned, of 55 percent National Guard and Reserves to 45 percent Active Duty, how can the National Guard maintain its capability to deal with security threats, with natural disasters at home, while being expected to provide extended support to our national interests abroad?

Dr. Krepinevich?

Dr. KREPINEVICH. As you noted, Senator, in the wake of the Vietnam war, it's been mentioned here, General Abrams put a lot of the Army's combat service support in the Reserves, with the idea that if you were going to use the Active Army in large numbers, you would be likely to call up—or have to call up the Guard Forces, Reserve Forces, as well.

That has, obviously, begun to change with the advent of the modular force. Now we have these brigades that can deploy on their own with much more regularity than stripping out units from the division, and so on. But when you ask, "Is the current Army too reliant on the Guard and Reserve?" I think using the Army's own metrics, you have to say yes. The Army strives for a six-to-one rotation rate for our Guard and Reserve Forces, which is to say, for every six Guard brigades you have, only one would be on deployment at any given time.

We've seen over the last 4 or 5 years that the Army has fallen below that ratio. So, by the Army's own definition, just as the Active Force is overstressed, the Reserve Force is overstressed, as well. I think when you look at the fact that the Army has concentrated a lot of its support elements in the Reserve Forces and in the National Guard, you also, if you believe as I do, that of the contingencies we're going to see most likely, as the chairman points out, are irregular warfare, stability operations, counterinsurgency, then these are the kinds of forces you're going to need more of. Not only that, but when you do talk about things like homeland security, disaster relief, as General McCaffrey said, it's not a matter of if, it's a matter of when, we're going to get hit here at home. You're going to need those kinds of forces, not only for these external operations that deal with irregular warfare, but also here on the homefront, as well.

So, these forces are a lot more important. We have to think about them a lot differently than we did between the 1970s and September 11. During that period, the Guard and Reserve were a bridge between the Active Force and mass mobilization of the country on a scale like we saw in World War II. This is not the force for the occasional war, the occasional large war. As the Defense Department has said, the Guard and Reserve have really transitioned from being a strategic reserve to an operational reserve, which means we plan on using you folks a lot more, not only now, but, I think, in the future, as well.

Senator AKAKA. General Scales?

General SCALES. Senator, that's a key question. One of the things that I find interesting about this war is that, in many ways, the National Guard is threatened by its own success. I remember in the 1970s the National Guard was always viewed as a follow-on force, as Andy says, or as an augmentation force. But what I think has amazed many of my regular Army colleagues is that they have performed so incredibly well in Iraq and Afghanistan. Several reasons for that. Number one is, they're mature, and we know that oftentimes more mature soldiers are better decisionmakers in these types of crises. The second is, National Guard units, the brigades that I visited, are very tightly bonded; they're hometown units. So, their ability to know each other and to work with each other intuitively, I think, is truly exceptional, than, oftentimes, in many regular units.

But the result is that, in many ways, perhaps the National Guard is being killed with kindness, that, in many ways, the Abrams doctrine is no longer valid anymore. In many ways, the National Guard has bifurcated itself into two forces. One is what I guess you could call a quasi-professional force, an almost professional force. I met a sergeant major from a Minnesota National Guard brigade that's on its way back to Iraq, and he told me, "My unit consists of two types of people, those who have already left, because they have jobs, and those who are sticking around, because they have committed themselves over a lifetime to serve in the National Guard." Is that good or bad? I don't know. But we're in a completely different place now.

The Guard has now become absolutely essential to our future military strategy. I agree with General McCaffrey, I don't think we

have enough guardsmen now to perform both of those functions, the Governor's militia, as well as this quasi-professional force. We certainly haven't given the equipment and the training and the education that they need, to my mind, to perform either one of those.

The third danger is—by killing with kindness, I mean the third danger is that they may be overused. I think that the force that is at greatest risk of being harmed in the short-term is the National Guard, because of all those things that we just talked about, and it concerns us all greatly.

Senator AKAKA. Thank you very much. My time is expired.

Chairman LEVIN. Senator Akaka, thank you.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

This has, indeed, been a extraordinary panel, a very important panel. I do share with a number of you, and a number of the members here, the view that this is the time—General Scales, even in a time of great stress—for us to make some fundamental changes about how we construct our defense capability for the future.

You've given us some tremendous insight and advice. I think we need to take every bit of it seriously. The stress that we're now imposing upon our military is extraordinary. I'm very worried about it. In fact, I guess I have to say I remain amazed that we've held up as well as we have. I see a number of you nod.

I've asked, "How's recruiting going?" "It's going pretty well." "How is retention?" As you, I think, General McCaffrey noted, the combat units in Iraq now have remarkable retention.

But I do believe you've pointed out to us that we are fraying around the edges, that we are asking more and more, and we could get to a point where we could lose this magnificent force that we have. I really think this is a serious situation for us. Probably, we could rearrange some of the monies that we spend, in more effective ways, and probably we need significant, but not an impossible, amount more to meet our challenges.

I would just note, with regard to our Guard and Reserve, that it is hard—even once in 5 years—for a guardsman or guardswoman to be deployed for a full year, maybe 13–14 months. That is very hard every 5 years, if they have a profession, or they're a lawyer or accountant or some businessperson. Many of them are that way. But they are performing exceedingly well. Every year they've been trained better and better, and more and more capable. So, it's a critical part of what we do, but it cannot be a regular supplement, a constant supplement of where we are going.

Several people have talked about the amount of money we spend as a percentage of GDP on defense. We are moving back up from a low of below 3 to about 4 percent of GDP. We spend $2.5 trillion every year, this country spends that much. A hundred or so billion dollars a year, properly utilized, would have an impact, I think, positively, and would not be beyond our capacity to fund.

One of our decisions—I guess it's not possible for us to make it here today—Dr. Krepinevich, you mentioned an emphasis, within some of our brigades, on irregular combat. I'm inclined to agree. We have had an increase in Special Operating Forces, which also count, I suppose, in that way. My thinking is that, in the future,

we're going to have to be wiser about how we apply our military force, and it's not possible for us to take over complex societies, and run them, as we are finding out. Sometimes, we just don't have the capability. I think the situation in Afghanistan maybe gave us too much confidence of our ability to handle Iraq, which has turned out to be exceedingly more complex and difficult. It's just difficult. It's just not easy to do that, to create a government where none exists.

So, would you comment, and maybe a little bit more about this configuration between conventional forces and irregular combat forces?

Dr. KREPINEVICH. The one thing that the QDR did do, in terms of building partner capacity, is, it called for an increase in the Special Forces by one-third. They are working towards that, although, I have to say, for the first time we're not recruiting our Special Forces from within the Army, we're going out on the street and trying to recruit people directly into the Special Forces. So, again, it's, I think, a measure of the stress that——

Senator SESSIONS. They have high, high standards, and they refuse to alter those. Should they?

Dr. KREPINEVICH. Extremely high. Well, I don't——

Senator SESSIONS. Maybe have even less elite forces within the group?

Dr. KREPINEVICH. I have no understanding that they are lowering their standards, but what they are doing is, they're widening their aperture, they're not just recruiting from within the Army, they're going out and recruiting people in the civil society. As General Scales pointed out one of the things, aside from the enormously capable physical attributes that Special Forces soldiers have, is, they tend to be more mature, their decisionmaking processes tend to be a lot better. Of course, you get that, I think, more likely, when you recruit from within the Army, as opposed to going into the civil society.

But I think there's a real strategy issue here that we confront, and that is, are we going to continue to take a more direct approach when it comes to these kinds of contingencies to build as many brigades as we can, so we have as big a rotation base as we can possibly have? Or are we going to take a more indirect approach, which is what the QDR alluded to but left on the table, which is building partner capacity, building capability within indigenous forces in peacetime, and also the capability to rapidly build up indigenous forces in countries that are threatened in wartime, also build up and equip the forces of allies and partners in wartime. I think the indirect approach is the preferred approach. I think it's more consistent with the limited amount of resources we have. I think it's more consistent with our tin ear when it comes to strategic communications. I think it also is more consistent when you look at the American public's lack of patience for protracted engagements on a large scale.

Senator SESSIONS. Would you compare that—like in Afghanistan, we had less than 2,000 or 3,000 troops in Afghanistan when the Taliban fell, but we allied with and provided capability to the forces that opposed them. Is that what you're referring to?

Dr. KREPINEVICH. We had a very small footprint when we took Afghanistan down. Of course, that footprint has grown over time

substantially, although it's nothing like it is in Iraq. You're going to require some forces for stability operations. My sense is that greater emphasis should be placed than is currently being placed on things like training and advising forces, forces that are standing parts of the U.S. Army, like the former Military Assistance and Advisory Groups, that can go in and serve as a functioning entity that builds up and trains indigenous forces fairly quickly. Again, you don't have to wait until after the war. This should be a prophylactic. We should be doing this in peacetime. We are, to some extent, in places like the Philippines and Colombia and so on, but, again, on a more focused, more regularized basis.

Then, there is the issue of advisors. The fact of the matter is, our Army is not organized and structured with a lot of surplus captains, majors, sergeants, and so on, that can quickly be infused in these units to help them stand up more quickly and more effectively.

Then, as I pointed out, there are certain contingencies—a number of us have mentioned them—concerns about the potential for widespread disorder in places like Pakistan, Nigeria, and we can name other countries—where you are likely going to have to have some sizable U.S.-force element, although it wouldn't be, again—against a mass army, it would be trying, again, to impose stability on an area in a country that was falling apart.

Senator SESSIONS. But it's much better if the indigenous forces could handle those threats than having to insert American forces.

Dr. KREPINEVICH. I think our own history in places like Greece and the Philippines after World War II, early on in Afghanistan, and certainly now in Afghanistan, have been a lot more successful than, for example, our experience in places like Vietnam and in Iraq. Unfortunately, as we've also seen, though, in some cases, you can't avoid the commitment of large numbers of ground forces to provide that stability, to provide that time. Essentially, what we tried in Vietnam, and what we're trying to do in Iraq, is to buy time so that the indigenous government can organize itself, gain legitimacy, come up with the National Compact that Ambassador Zalmay Khalilzad used to talk about, and then develop security forces of its own whose loyalty is commanded by the government, and who can begin to substitute for our forces.

That has been a plan that has looked good on paper in places like Iraq. Unfortunately, it's a plan that has not succeeded, thus far.

Senator SESSIONS. My time is up. I don't know if there's any other response. But thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Bayh.

Senator BAYH. Thank you, Mr. Chairman.

General Scales, I think you made one of the best observations I've heard in attending many of these hearings over a period of some years now, and that was your point that too often we tend to look at military undertakings as an engineering problem to be solved, rather than taking a more comprehensive approach to things. I'd like to extend upon that by saying, too often when it comes to ensuring America's security, we tend to look at the military in isolation and forget that a strong economic policy, a strong

financial policy, a policy of energy security for this country, are necessary to augmenting the military forces necessary to protecting America.

Iraq is example A when it comes to looking at this as an engineering problem. We won the initial combat phase. It's been the nation-building that's come thereafter, without looking at the sociological aspects that you mentioned, that have proven to be so difficult for us.

So, I think that was just an excellent point. We need an integrated approach to national security. We need an integrated approach to this tragedy of Iraq. I'd make one comment, General McCaffrey, with regard to your dialogue with Senator Cornyn. You mentioned that you couldn't understand why the political loyal opposition would want to take ownership or responsibility, I think, was the word you used for the outcome of this war. My response to that would be, we don't. But, in the face of continued long, lamentable, demonstrable incompetence in running this enterprise, what are we to do? Congress shouldn't be micromanaging this conflict. But it's been mismanaged, and we have some responsibility to ensure that the resources we provide for our military are used in furtherance of a strategy likely to lead to success, both for our military and for the country, as a whole.

So, that is what is driving a lot of the dialogue up here today. We're going to fund the troops. We have an obligation to do that. But we also have a responsibility to ensure that those funds are used in an intelligent way to maximize the chances that our brave soldiers' sacrifices lead to the outcomes that the American people have a right to expect. So, that's what driving the dialogue up here today.

In furtherance of that, I'd like to ask two questions. General McCaffrey, I'd like to start with you.

Some in the intelligence arena opine that the only people who are truly happy with the situation in Iraq today are, ironically enough, the Iranians; that we are bogged down, we are slowly being bled, and yet the situation is not so chaotic that they are likely to be dragged in, in a more substantial way.

Which leads me to my question: If we were compelled, for whatever reason, to confront Iran in a more serious way, do we have the capability of doing that today?

General MCCAFFREY. I think there's a good argument that, clearly, U.S. policy in the last 5 years has removed the two major threats of the Iranian Republic: Afghanistan to the east, and Iraq to the west. That has given them, in many ways, the political and military latitude to take on new and more aggressive roles. I personally thought they decided 10 years ago to go nuclear. There's nothing we can do to substantially dissuade them, certainly not by threatening them with two carrier battle groups. Our military provocative posture a year ago was a huge mistake. We're going to—and, I think, now Secretary Rice is actually trying to help build a coalition to hem in Iranian menace.

Now, could we deal with the Iranians today? The ground combat capability of the U.S. Armed Forces is shot, I do believe, and I think General Peter Pace's job is to not talk about our vulnerabilities, but to try and keep our deterrence capability up,

even if through rhetoric. If we were put in a serious threat situation, if the Iranians closed the Persian Gulf through miscalculation, took out a U.S. cruiser, killed 1,000 U.S. sailors, turned off our lines of communication south, which is largely Shia Arab populations, we could, and would, respond. I think it would be a huge miscalculation, by either the Syrians or the Iranians, to put us in a survival mode.

Senator BAYH. Can I respond for just one moment, General? You said "our combat capability is shot," but that if the situation got bad enough——

General MCCAFFREY. We'd mobilize the National Guard, we'd tell Petraeus, "Go take down the Iranian armed forces." We'd go to all-out war. We'd have 50,000 casualties, and we'd destroy the Iranian armed forces in less than 6 months, using air power, naval power, possibly nuclear weapons, if we got in trouble. This is a bad option. It's one we don't want to face up to. But if you ask me, "What would we do if they turned off the lines of communication to 150,000 troops up in Iraq and closed the Gulf to oil transports?", we'd end up wrecking their armed forces in under 6 months.

Senator BAYH. My points are twofold. Number one, absent that extreme set of circumstances, the current situation—if you're the Iranians looking at the current situation in Iraq, it has essentially removed the deterrent effect, absent some extreme circumstances. Let the record show the General's nodding his head.

The second thing—you said that they might resort to shutting down the Gulf—isn't it true that a more aggressive policy with regard to our energy situation—if we weren't as dependent as we currently are—if the global economy wasn't dependent as it currently is upon energy exports from the Gulf region, that would make the military options at our disposal somewhat—we'd have more flexibility?

General MCCAFFREY. Senator, I sure hope in the next administration, the next 8 years, we work on an energy policy. It would seem to me easy to imagine, if we put 10 smart people in a room for 3 days, they'd come up with several things we could do in 15 years to change, dramatically, our dependence upon oil from that region of the world. We haven't seriously begun the discussion. There seems to me currently, no likelihood we will.

Senator BAYH. This is back to your point, again, General Scales.

My last question—and General McCaffrey, I don't want to just focus on you, but you mentioned China at least a couple of times. I'd be interested in your opinion, General Scales, about going forward. Let's take Taiwan, and put Taiwan aside. The strategic interests of China, the force structure that they will likely pursue to ensure those strategic interests, juxtapose those to the strategic interests of the United States and what force structure we need to have if our strategic interests should rub up one against the other. Does it concern any of you that, to the extent that there may be occasional conflict between those strategic interests, we're currently in a position of borrowing so much money from the country that I've just asked about?

General SCALES. Senator, at the Army War College, there's an equation, that "Threat is equal to intent times capability." All too often, when we look at our enemies, we look at them in terms of

capability and not in terms of intent. The old joke among many of us is, "We're desperately searching for an enemy worthy of our weapons." My concern about China is that we can whip that froth all we want to. Our policy should be to deter China from engaging in a long-term arms race or strategic confrontation with the United States. Our policy should be to prevent China from looking in an open door. But, other than that, the idea that somehow we're going to go mano-a-mano with 1.2 billion people is preposterous.

The other point that I disagree with General McCaffrey on is Iran. Iran, with the present force we have, is militarily unassailable. We can punish Iran; we can't defeat it. Partially because we don't have the forces, but, at the end of the day when you plan a strategic campaign, the will of the people and geopolitics are the two driving forces that determine whether or not you're going to be successful. If you look at both of those from the Iranian standpoint, they are militarily unassailable. It's almost as if Ahmadinejad wakes up every morning and goes to prayers, hoping that we try, because he's seeking to be the strategic center of gravity of the war against the west. An ill-conceived preemptory campaign to punish Iraq [sic] would have absolutely the opposite of the intended strategic effect on our interests in the Middle East.

So, I think, frankly, we all ought to breathe into a bag a little bit when we start looking at China, and we start looking at Iran, and we start dreaming up these doomsday scenarios, and we ought to deal with the enemy we have, rather than the one we want.

General MCCAFFREY. Let me quickly underscore——

Chairman LEVIN. If I could just interrupt for one moment.

Senator BAYH. That would have been good advice to take, some years ago.

Chairman LEVIN. If you'd just yield for a second. You said a "strategic campaign to punish Iraq." I think you meant Iran?

General SCALES. Oh, I'm sorry. I did. I meant "n," not "q." Thank you.

Chairman LEVIN. Excuse the interruption, General.

General MCCAFFREY. I just wanted to quickly add, again, I think military threats to Iran would be a major miscalculation. That was the intent of my remarks. But I think we shouldn't lose sight of the fact that they're in a position to put us at huge risk right now if they miscalculated, and we'd have to take action. But there is no disagreement between General Scales and I that a military option against Iran would be a fundamental miscalculation.

To your point on China, it's hard to imagine why we can't, in the coming 25 to 50 years, keep China as a strategic partner, in economic and political terms. They will, without question, emerge as a global military power in the coming 25 years. We should be there with a deterrent capability that makes sense, to add balance to our international policy, but we should not count on—nor is there any reason to believe, in my view, that the Chinese will be fundamentally an aggressor nation in the Pacific Rim in our lifetime. But I think military power is certainly a piece of it.

Dr. KORB. Senator, let me add something, because I think you raise a very important point about China and our economic situation. This is the first extended war we've ever fought where we not only don't have a draft, we have not raised taxes, we've cut them.

We're funding this war by borrowing money both from our Social Security Trust Fund, the surplus, as well as from foreign countries, including China.

Now, let me give you, I think, a scenario that you need to be concerned—China, for whatever reason, decides they're going to make Taiwan part of China—they've waited long enough—and we move carrier battle groups into the area, as we did in the 1990s. The Chinese say to us, "If those carrier battle groups come within 100 miles of Taiwan, we're going to sell our dollars." Okay? Do you think the American people, if their interest rates go up, and the stock market goes down, they're going to say, "Taiwan"? I think this is what you really have to keep in mind as you do this. To me, when people say, "You have to buy this weapons system or that to deal with the potential Chinese threat," and I'm saying, "Yes, but you're borrowing money from China to buy the weapons," and it's not just military, it's economic and diplomatic.

Chairman LEVIN. Thank you, Senator Bayh, thank you.

Senator BAYH. Thank you, Mr. Chairman.

I would only say that the reason for my question—and you gentlemen are more familiar with military history than I am, but I believe, looking back over history, it is exceptional for a country to be militarily strong over an extended period, but financially weak. We are currently on the cusp of testing that proposition, potentially at our own peril. That was the reason—getting, General Scales, to your point, for an integrated approach to national security.

Final thing I'd say, Mr. Chairman—General McCaffrey, I agree with you. I am optimistic that we can integrate China into the global system, security system, economic system, and so forth. But a system of interdependency is one thing, a system where we become overly dependent is another thing, and that's my concern.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Bayh.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

My thanks to the panel for being here.

As a note of personal privilege, let me specifically give a warm welcome to General McCaffrey. I had the distinct honor of witnessing his raw leadership skills in his job as the Director of National Drug Control Policy in the Clinton administration, and had an opportunity to watch him lead.

That leads me to my first question. I specifically would ask, first, General Scales then General McCaffrey to speak to this.

I'm concerned about the promotion rates to captain and major. I am concerned that we have a critical shortage of captains and majors. I think, for the first time in our history—please correct me if I'm wrong—we're offering a $20,000 cash bonus to retain captains. We are promoting—98 percent of the captains become majors, and 98 percent—excuse me—98 percent of the lieutenants become captains, 98 percent of the captains become majors. At what point have we changed from a professional officer corps to a bureaucratic officer corps? My concern is, is that the leadership skills that are recognized in promotion are the same leadership skills that allows you to look a bureaucracy and say, "It's not working, and we have to change it."

The automatic promotion that is going on now, I think, lends itself to the kind of problems, frankly, like we had at Walter Reed Army Medical Center, where no one was willing to say, "Wait a minute, this is not working for these wounded soldiers and their families in outpatient treatment. We need to be doing something differently."

I would like, specifically, any suggestions you would have for incentives that would work right now. Obviously, the $20,000 cash incentive is not working. What is an incentive that might work? With your years in the military, what could we be doing to hold onto this precious commodity of leadership in the middle?

General MCCAFFREY. First of all, Senator McCaskill, I served in an Army where I got promoted to captain automatically at 24 months, and the screening factors were, "Were you currently not under arrest? Could you cock a 45?" [Laughter.]

So, I'm probably not a good one to talk about the shortcomings of the current captains.

When you look at our company commanders, battalion commanders, the tactical leadership we have in the Armed Forces now is courageous and effective beyond belief. It's simply superb. You're right, though, to question where is it going to be in 10 years? We are seeing a huge loss rate, accelerated, of West Pointers, kids with engineering degrees, business degrees. We're watching the ROTC Distinguished Military Graduates (DMGs) disappear. We're very concerned about it. We're going to end up with an officer corps that'll be 40–50 percent Officer Candidate School, and many of them will be tremendously dedicated, skilled soldiers, but may not have the growth potential that we'll need for the next war. So, we are looking at it.

Some of the tools that are on the table that have worked are remarkable. You talk to a captain, "What's going to keep you in?" First of all, they'd like a year at home. They definitely would like to have some confidence that this isn't nonstop deployment for the next decade. Second thing they want to know is, "Can I go to a first-rate graduate school?"

So, when we turn around to the West Pointers and say, "If you'll extend your mandatory 5-year service obligation by X number of years, we'll guarantee you a graduate-school slot"—actually, we're guaranteeing them branch choice, to include infantry—and they're extending up to 3 years of service to get what they want to do. So, I think there are tools. We have to sit down pragmatically and sort out how to do it. The skill of the officer corps is in jeopardy in the coming 10 years.

Senator MCCASKILL. Yes, General?

General SCALES. Senator, let me just echo what General McCaffrey said.

We saw our generation of the military breaking in 1972, when captains and middle-grade sergeants, E–6 and captains, started leaving the service in the combat arms. They were, to use an overused expression, the canaries in the mine. Long-service combat-arms captains and staff sergeants are the first ones to vote with their feet.

So, your question is, how do you keep them in? First of all, as I mentioned to you before, what I would suggest is a soldier sab-

batical. Without strings and without professional punishment, young officers coming back from an operational assignment in Iraq should be offered an opportunity to go to graduate school, at a name graduate school, to focus principally on the study of alien cultures, languages, and military art. Their spouses should also be given the opportunity to study as well. Remember the old saying, ''You recruit soldiers, you retain families.'' Quite often it's the spouses who are voting to get out, rather than the soldiers themselves.

Senator MCCASKILL. Right.

General SCALES. The other reason why graduate school is important, is that experience isn't enough. We say we have the most experienced officers corps we've ever had. I agree with General McCaffrey on that. But that's experience for one style of war in one campaign. This is wonderful. But what we have to do between their 5th and 20th year of service is expand that experiential base and widen their horizons and teach them the intellectual skills that it takes, in higher command, to command indirectly, and to think creatively and to do intuitive decisionmaking and all those intellectual skills that will come with time from reflective study.

So, I don't believe that they look for more money. I think they look for three things. They look for more time at home, they look for predictability in their family life, and they want to expand their horizons. Personal examples are my children who were both DMGs, one from Notre Dame, the other from Wake Forest. They both went to Airborne School. They served in combat units—one, the 1st Armor Division, the other in the 1st Cavalry Division. They both got out, not too long ago, because they were told that they couldn't go to graduate school. Frankly, I think both my daughters would have stayed in, had they had an opportunity to go to graduate school. So, that's become something of a passion with me.

When General McCaffrey and I were captains, we lived in an isolated cocoon. Captains today are on the Internet every day, and they see what their college classmates are doing, like my one daughter would see that—she's in Bosnia, and she had friends who were in medical school or in law school or in business school or in graduate school. Frankly, for this generation, they view that as an important point of self esteem, not just professional development. So, if we want to keep those grades of officers, then we should give a no-strings-attached opportunity to further their intellectual credentials.

General MCCAFFREY. Just to add one anecdote, one of my students—I see these kids after teaching 5 years' worth of seminars all over the world—Captain Jessica Donker showed up to meet me in Kabul; she is a military police officer. It's the third time I've seen her in the combat zone since she graduated. She said she's really happy. She's going home in June from Afghanistan, takes command of a military police company in the 18th Airborne Corps that in October, deploys into Iraq. She says, ''I own nothing. I don't have a house, a car. I gave my car to my mother.'' We are running this force ragged. So, she's still in there with us, but again, I would just put a note of caution on the table, we wrecked the Army coming out of Vietnam. It took us 10 years to recover. We're not going to get 10 years in this war.

Senator MCCASKILL. With the very limited time I have left, I'd like to switch to equipment for a minute. Could somebody briefly explain to me the logic—watching from the outside—and it appears to be parochial, because this deals with an aircraft that is important to the St. Louis region, but I can assure you that my concern is not parochial, and it is that, with the FCS coming in at more ton weight than had originally been designed, the idea as, I think—as you said in your written testimony, General McCaffrey, we're flying the wings off the C–17s and the C–130s. How do you come to a decision within the military to stop production of the C–17 right now? How does that happen? Can anybody explain to me how that happens, and why everyone, when I ask this question of General Schoomaker or when I ask it of the Chief of Staff of the Air Force, I get a blank stare? It is just amazing to me that no one can give me a good answer why we're shutting down the line of an aircraft that, if you look at it objectively, clearly we need.

General MCCAFFREY. The C–17, seems to me, is a national strategic treasure. There probably ought to be 600 of them with the air-to-air refueling capability to make them work. It has enormous military value, enhanced by this misguided policy of bringing all forces back to continental United States, but it's also another element of national power for natural disasters, for humanitarian crises abroad. We ought to, at the end of the day, get rid of our C–5 fleet, probably get rid of most of our C–130s, except the fully modernized ones, and have this tremendously capable aircraft there.

I think what's happening is, we're running out of money. The burn rate in Iraq is now $9 billion a month. I think it's $1.4 billion a month in Afghanistan. It's in consumables—ammunition, POL, thousands of casualties—and we're not investing in the future.

But I think that aircraft, without question, we should up-ramp the production, not turn it off.

General SCALES. Senator, let me just add to that. It's important to understand that the C–17 is important to the Army. It's not just important to the Air Force. The Army's concept of future warfare is operational maneuver by air.

Senator MCCASKILL. Right.

General SCALES. Not by sea or by land. You can't get to the far corners of the world and stay there for prolonged periods of time by driving there. So, I agree with General McCaffrey, absolutely, that it's not just the health of the Air Force that's hinging on the decision to continue making C–17s, but it's the total effectiveness of the ground forces, the very forces that we're talking about here, that are dependent on having strategic airlift—robust strategic airlift available in the future.

Dr. KORB. Senator, the reason that it happened is, the Office of the Secretary of Defense didn't do its job. When you're in the Office of the Secretary of Defense, the Services—I won't get into—you wouldn't believe some of the things they want to cut or don't put in their budget—your job is to ensure things like that happen, because your job, working for the Secretary of Defense and the President, is to ensure that the total military capability is what it should be.

I can remember dealing with the Services, and I would say, "look, here was the Secretary's guidance. You didn't follow it." They would say, "He has the wrong guidance." "No, that's your job, is to make"—and I think, when we go back and look at the history of the things we've spoken about today, as well as the war, there will be a failure of the top leadership—the Secretary of Defense and his office—to do their jobs.

Senator MCCASKILL. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

Let me start with you, if I may, Mr. Krepinevich. I have a question that I think no one really wants to ask, but I hear a lot when I travel to Arkansas, when I talk to military people. Given the deployment rates and the recruiting and retention numbers, et cetera, are we moving toward reinstituting the draft?

Dr. KREPINEVICH. The answer is, it depends.

Senator PRYOR. Depends on?

Dr. KREPINEVICH. As I said earlier, we're talking about increasing the Army by 65,000. If you look, as you have, at recruitment and retention rates, the Army is barely able to make its recruiting numbers. The only reason it made it last year is because it recruited people over the age of 35. If you take out the over-35 group that's coming into the Army, the Army didn't meet its target.

In terms of retention, people on the Army staff have told me, or asked me, "When you were an officer, when could you reenlist somebody?" I said, "If they had a year left on their enlistment." Now the Army is going out and enlisting people—or reenlisting people with 2 years, 3 years left on their service. In a sense, they're harvesting seed corn from down the road.

So, this is an Army that, right now, is being told, "Increase your end strength by 65,000." The Army looks at it, and it says, "Maybe over 5 years, if we go 7,000 a year—maybe we can get an extra 7,000. Maybe if we lower our standards a little bit more, maybe if we get a little bit closer to that red line, maybe if we institute some of the innovative ideas that these gentlemen have raised." If that's the case, and if a contingency like Iraq pales in comparison to what would happen if we got entangled in Iran or Pakistan or Nigeria—I would encourage people to take a look at what's going on in Nigeria right now, and think about the situation we would confront if that situation just keeps going the way it is, because it is going downhill—then you get to the point where it's—even if you could recruit an additional 65,000, that isn't enough.

That's why I think we need to not only look at numbers, but also how we use those numbers. I think it's very much in our interest to take what some people call the indirect approach, building up our capability to build what the Pentagon calls "partner capacity," to be able to go in, in peacetime and on an even greater scale in wartime, to train up indigenous forces, to equip them, to do it quickly, not the way we've done it in Iraq, where we had a false start, we started again in 2004.

I think one of the reasons why we're in the fix we're in right now is, there was a big bet placed, "We're starting again in 2004, after

the insurrection. By golly, by 2006, they'll be ready." Well, they're not ready. So, here you have the crunch, not 12 months, but 15 months, and so on and so forth.

But if you get to the point where you have these critical contingencies that are happening—a failed nuclear state, a failed state that is a critical exporter of oil—in addition to what we're confronting right now, you could find yourself between a rock and a hard spot. The countries that we have traditionally turned to during the Cold War for support, our NATO allies, all you have to look at is the demographic death spiral the west European countries are going through right now and their attitude about what constitutes their principal security problems.

We don't have, like they did, any United States to turn to. We're going to have to find different allies that we can work with, because they simply don't have the manpower to make up the difference.

So, when you begin to look at where that path takes you, at some point, unless you want to engage in some of the, I think, rather problematic remedies, like offering large numbers of foreigners American citizenship to serve in the Army—Bob Scales can tell you, historically, that's one of the paths the Romans took on their road to decline and fall—if the day comes when Americans aren't willing to fight for their own interests, it seems to me that that's a very worrisome day, indeed. But there may be a point where, in order to achieve a sufficient scale in force, we have to look at conscription again. It's certainly not the first choice. I don't think it's a wise choice. But you can certainly sketch out a situation where, if we fail to build partner capacity elsewhere, if we fail to take steps now, we could be confronted by something like that, a very difficult and hard choice somewhere down the road.

Senator PRYOR. General McCaffrey?

General MCCAFFREY. I don't disagree in anything Dr. Krepinevich said. Let me add two thoughts, though. One, I think it's important to realize that it's not the job of the Army to defend the country. It's the job of three different groups of people. One's the American people. Do they have the political will to come forward and take part in their own defense? Number two, Congress and the resources. Three, those people who are privileged to be in uniform.

So, to be honest, I'm always offended when I hear that "the Army's in trouble." It's not the Army that's in trouble, it's the country. Where are the political leaders—the mayors, Governors, and the Presidents—who have stepped forward and said, "We want your young men and women carrying an M–4 carbine in Fallujah"? Until that happens, I don't think we're going to solve this problem. We need a call to action from our leaders as well as high-school principals and university presidents.

The second one is, although I think when you look at the polling numbers there is zero support for a draft, it isn't there, the war in Iraq is unpopular. The American people have walked away from the war. They're not coming back. We're going to be out of there, largely, in 36 months. As we come out of Iraq, I would argue, you could consider a draft for the National Guard for domestic service only. The Canadians went all the way through World War II,

where they drafted hundreds of thousands of their citizens, but none of them were forced to go overseas. That's not a desirable outcome, but I personally think, in the coming 2 years, we're going to break the Army National Guard with this call-up. It's vital to America's security, to America's Governors, and we're going to have to reconstitute. It may well be, if you offered America's parents a 4-year scholarship in college to serve in the Guard, where they'd have to volunteer for foreign service, that they'd step forward and do it.

Senator PRYOR. General Scales?

General SCALES. Yes, Senator, I appreciate Andy using my historical expertise to explain something, but I disagree with him. [Laughter.]

In 1950, we initiated the Lodge Act, many of you may be familiar with that by Henry Cabot Lodge, where many of our Special Operating Forces were being scooped up in eastern Europe by the Soviets, simply because they weren't very good at that sort of thing, and we recruited citizens from eastern Europe to serve in the American Army. The deal was, they'd serve for 5 years, and, if they served honorably, they and their families would be made citizens of the United States. This was the beginning of the 10th Special Forces Group. General John Malchase David Shalikashvili, USA—many of you may know, his older brother, Othar—came in under the Lodge Act. We did the same thing after the Bay of Pigs in the 1960s, where we brought a large number of Cubans into the American Army. I can remember in my early days in the 1960s in Europe, there would be at least two officers or three officers out of each battalion who were either Cuban or eastern European.

So, the idea that we can't draft, or we can't recruit folks from the Middle East who have language and cultural sensitivities, or we can't recruit in other places of the world, I think, is too shortsighted. I think not only would it help to solve our recruiting problem, I think it would actually enrich our Armed Forces, rather than diminish them.

Dr. KORB. Senator, let me say something about the draft, which—I worked for a person who was the biggest supporter of the All-Volunteer military. That was President Reagan. But he told us, when we were trying to help save, with the assistance of many people in this room, the volunteer military, "If you can't do it, let me know, because we cannot leave the country naked."

I remember President Bush saying, "We'll never have a draft." You can't say that. What he should say is, "I would prefer not to have it."

But if you had a draft right now, you would no longer be in Iraq. The American people would say no. That, I think, is important to keep in mind, because it's America that goes to war, and we need to—as we talk about these issues, we cannot put that aside. If the people are not willing to send their sons and daughters, we ought to think very carefully about what we're doing. If, at some point, they're not willing, but the political leaders in both branches decide we have to do something, then you're going to, as we did in Korea and in Vietnam—is to draft people.

Senator PRYOR. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Pryor.

Senator Clinton.

Senator CLINTON. Thank you, gentlemen, for your testimony, and, obviously, for your years of service.

You've covered so much ground, and it's all very rich, that I will be reading your testimony and pulling out a lot of your ideas. But I want to focus our attention for a minute on what seems to be the inherent contradiction.

On the one hand, what I'm hearing from you, as to the kind of Army we need, both in size and in capacity, with respect to this era of irregular warfare and stability operations that we are engaged in, and the way we should be thinking about treating and deploying our forces, both to give them the support and the equipment and the training and, frankly, the additional opportunities to develop themselves that we've discussed, it seems that we're going in an opposite direction.

We are spending $160 billion on the FCS. As I look at this, which is at the heart of the Army's transformation efforts, it is the major research, development, and acquisition program. It is going to try to take 18 manned and unmanned systems, and put them together by this extensive high-tech communications and information network. It's going to replace the M–1 Abrams tank and the M–2 Bradley. It's going to try to have fighting vehicles with advanced network combat systems. I think that means we lose one of the decisive advantages we still have on the ground, which is heavy armor and mechanized formations if we're actually going to put people at risk.

It also seems to me that we're going to be reducing the end-strength calculus of boots-on-the-ground, because we're going to be relying so much on this abstraction. We're not going to be having people who are involved in understanding the cultures, doing what General Scales so eloquently described in a almost sociological way to understand enemies, but, more importantly, understand their societies, their needs, their desires.

It's a high-risk venture, and it's taking up a lot of time, money, and effort on the part of those who are responsible for planning the future of the military.

I know that Dr. Krepinevich has stated his opinion, but I want to start with him.

Number one, what is your opinion of the FCS? Given where we are now, how do you try to reverse this gigantic bureaucracy to focus more on what we have heard you all describe as the pressing needs of our military to create this integrated approach to national security?

Dr. KREPINEVICH. I think there are——

Chairman LEVIN. Let me just interrupt for one second. I'm wondering if anyone has a BlackBerry and a mike on at the same time, or do you have any idea what that noise is?

Okay, sorry to interrupt.

Dr. KREPINEVICH. Senator, I think there are three areas of risk when it comes to the FCS. One is fiscal risk. It's $150 billion, $160 billion, and growing. It's not clear, even with the generous sums we're giving the Army right now, relatively generous when you look back in recent years, that the Army's going to be able to accommodate this. In fact, when you look at the administration's Future

Years Defense Plan, what you see is, somehow personnel, maintenance, and operations costs are supposed to stay flat, even with an increase in the size of the force, and somehow procurement's supposed to keep going up to accommodate things like the FCS, the F–22, the F–35, and we have our list.

Second, it's a collection of technologies that are all supposed to somehow mature along the same timeline, or roughly close enough. When I talk to the people who are responsible for building it, and I say, "Wait a minute, this is a networked force. You have 18"—now it's down to 14, by the way—"systems that are involved. Suppose I take out three technologies that you say are in this basket of 30 or 40 or 50. Does that make this force 98 percent effective or 68 percent effective?" You don't get a particularly good answer.

Third, I think, there is operational risk. Senator Lieberman and I, a number of years ago, went down to talk to General John Nelson Abrams, USA (Ret.), when this idea was in its infancy. The whole concept was built primarily, almost exclusively, around the conventional battle. It was an expeditionary Army that was going to deal with a conventional rival.

I met a number of times with Major General John Riggs, USA, (Ret.), when he was the program officer for the Army's future force or objective force. I've read the documents that were written up, the concept documents, by some of the Army's smartest people, retired Colonel Richard Sinnreich, USA, and Brigadier General Huba Wass de Czege, USA (Ret.). The idea was, indeed, revolutionary. The theme was, the first: we will see first, understand first, act first, and finish decisively. It was essentially a leap out of blitzkrieg warfare, when armored forces closed with, and fought with, each other. In this case, we'll see the enemy first, we'll understand what's going on; he won't see us; we'll act first by maximum range fires; we'll finish decisively; the close battle will be the mop-up battle. That is, again, a situation where it's not clear to me that this is the kind of force that's optimized for irregular warfare, where seeing first and understanding first depends so much on human intelligence, not intelligence that's derived from electronic systems, for example.

In a situation where, as one of my colleagues said, troops would rather be mounted than dismounted (you run a higher risk of casualties if you're dismounted, if you're outside these vehicles than if you're in them), if your sole objective is to eliminate casualties, don't go into combat.

General Petraeus right now is finally getting our troops out of their base camps, out of their vehicles, and patrolling and engaging the people in an effort to convince them that we can provide for their personal security. I don't feel particularly secure when somebody goes zipping by in an armored vehicle, all buttoned up. I do feel more secure when they are more like the cop on the beat.

So, it's not clear that the FCS is, in my mind, what you would go to if you were starting out with a clean sheet of paper and looking at the problem of irregular warfare.

Now, having said that, there may be elements of this force that are worth pursuing. For example, over time, we may need a network battle force if we're going to operate in a proliferated world. We're going to need to have a much more distributed force than we

have right now to minimize its vulnerability. We may be able to substitute precision artillery for precision aircraft, precision artillery being a lot cheaper. Rounds like Excalibur, for example, as opposed to the "dumb rounds" that the Army has been using for years. So, there may be something there.

There may be something in the robotics, where we want to get into areas without risking soldiers or UAVs. But to say that we're going to accept this entire concept at the expense that it's going to cost us—and, oh, by the way the $150 billion, out of the 48 Army brigades, only gets you 15 equipped with the FCS. In a sense, the Army has finally come up with a program where it's as expensive to equip a brigade as it is to buy an aircraft carrier. But, again, I think, with the resource constraints that the Army's confronting, with a shift towards more irregular warfare operations, at the very minimum, we need to take a good, hard look at the FCS and see: What do we really need out of it? What's technically feasible? What's physically feasible? What makes operational sense?

Senator CLINTON. General McCaffrey, do you have an opinion on that?

General MCCAFFREY. I really don't disagree with anything Andy said. I think it's a sad situation we're in right now. The Army's acquisition budget, if I remember, is 4 percent of total DOD. This is a tiny program. There's only two programs over a billion dollars a year in the entire Army lineup.

I also think FCS, as it currently exists, the next President is pulling the plug on this thing. They're going to justify it by saying, "We'll do spiral spin-out of technologies into the heavy brigade combat teams," et cetera. Right now, the first brigade we will field, I believe, is 2017.

Senator CLINTON. That's what I've heard.

General MCCAFFREY. So, that's beyond the next President's 8-year term, and there are two or three miracles that have to happen between now and then to get this technology to come together.

Having said that, it seems to me that the U.S. Army needs a medium-weight mounted force that should start to be fielded on the first year of the second term of the next President. We ought to take the system, relook it, and get them serious about it. I don't believe this program should be killed, it just needs significant redirection.

Senator CLINTON. Dr. Korb?

Dr. KORB. I think it needs to be slowed down, and we have to, first of all, get the costs under control. I'm worried about a program whose estimates goes from $90 billion to $160 billion with no reason.

There are 57 technologies in there, and I've asked the Army to explain to me why they couldn't buy it this way or that way. To go to Andy's point, "if you didn't buy all of these, what would you have?" So, my advice would be, let's slow it down, let's figure out how big the Army's going to be, what we want the Army to do, and keep this in a research and development mode until we're sure which way we need to go and we can be assured that the costs are under control.

As I look at this, I'm reminded of a weapons system that Dick Cheney canceled, the A–12. That was going to be the great thing

for the Navy. It was going to be the Navy's version of the F/A–22. The thing ended up way over cost, and it had a lot of technological problems. They canceled it. The Navy went back and bought F/A–18s, E and Fs.

Senator CLINTON. Because it's also the opportunity costs of what you're not getting, as well, which I think is part of what all of your testimony's been about.

General Scales?

General SCALES. First of all, I disagree with my colleagues, particularly Andy.

Let's be clear about the pedigree of this, because I wrote the original concept paper for FCS, in 1997, and we started, from the very beginning, at least as long as I was in the conceptual phase, emphasizing that FCS was not designed for the Cold War. Senator Clinton, I got beat up constantly by the heavy Army generals, because we were espousing a lighter-weight force to fight in distant regions of the world against irregular forces.

So, for Andy to say that this was a force designed for conventional war—isn't right. Now, Andy did go to see the TRADOC commander at the time and the TRADOC commander tried to push it to the right of the conflict spectrum, for whatever reason, I don't know. But all along, this system was designed for the type of wars that we're engaged in now. All you have to do is look at the success of the Stryker brigades. Ask anybody in Iraq, "Which unit would you prefer, if given a Chinese menu of available units?" Every one of them would say, "I want a Stryker." A Stryker is a prototype, if you will, of what FCS will become.

I don't see FCS as a network. I see FCS as a collection of light infantry-heavy vehicles that are capable of controlling areas and controlling populations. An M–1 Abrams organization, the smallest divisible entity is a brigade. Why? Because they're so maintenance intensive, they have this huge logistical umbilical cord that they rely on. If you break those down into small units that are capable of autonomous operations at company and platoon level, suddenly you're spreading yourself just exactly like Dave Petraeus says they should be.

Andy mentioned the fact that now Petraeus is following this philosophy. What's he doing? He's using Stryker units. That's the unit of choice for the tactics he's using inside of Baghdad. He's not using light infantry, because Petraeus knows that you must protect your troops. The difference in casualties between a dismounted and a mounted unit is 10 to 1. The idea of a future Army going to war dismounted, I think, is irresponsible.

So, the question is, how do you mount the Army? You mount in light, mobile units. By the way, the other thing is, Stryker and FCS are very infantry-intensive. See, most soldiers don't die in Iraq and Afghanistan, an irregular war, mano-a-mano; they die driving to the battlefield. They drive through ambushes, through IEDs. It's not the Abrams and the Bradleys crews that are dying, it's the people in Humvees, it's the people driving around in thinly-skinned vehicles. It's much better to build a middle-weight force, where everybody is protected a little bit, than a small number of people in Abrams units who are protected a lot. When I was involved in the program, in the 1990s, that was the philosophy.

The philosophy, which I think the Stryker embodies, is as follows: You need to protect more soldiers longer—by that, I mean for the duration of a campaign—and allow them to get closer to the enemy before dismounting. I agree with Andy that the essence of counterinsurgency is infantry forces—dismounted infantry forces. But the longer you protect them, the fewer of them are going to die.

Part of the problem, frankly, is the Army's marketing of FCS. They try to market it as a netcentric system, as a high-tech system, as a system hooked into the global network, tied into the joint this and joint that. I view FCS as a collection of light, fast, mobile, agile infantry-heavy fighting vehicles capable of operating at very small unit level for long periods of time, with very little demand on the logistical infrastructure. So, if you look at it from that perspective, instead of this techno-perspective, you see FCS in an entirely different light. Not that I have strong opinions about this. [Laughter.]

Senator CLINTON. Thank you.

Chairman LEVIN. The strength of all of your opinions here this morning is really very, very compelling and moving and valuable to us. I must tell you, a number of my colleagues have told me that this is one of the really great panels that we've ever had in front of us, and it's not just one or two, but a number of my colleagues. I think we probably all feel that this is an unusually experienced and knowledgeable, thoughtful, and passionate panel, and we need all of those.

Unless somebody has a question which is absolutely compelling, we will adjourn, with our great thanks to this panel.

Thank you so much.

We stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

ROLE OF THE ACTIVE MILITARY, GUARD, AND RESERVES IN THE WAR ON TERROR

1. Senator AKAKA. General McCaffrey, in order to determine the appropriate size and organization for our Nation's military in the long run, I believe it is essential to fully understand the evolving mission of our armed services, and the related missions for our National Guard and Reserves. In particular, I think we need to engage in a dialog on the role of the Active Military, Guard, and Reserves in the war on terror. Thinking beyond Iraq and Afghanistan for the moment, in your opinion, what do you see as the Army's and the Marine Corps' role in fighting terror?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

2. Senator AKAKA. General McCaffrey, what role do you see for the Guard and Reserve in fighting terror?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

3. Senator AKAKA. General McCaffrey, what strategies would you recommend we, as a Nation, utilize in the global fight against terrorists?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

4. Senator AKAKA. Dr. Korb, you recommend expanding our force with a focus on peacekeeping and counterinsurgency operations. What is your basis for this mission?

Dr. KORB. The war in Iraq demonstrates that while the U.S. military may be able to rapidly defeat a country's military on the battlefield, the operations following that

conflict, establishing order, governing and policing the country, providing services, are amazingly complex and require a tremendous level of planning and commitment. The Bush administration utterly failed to understand the magnitude of the task that they were taking on when invading Iraq. Some argue that the situation in Iraq shows that the United States should not engage in stability operations or wars that result in the overthrow of a country's government and therefore should not become overly invested in dealing with these sorts of operations. However, the tremendous strength of American military power means that if it is ever forced to act against a particular state the sheer power of American capabilities would likely lead to the collapse of that government.

While it is clear that these types of operations are incredibly difficult, the problem is that the United States as the world's sole super-power with global military reach will no doubt engage in peacekeeping and stability operations in the future, whether resulting from the collapse of North Korea, genocide in Darfur, a coup in countries like Pakistan or Saudi Arabia, or continued instability in Haiti or Somalia. Since the end of the Cold War, the United States has engaged in these types of operations in Somalia, Haiti, Bosnia, Kosovo, Afghanistan, and Iraq. Yet the military has in every case adopted an ad hoc approach to each operation—failing to build on its experiences to become more adept at these operations. Conducting these operations remains one of our military's major weaknesses. Because there are numerous scenarios in which the U.S. will have to engage in peacekeeping or stability operations, we must become more adept at conducting these operations.

5. Senator AKAKA. Dr. Korb, do you foresee nation-building as becoming a part of the Army and Marine Corps mission in the future?

Dr. KORB. Since it is likely that the United States will be forced to engage in nation-building missions in the future, it will need to become an integral part not just of the Army and Marine Corps mission, but of the entire U.S. Government. The U.S. Government needs a new blueprint for action to address future post-conflict stability operations. In Iraq, the military has frequently complained that civilian agencies have been largely absent—forcing the military to carry even more of the burden. Just as the Goldwater-Nichols Act improved coordination between the Services and empowered the Chairman of the Joint Chiefs of Staff, a similar act is needed today to improve coordination and planning between our Nation's warfighting, diplomatic, and aid agencies.

GROWTH OF FORCES

6. Senator AKAKA. Dr. Korb, in your statement, you discuss the need to grow our forces in a fiscally responsible manner. You specifically mention that many of the current weapons programs are unnecessary carryovers from Cold War thinking. These systems are, therefore, an unnecessary drain on our military budget. Can you elaborate on some of the systems you think are no longer needed, and why?

Dr. KORB. The DOD should seek funding for flexible, efficient weapons systems that help combat 21st century threats, while stopping development and production of weapons systems that unwisely use scarce resources and/or do not meet performance standards. The production and development of the following weapons programs deal with threats from a bygone era and should be cut in order to pay for increases in the personnel and equipment budgets. The DOD should stop funding the:

- F/A–22 Raptor stealth fighter jet, which is an unnecessary and costly supplement to the F–35 Joint Strike Fighter.
- SSN–774 *Virginia* class submarine, which offers few technological advantages yet substantially higher costs compared to existing submarines and is less relevant to our Nation's current challenges.
- DDG 1000 destroyer, which suffers from innumerable technological difficulties and ballooning costs without offering any true advantage over existing systems.
- V–22 Osprey, which has caused numerous training deaths and excessive cost overruns and which suffers from unresolved development issues while offering only marginal advantages compared to existing helicopters.
- C–130J transport aircraft, which provides few additional capabilities compared to existing transport aircraft and has suffered from severe technological flaws.
- Offensive space-based weapons, which are of no use in low-tech asymmetric conflict and are far more expensive than existing technologies without offering many additional strike capabilities.

- Continued deployment of the National Missile Defense System, which offers unproven technology at exceptionally high costs to defend against a highly unlikely nuclear missile strike against the United States.

RECRUITMENT

7. Senator AKAKA. Dr. Krepinevich, in your statement, you discuss the troubles the Army is having in recruiting, and how they are having to significantly lower standards in order to recruit and retain soldiers. You also note that they have to lower the standards despite spending way more on recruiting bonuses. Finally, you note that the cost to support each soldier has gone up by well over 50 percent in the last 5 years. These challenges make increasing the force size very difficult. What do you believe is the underlying cause of the Army's recruiting difficulties? Is it just because we are at war? Is it disillusionment with the Iraq war specifically? Or do you believe that there are other factors?

Dr. KREPINEVICH. The root of the recruitment challenges may lie in the government's inability or unwillingness to communicate to young people that their country needs them for service in the armed forces. This has not been a major theme in the administration's public relations campaign on the war. Recruiting incentives have been far more aligned with economic interests rather than patriotic duty.

Additionally, there is the matter of mentorship. Apparently, many mentors (parents, teachers, and pastors) are advising their young sons and daughters who are interested in a military career to postpone military service until the war is over, or simply avoid it altogether.

Finally, since a mass mobilization of U.S. manpower is not required to meet the Army's recruitment goals, there may be a "free rider" issue at work. By this I mean that young men and women may feel that, since the service of every person is not required, they need not feel obligated to answer the call to service. Of course, if too many people take this attitude, a shortage of enlistees will result.

8. Senator AKAKA. Dr. Krepinevich, given the budgetary challenges facing our Nation and the military, how would you recommend we address these recruiting issues?

Dr. KREPINEVICH. We can no longer rely primarily on financial incentives to meet our recruiting goals. In this time of great security challenges, our Nation must convey a real sense of honor, value, and appreciation of military service. We must articulate a strong and moving message about the threats confronting the United States and the important contribution that the military makes to advancing our national interests.

9. Senator AKAKA. Dr. Krepinevich, would you take any specific steps to address the shortages in the officer and noncommissioned officer (NCO) ranks?

Dr. KREPINEVICH. Premature mid-career departure of seasoned NCOs and officers might be attributable to the toll that current operations in Iraq and Afghanistan are taking. One factor that may prove important in retaining mid-career officers is the prospect of a graduate education that improves the officer's value to the Army and provides the soldier and his/her family with a respite period of 2 to 4 years (if there is a "utilization tour" following receipt of the advanced degree) away from a combat zone. Of course, while this may keep mid-career officers on duty, it does not redress the shortage of officers in these ranks that are available for deployment overseas.

CONTRACTOR PERSONNEL

10. Senator AKAKA. Dr. Krepinevich, in your statement, you discuss the large numbers of contractor personnel supporting our troops in Iraq, and the potential problems they represent due to the lack of contractor oversight. You note that contractor security personnel do not operate under the military's rules of engagement (ROE), and therefore, pose a potential risk to our counterinsurgency operations since they could potentially take actions that could inflame tensions. What do you think DOD should do about this problem?

Dr. KREPINEVICH. Contractor actions, uncoordinated and unsynchronized with the military operations, can be severely counterproductive. Achievements made by a host nation and the U.S. Government to stabilize a situation can be swiftly reversed by private firms whose armed employees operate outside government control. This, in turn, can damage the perception of the host nation's ability to maintain "monopoly" on the use of violence.

We have routinely employed contractors in recent years. In most cases—in the Balkans, for example—involvement of both military and contracted support personnel is covered by status of forces agreements and other legal agreements between the host nation and the United States.

Owing to difficulties in recruiting and the desire to "outsource" certain military functions in the name of realizing economies, it is not possible or even desirable to stop the practice of hiring private contractors all together. However, we should do a much better job at constructing a legal framework governing contractors' involvement and conduct in the U.S. military operations—especially for those contractors involved in security operations, as opposed to supporting missions.

QUESTIONS SUBMITTED BY SENATOR MARK L. PRYOR

WAIVERS

11. Senator PRYOR. Dr. Krepinevich, in your written testimony, you note that waivers for Army recruits who committed felonies were up 30 percent in 2006 over 2005, and that the Army is also accepting more high school dropouts. The DOD wants a 92,000 troop increase in the Army and Marine Corps end strength. How do we increase our troop levels but still maintain the quality of our force?

Dr. KREPINEVICH. Under current circumstances, it simply may not be possible to field a significantly larger Army while maintaining high quality standards. The current data—using the Service's own metrics—show that the quality of Army recruits is declining.

At the same time, we must be very careful about reducing standards for new military recruits. The war in Iraq places our military in unfamiliar cultural terrain, facing nonconventional situations, and difficult mental challenges. Therefore, it requires soldiers with greater, not lower, levels of intelligence, maturity, and capability.

It is no secret that attracting people in sufficient numbers is becoming more and more challenging to our military, which again leads me to stress the importance of explicit recognition of military service and articulation of a strong message on the part of the Nation's leaders regarding the value of military service to the Nation.

Ultimately, the answer may rest in what the Pentagon calls "building partner capacity"—assisting allies, partners, and host nations in augmenting their ground forces so that, in conjunction with them, we achieve the scale and quality of forces necessary to address emerging ground force contingencies.

CONTRACTED SOLDIERS

12. Senator PRYOR. Dr. Krepinevich, the Washington Post did an article this past Sunday on "hired guns," private security civilian contractors who fight a parallel war our soldiers are fighting in the global war on terror, but who are not under the same oversight when it comes to the rules of armed conflict. In your prepared statement you mention the challenge these contractors create for our soldiers. Do you believe we should or should not rely on these contractors to supplement our force?

Dr. KREPINEVICH. It is far from clear whether the use of contract personnel is a positive development for the war effort. Consider that:

- There are clear differences in pay between soldiers and contract workers, with the latter typically receiving significantly greater compensation than the former.
- Contractors have not been under the Uniform Code of Military Justice (UCMJ) and hence have not operated under the standards that, the military has long argued, are key to good order and discipline. There has been no central oversight of the private security companies that provide security contractors, and no uniform rules of engagement (ROE).
- Contract workers generally enjoy a better quality of life than their military counterparts, staying in superior quarters and being provided with more amenities.
- Contractors enjoy a huge benefit in terms of the personal freedom. For example, they are free to quit their job at any time; soldiers are not. Indeed, both the government and the security companies concede that contract security workers have the right to abandon their post if they deem the situation too dangerous.

Contract security workers also present a potential military problem. They are not integrated into the overall U.S. military chain of command, and thus function outside the overall counterinsurgency campaign being conducted in Iraq.

Differentiating between insurgents and noncombatants is a common and serious challenge for counterinsurgent forces. In a combat situation, oftentimes the safest thing to do from an individual soldier's perspective is to shoot first and ask questions later. This, however, risks incurring noncombatant casualties and alienating the population. It is for that reason that U.S. forces operate under strict ROE. The contractor security forces, however, do not function under the ROE imposed on U.S. and coalition forces. It is not clear whether the contract forces even have standing ROE. This has the potential to undermine U.S. efforts at winning the hearts and minds of the Iraqi people.

Another issue concerns the degree of responsibility incurred by U.S. forces in protecting U.S. nationals operating as security forces. For example, are Army quick reaction forces established to come to the aid of U.S. and coalition forces under attack also obligated to respond to requests from security contractors? Doing so not only puts U.S. forces directly at risk, but also increases the risk to other coalition units who may call upon U.S. rapid reaction forces, only to find that they are committed to defend security contractors.

Yet another worrisome issue involves the obligation, if any, of U.S. forces to share intelligence with security contractors to enable them to perform their job more effectively. The problem here, of course, is whether the intelligence will remain a secret, and whether the likelihood of security being breached by those who are not subject to military order and discipline will be substantially greater.

In short, it is not clear that this form of outsourcing manpower requirements makes good sense, much less whether it should be expanded in an effort to solve the personnel challenges confronted by the Army. Recently, the Iraqi government has taken steps to impose rules requiring all security firms to be registered and limiting the possession of weapons only to those who have been licensed.

IRREGULAR WARFARE

13. Senator PRYOR. Dr. Krepinevich, in your prepared statement you state that "most of our enemies have little choice: the investment required to take on the U.S. military in conventional warfare is prohibitive, and that we are entering a national security era dominated by irregular warfare." What is your perception of our readiness to respond to the most likely irregular missions in the future?

Dr. KREPINEVICH. Our "readiness to respond" will depend entirely on the level of institutional commitment the Services make to generating and maintaining capabilities appropriate for irregular warfare (IW).

Historically, the Services have viewed IW as a lesser-included-case of major combat operations (MCO); i.e. if a force had the skills and capabilities to win at high intensity, conventional operations, then it had the ability to handle other forms of conflict. However, the past few years of experience in Iraq show that this is not necessarily the case.

High-end conventional operations are extremely complex when it comes to coordinating and integrating advanced military capabilities and conducting sophisticated operations. But such operations are typically conducted against a readily identifiable opponent and within a fairly straightforward framework of rules. In this case, "cultural awareness" and "operational nuance" are not prerequisites for success.

Conversely, irregular warfare calls for a very mature force that routinely handles delicate situations, develops tactical intelligence, works within and among populations, and deals with an array of opponents who may be very difficult to identify and address. The use of combat skills, per se, is the exception rather than the norm.

There are indications that the Services are tiring of the irregular warfare effort. Discussions about "resetting the force" typically include comments on the need to regain ability to conduct MCO-type operations and the atrophying of such skills as a result of the protracted operations in Iraq. To the extent the Services pull back from irregular warfare operations in order to "reset" for high-end combat operations, we'll lose our ability to respond to what I consider the most likely forms of conflict in the coming years.

14. Senator PRYOR. Dr. Krepinevich, do you believe our conventional Army and Marine Corps is, or can be, effective against irregular warfare?

Dr. KREPINEVICH. Conventional Army/Marine Corps is currently marginally effective in irregular warfare; not necessarily due to deficiencies in personnel capabilities, but more so because of lack of numbers, lack of time available to adequately train and grow a force effective at such operations, and lack of time dedicated to gaining the institutional maturity required to excel at irregular warfare.

Whether the Services can be effective in the long run will depend on institutional-level decisions to reorient services for the challenges of irregular warfare in the same way organizational changes were made to excel at conventional land warfare or air superiority or undersea operations.

Nevertheless, it should be noted that "success" in irregular warfare from the military perspective is only of value to the extent the rest of government also embraces the challenges. The military arm creates "maneuver space" for the other elements of the national power to work. An overly strong reliance on the military will eventually be counterproductive.

NORTH KOREA

15. Senator PRYOR. General McCaffrey, you have noted that our forces are in a position of "strategic peril." The ramifications of the President's "surge" in the number of troops headed for the Middle East leaves the United States with practically no strategic ground Reserve and a National Guard whose readiness has been depleted. What is your impression of our military's ability to currently respond to aggression from Iran or North Korea?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

TRAINING OF IRAQI TROOPS

16. Senator PRYOR. General McCaffrey, one of the missions of our troops in Iraq and Afghanistan is to train indigenous police and military forces so that they may become self-sufficient and we can ultimately "stand down." You were recently in the region, speaking with our military men and women as well as those general officers leading the effort. How many fully-trained, self-sufficient Iraqi troops are there today?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

17. Senator PRYOR. General McCaffrey, what significance, if any, do the fully-trained, self-sufficient Iraqi troops have?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

MANPOWER AND STRATEGY

18. Senator CHAMBLISS. General Scales, in your written testimony, you make the disturbing statement that for the first time since the Civil War, decreasing military manpower is shaping strategy rather than strategy determining force needs. But an article in Defense News said future warfare is likely to be "irregular" or "counter-terrorism," and this kind of warfare calls for a smaller force trained for nonconventional missions. How do you see our strategy in Iraq and Afghanistan playing out if adequately manning the force was not a concern?

General SCALES. In fact manpower is a chief concern in both Afghanistan and Iraq. Defense News is simply wrong in equating the need for smaller forces to fight irregular warfare. Non-conventional missions do require smaller elite units for special missions such as training indigenous forces and direct action against terrorist cells. But the expanded presence of American ground forces over the breadth of the world to conduct these missions will require more of these elite units as well as a much larger contingent of traditional ground forces trained to fight and sustain themselves in distant places for very long periods of time. All of these conditions argue for a larger rather than a smaller ground force. The bottom line is that ground warfare, particularly at the low end of the conflict spectrum, is a very manpower intensive business. Technology can only do so much. Most of the heavy lifting in these wars will be done by close combat forces (infantry, cavalry, armor, Special Forces). We are woefully short of these forces today in Afghanistan and Iraq. The nature of wars in the future will demand that we recruit and train many more of them.

19. Senator CHAMBLISS. General Scales, what decisions have been made because manpower needs were or are unable to be met?

General SCALES. Virtually every think tank, military analyst, and objective defense intellectual concurs that the counterinsurgency phase of the war in Iraq would have evolved much differently had more soldiers and marines been available to stem the emergence of both Sunni and Shia insurgencies beginning in late 2003 and continuing to today. In every case portions of Iraq that were pacified returned to lawlessness and anarchy once American troops departed. They were obliged to leave because not enough troops were present in Iraq to sustain a presence long enough to sustain the gains made. That reality is the main reason that General Petraeus requested the "surge." He realized then and he does now that in counterinsurgencies numbers count. Simply put, throughout this conflict we had too few soldiers present to fully execute the policy of providing security to the most seriously threatened regions of Iraq.

20. Senator CHAMBLISS. General Scales, do you agree with the assessment that the future force should be a smaller and more focused future force, or is a larger ground force a more appropriate defense strategy?

General SCALES. I believe that the future force should be more focused but I do not believe that it should be smaller. We have two options regarding ground forces: either add more to accomplish the strategy or change the strategy to be less demanding on the ground force we have. Unfortunately the second option is not ours to choose. It belongs to the enemy and he has decided wisely to challenge us on the ground in the most remote and inhospitable regions of the world. So we either cede the enemy dominance over regions of the world vital to our national interest or we challenge the enemy in these regions . . . on the ground.

TRAINING

21. Senator CHAMBLISS. Dr. Korb, I'd like to quote a piece of your written statement about an Army base in my home State of Georgia:

> "The 1st Brigade of the Army's 3rd Infantry Division based at Fort Stewart became the Army's first brigade to be deployed to Iraq for the third time. It was sent over in January 2007 after about a year at home. But, because of its compressed time between deployments, some 150 soldiers joined the unit right out of basic training, too late to participate in the training necessary to prepare soldiers to function effectively in Iraq. Unfortunately one of the 18-year-old soldiers, Matthew Zeimer, who joined the unit on Dec. 18, 2006, was killed on February 2 after being at his first combat post for just 2 hours. He missed the brigade's intensive 4 week pre-Iraq training at the National Training Center at Fort Irwin, California, getting instead a cut rate 10-day course."

You offer this tragic case in relation to troops being sent into a war zone without being fully combat ready. The National Journal had an article last week that reported TRADOC officials as saying that skills associated with conventional warfare will atrophy due to the focus on preparing troops for counterinsurgency operations in Iraq and Afghanistan. The article also said units are skipping "graduate level" training at senior training centers because of reduced dwell time between deployments. If they are able to attend the training, the curriculum is less challenging—similar to what we saw with Matthew Zeimer. Between what you have written and what I am reading, I am convinced we need to look at the training our troops are getting and require on multiple levels and on a variety of fronts. What is the implication or potential effect of these training deficiencies, aside from the obvious outcome of the immediate danger to putting our troops untrained in harm's way, in terms of training and preparing to fight some of the unknown future threats we are looking at today?

Dr. KORB. I agree with your assessment. The problem is that because of the pace of deployments, which results in shorter dwell time, our troops as General Scales has noted, are "too busy to learn." Therefore training is skewed to addressing the immediate problems of Iraq and Afghanistan. Yet, as I noted in my testimony, even training for operations in Iraq and Afghanistan is being short-changed, in a rush to get troops to the battlefield. This is problematic, because even as General Petraeus is attempting to implement a new counterinsurgency approach in Iraq, our troops have had little training to deal with counterinsurgency operations. For instance, the Army's counterinsurgency manual was only recently completed and the Army and our troops have had little time to learn and adapt. The atrophy of training in conventional techniques, as well as training in environments that are dif-

ferent than Iraq, is a real concern going forward and will mean that the United States is less prepared to deal with new challenges. The longer we stay in Iraq the less prepared we will be to confront future challenges.

OVERSEER OF EFFORTS IN IRAQ AND AFGHANISTAN

22. Senator CHAMBLISS. General McCaffrey, the White House has come up with a plan for a "War Czar" to be an "execution manager" of sorts to oversee the efforts in Iraq and Afghanistan. Former House Speaker Newt Gingrich has said this position is necessary as a means to cut through the ineffectiveness and bureaucracy that are hindrances to winning the wars, and National Security Advisor Stephen Hadley says this person would work for the President and fix problems in Washington that are in the way of success. However, at least five former 4-stars have declined the position, and retired Major General John Batiste called this another layer of bureaucracy. What do you think of this position?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

23. Senator CHAMBLISS. General McCaffrey, is this position necessary?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

24. Senator CHAMBLISS. General McCaffrey, what void would this position fill?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

NATIONAL ENERGY

25. Senator CHAMBLISS. General McCaffrey, you have said the Army is "unraveling" and that we must expend "significant national energy" to reverse that trend. What would that significant energy look like and require?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

26. Senator CHAMBLISS. General McCaffrey, to follow on with expending national energy, how can we as a Nation prepare families, employers, and communities to deal with returning soldiers—some who will have been deployed 15 months now—experiencing increased stress levels and not necessarily being equipped to deal with this stress in a healthy way?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

27. Senator CHAMBLISS. General McCaffrey, how can we use this national energy to support the Army and Marine Corps during this challenging time?

General MCCAFFREY. I do not have time to answer detailed questions. My written statement and the several hours of testimony more than adequately outline my views on these important issues.

[Whereupon, at 12:46 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, APRIL 24, 2007

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

UNITED STATES PACIFIC COMMAND, UNITED STATES FORCES-KOREA, AND UNITED STATES SPECIAL OPERATIONS COMMAND

The committee met, pursuant to notice, at 9:33 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Bayh, Webb, Warner, Sessions, Thune, and Martinez.

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

Majority staff members present: Madelyn R. Creedon, counsel; Evelyn N. Farkas, professional staff member; Creighton Greene, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Lynn F. Rusten, professional staff member; Sean G. Stackley, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: David G. Collins, Fletcher L. Cork, and Jessica L. Kingston.

Committee members' assistants present: Frederick M. Downey, assistant to Senator Lieberman; Benjamin Rinaker, assistant to Senator Ben Nelson; Andrew Shapiro, assistant to Senator Clinton; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger, assistant to Senator McCaskill; and Mark J. Winter, assistant to Senator Collins.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. We're going to begin the hearing today. The ranking—or acting ranking member—Senator Warner suggested we proceed, he's going to be a few minutes

late, and we will do that. So Senator Nelson, I think you and I will be manning the fort here this morning, at least for awhile.

Senator BEN NELSON. We'll be able to handle it.

Chairman LEVIN. First let me welcome our witnesses, Admiral Keating, Commander of the U.S. Pacific Command; General Bell, Commander of the United Nations Command, the Republic of Korea/U.S. Combined Forces Command; and Commander, U.S. Forces-Korea; and Vice Admiral Eric Olson, the Deputy Commander of U.S. Special Operations Command.

We not only welcome them, we thank them for their service, we thank them for their leadership.

Today's hearing will focus on the challenges and opportunities that we face in the Asia-Pacific Region, along with the important work that special operators do globally to further U.S. national security interests, including, but not limited to, their efforts to combat terrorism.

In Asia, the most urgent matter is that we need to eliminate North Korea's nuclear programs, and the threat that is posed by Pyongyang's missile capability. The unclassified National Intelligence Estimate (NIE) on North Korea's nuclear and missile programs, produced in March 2007, stated that by early October 2006, "North Korea could have produced up to 50 kilograms of plutonium, enough for at least a half a dozen nuclear weapons." This is a significant increase from the last unclassified Central Intelligence Agency (CIA) estimate dating to 2001, which assessed that North Korea had enough plutonium for one to two weapons.

In February, it appeared that we had made a significant breakthrough in the Six-Party Talks regarding North Korea's nuclear program. North Korea should not be rewarded for failing to negotiate in good faith, but we should test their statements that they will eliminate their nuclear weapons programs.

I hope that Admiral Keating and General Bell can share their thoughts on the impact of the North Korean threat on the political-military dynamic in Asia, as well as their assessments of the state of the U.S.-South Korean relationship.

In addition, I hope that we can explore the bilateral relationship between the United States and China. The U.S.-Japan Alliance, U.S. relations with India, as well as U.S. Force posture and the security dynamic in the Asia-Pacific region.

On the issue of readiness in the Pacific theater, this committee has learned in a series of hearings, since the beginning of this year, that personnel and equipment shortages in nondeployed units assigned to the Pacific Command (PACOM) exacerbate the challenges of meeting our security commitments and challenges in the Pacific, or in other areas, where Pacific Forces may be deployed.

Reduced readiness in our non-deployed forces increases the costs and time required to get ready for worldwide contingencies, and increases the likelihood of deploying our forces underprepared, or unprepared. This increases the risk that we fail to accomplish our missions, and also means increased casualties.

This situation is what former Army Chief of Staff General Schoomaker was describing when he talked about the U.S. military's "lack of strategic depth." I hope to hear from Admiral Keating about how he evaluates that risk.

Special Operations Forces (SOF) have nine statutory missions—some that are more useful in the short-term, such as direct action, and others that have deeper medium- and long-term impacts, such as the foreign training missions. I'm concerned that the definition of the war on terrorism has been too narrowly conceived by the administration and the Department, so that for too long, the emphasis has been placed on capturing or eliminating individual terrorists, and not enough on combating terrorism using civil affairs, psychological operations, and training foreign forces in the Middle East and beyond. I'm not even including what needs to be done by the State Department and other Government agencies.

This committee spent considerable time last week, hearing from witnesses regarding the impact of the operations in Iraq and Afghanistan on the conventional forces, and today I hope that we can hear about the impact on SOF—what is the current state of Special Operations readiness for all missions and for all Service components.

Do we need to put additional resources into honing the special skills of the operators under your command, Admiral Olson, especially in the areas of language and cultural training? Last week, Major General Scales testified to this committee that, "What's important in counter-insurgency are skills, not structure, the ability to speak the language, the ability to commune with alien cultures, the ability to train and to advise."

Some special operators have these skills, though more of them need to get those skills, and what can we do to ensure language proficiencies are raised and maintained?

Finally, is the end strength growth that the Department has planned for Special Operations Command (SOCOM) sufficient? Is it appropriate, given not just current needs, but also future projections?

I look forward to hearing from our witnesses regarding these issues, as well as other issues and also whether and how the budget request for fiscal year 2008 and beyond meets their operational, readiness, and quality-of-life requirements.

I think we will await Senator Warner's opening statement, and start with our witnesses. Admiral Keating?

STATEMENT OF ADM TIMOTHY J. KEATING, USN, COMMANDER, UNITED STATES PACIFIC COMMAND

Admiral KEATING. Mr. Chairman, thank you very much for the opportunity to appear before your committee this morning. It has been almost 4 weeks since the Senate was kind enough to confirm me, and Wanda Lee and I returned to Hawaii and began again to experience the Aloha that is unique to Hawaii, and Senator, it's great to be back in your State.

I'm proud to represent the men and women of PACOM before you this morning, Mr. Chairman. As I said, we've been there 4 weeks, I've been to four countries in the region and intend to travel to China here, next.

My initial assessment, which I'm happy to share with you this morning is that there is much in the Pacific theater that is positive. It is, of course, a dynamic, complex region, a significant portion of the globe is represented in PACOM. I think that there is

general stability in the region, security is improving, particularly when considering the longer light, when I was last there in 1985 at the PACOM headquarters, and of course, the growing economies are a highlight in the region.

The alliances we enjoy there are healthy, strong, vibrant, and getting better. In particular, in Japan, Republic of Korea (ROK), I have to visit and spend some time with General Bell, and I'm very pleased with the progress that we are making there, and of course, Australia and the Philippines, as well—highlights of the very strong alliances we enjoy.

In addition, I visited Malaysia and was pleased to see how well we're doing there, and other countries that are slightly less prominent, but every bit as important, including Singapore, Cambodia, and Vietnam.

The partnership that we enjoy with India is solid and expanding; I will visit India later on this summer. We're, of course, watching China carefully, we notice an increase in China's apparent willingness to act constructively. We have a delegation of 25 or so mid-level officers, professionals from all 4 Services who are taken from their particular assignment right now, on destroyers or in infantry battalions, and they are visiting China as we speak. They will report back to us in a week or so.

Challenges throughout the area will remain. You mentioned some of them, Mr. Chairman, North Korea, we are watching them carefully as is General Bell, their missile and their nuclear activity, the Six-Party progress is, while not rapid, we think it is no less an important step towards providing peace and security on the peninsula.

The battle that we are fighting with our allies, in particular in the Southern Philippines is, we think, producing good results, we're eliminating some terrorists from the playing field, and the role of the Republic of the Philippines army, and military forces is significant, and we're proud of our efforts to support them.

We're, of course, concentrating on understanding China's intent, what they're doing with their military spending, and we will spend some time with them in the month ahead, as I said.

So, looking ahead we remain grateful for the committee's support, Mr. Chairman, the young men and women are well-equipped, they're well-trained, they're highly motivated in the area of responsibility (AOR), and we are grateful for your support.

We intend to concentrate on winning the war on terror, advancing security cooperation and engagement in the theater, making sure that our forces are properly postured and equipped to respond to crises should they develop, and we are working hard to keep our operational plans current, in light of the threats that we see in the area.

I thank you for your support, and I look forward to your questions, Mr. Chairman.

[The prepared statement of Admiral Keating follows:]

PREPARED STATEMENT BY ADM TIMOTHY J. KEATING, USN

INTRODUCTION

Mr. Chairman and members of the committee: On behalf of the men and women of the U.S. Pacific Command (PACOM), thank you for this opportunity to testify regarding the posture of our command and security in the Asia-Pacific region.

The Asia-Pacific area remains a region of vital importance to our Nation. From a security standpoint, the past year has been a time of general stability and improving security with the notable exception of North Korean nuclear and missile activity.

Economic development in the region continues at a brisk pace, fueled primarily by dynamic growth in China, with positive trends in most nations.

Pacific-based forces have served with distinction in Iraq and Afghanistan and have helped combat terrorists in the Philippines through intelligence and operational fusion assistance to the Armed Forces of the Philippines. Our marvelous men and women have helped stabilize the region through exercises and engagement; they have saved lives and mitigated human suffering through medical and engineering assistance in the wake of natural disasters.

Progress in the PACOM area of responsibility (AOR) requires close cooperation with the Department of State and U.S. Embassy country teams. Our important ties with other agencies of the U.S. Government—in Washington and in theater—have been keys to stability. Of course, Congress is essential to our efforts. I appreciate your support of PACOM initiatives. I assure the committee that our activities are conducted in accordance with United States law and policy. Our dealings with the People's Republic of China (PRC) and Taiwan are guided by the Taiwan Relations Act, the three Joint U.S.-PRC communiqués (1972, 1979, 1982), and the one-China policy. Our military-to-military interaction with China has been increasing; we abide by restrictions stipulated in the National Defense Authorization Act (NDAA) for Fiscal Year 2000. NDAA for Fiscal Year 2006, section 1206 "train and equip" authority made possible a rapid infusion of $30 million in Department of Defense (DOD) funds to improve the maritime security capacity of Indonesia and Sri Lanka. Section 1022 authority broadened permissible uses for counterdrug funding and allowed the Joint Interagency Task Force-West to assist partner nations in building the counterterrorism capability of their law enforcement agencies. We look forward to the continued support of Congress in these areas.

Direct dialogue and shared experiences with regional civilian and military leaders remain keys to enhancing our relationships in the AOR. Meaningful and frequent engagement with the nations in the Asia-Pacific—characterized by the transparent expression of views and intent—contributed to considerable progress across a broad range of security issues this past year. Our relationships with regional counterparts have ensured cohesion and resolve in addressing strategic events such as missile and nuclear testing by North Korea.

Our alliances with Japan and the Republic of Korea (ROK) facilitated a strong response to the Democratic People's Republic of Korea (DPRK) nuclear event. After the October 9 nuclear test, Chinese support moderated North Korean behavior and helped to restart the Six-Party Talks. These talks remain a critical framework for addressing North Korean nuclear aspirations. Engagement with the Peoples' Republic of China (PRC) over the last 2 years was a positive factor throughout.

The solidarity of the U.S.—Japan alliance is further demonstrated by increased cooperation in ballistic missile defense. We are also moving ahead with implementation of the security improvements agreed to in the Defense Policy Review Initiative. The strategic alliance between the U.S. and Japan has been reaffirmed and many force structure changes are in planning or underway. A key step will be the move of approximately 8,000 marines and their family members from Okinawa to Guam. The U.S. and Japan will share the development costs of this relocation.

Our strong alliance with the ROK has enabled us to undertake extensive discussion regarding the future of the alliance and agreement to shift responsibility for defense of the peninsula to ROK forces. U.S. support and engagement, primarily with air and naval capabilities, will remain essential to the ROK defense and to regional stability.

Our military-to-military activities with the PRC have increased and this past year marked the first ever U.S.—PRC tactical activity—a search and rescue exercise in two phases—off the coast of California and in the South China Sea. This progress bodes well for U.S.—China relations and regional stability. Exercises, port visits, and mid-level officer exchanges can over time reduce the potential for misunderstanding and provide the opportunity to positively influence future Peoples' Liberation Army (PLA) leaders. At every turn, we use our interaction to demonstrate the

professionalism and readiness of U.S. forces, an important element of encouraging responsible behavior by the Chinese government and military.

We continue to push for greater transparency from Chinese officials. Without greater insight into Chinese goals and objectives, I will remain concerned about continued double-digit growth in annual defense spending and investment in systems which threaten Taiwan and our own capabilities. Consistent with U.S. policy and legislation, PACOM is encouraging Taiwan to improve its self-defense capabilities and thereby deter PRC aggression.

Southeast Asia remains the battleground against terrorism in the Pacific. On the island of Jolo, the Armed Forces of the Philippines (AFP), with assistance from U.S. military advisers and trainers, have kept the terrorists on the run and made progress in creating a stable, secure environment.

Interaction between Indonesian Armed Forces (TNI) and the U.S. military has been positive and valuable in the war on terror and for humanitarian assistance. The peace accord in Aceh accelerated recovery from the 2004 tsunami by facilitating stability and security. We are addressing maritime security with Indonesian, Malaysian, and Philippine authorities to deny terrorists transit and sanctuary at sea. Maritime security efforts focus in the Sulu and Sulawesi Seas or triborder sea area between Indonesia, Malaysia, and the Philippines; these efforts foster multilateral cooperation among the littoral states.

The U.S.-India strategic partnership is expanding and military-to-military activities are thriving. Recent congressional approval of the Henry J. Hyde U.S.-India Peaceful Atomic Energy Act reinforced those ties. Our interaction will improve regional security by addressing instability concerns in Bangladesh, Nepal, and Sri Lanka.

One area of great concern is political upheaval in the region. The coups in Thailand and Fiji, while bloodless, were clearly unacceptable. The prompt return of democratically-elected government is essential if we are to maintain important military-to-military relationships. Historic animosity, poor economies, overpopulation, and weak and dysfunctional governments fuel insurgencies and unrest in areas including the Solomon Islands, East Timor, Sri Lanka, and Bangladesh.

These impressions highlight both the challenge and opportunity in the Asia-Pacific region. We have in place key elements to advance U.S. security interests and enhance regional stability—vibrant alliances, opportunities for new partnerships, combat ready and agile forces, and committed soldiers, sailors, airmen, and marines to lead our efforts. As we move forward, our initiatives remain organized across five focus areas—prosecuting and winning the war on terror; advancing regional security cooperation and engagement; maturing our joint and combined capabilities and readiness; posturing forces for agile and responsive employment; and ensuring operational plans at all levels are credible.

PROSECUTING AND WINNING THE WAR ON TERROR

Engagement with regional partners for support in the war on terror continues to pay dividends as Australia, Japan, ROK, Thailand, Singapore, Fiji, Mongolia, Tonga, and New Zealand are making or have made significant contributions to the efforts in Iraq and Afghanistan.

Within Asia and throughout the Pacific, in coordination with the Office of the Secretary of Defense, the Department of State, and our U.S. Ambassadors, we work with and through our regional partners to combat extremist violence and transform at-risk environments. We are making progress but must remain active.

Forces from the Special Operations Command Pacific (SOCPAC) play the dominant role in PACOM war on terror operations. The Joint Combined Exchange Training program is the principal mechanism used by Special Operations Forces (SOF) to assist partner nations in building capacity to defeat terrorism and improve our understanding of the complexities of the local environment. SOCPAC troops are the core of Operation Enduring Freedom-Philippines, an operation which supports the Government of the Republic of the Philippines counterterrorism efforts. With U.S. advice and training, AFP and civilian authorities have improved their ability to coordinate and sustain counterterrorism operations. U.S. and Philippine forces have also worked together under the new Security Engagement Board framework—the primary mechanism for consultation and planning regarding nontraditional security threats—to complete humanitarian and civil assistance projects and improve living conditions in the southern Philippines. As a result of our combined efforts, support for terrorists has waned markedly.

U.S.-supported operations, civic projects, and Malaysian-mediated peace talks with the separatist Moro Islamic Liberation Front (MILF) continue to erode MILF support to the Abu Sayyaf Group (ASG) and Jemaah Islamiyah (JI). These efforts

have reduced ASG mobility within MILF strongholds. With assistance from Australia and Japan, we will continue to build Philippine capabilities and capacity to conduct independent, joint operations against internal and external threats.

The Government of Indonesia is a welcome partner in the war on terror. Indonesia continues to play an influential role in moderating extremism, as evidenced by its willingness to contribute forces to peacekeeping operations in Lebanon. At home, President Yudhoyono has demonstrated a commitment to democracy and military reform. Our interaction with the TNI this year reinforced the positive trends we have seen in their professionalism, respect for human rights and civilian control of the military.

We have targeted security assistance and "train and equip" funding to Indonesia towards maritime security in an effort to limit mobility for terrorists in Southeast Asia who take advantage of the relatively unmonitored, uncontrolled seas. The waters between Indonesia, Malaysia, and the Philippines have been a sanctuary for transit and illicit activities which sustain terrorist activity. The Indonesian military efforts to monitor and control criminal maritime traffic in these areas can be enhanced by multilateral cooperation with the Philippines and Malaysia, which we encourage.

Joint Interagency Task Force-West counterdrug programs complement and support the war on terror. Key initiatives include enhancing Indonesian, Malaysian, and Philippine maritime law enforcement capacity in the Sulu and Celebes Seas through focused Security Assistance and section 1206 "train and equip" proposals that develop military capacity to combat transnational threats in these areas. We will exercise section 1022 authority (as authorized in the NDAA for Fiscal Year 2006) by enhancing the counterterrorism capacity of partner nation law enforcement agencies, and we look forward to a continuation of this authority beyond fiscal year 2007. As a next step, we continue to seek section 1033 authority (NDAA for Fiscal Year 1998) to equip counterdrug forces in the Philippines, Indonesia, Malaysia, and Thailand so that we can integrate our assistance program more effectively with interagency partner efforts.

A key enabler of all of these cooperative trans-regional efforts is effective information sharing. Coordination in intelligence, logistics, planning, and operations is critical to success. We have made progress in this area and continue to build the infrastructure required to share and act upon the information.

Combating Weapons of Mass Destruction

We are working with allies and partners to build regional capability to combat weapons of mass destruction (WMD). President Bush initiated the Proliferation Security Initiative (PSI), which supports national counterproliferation efforts. Unlike traditional export controls, PSI is a voluntary activity that builds global capacity to disrupt WMD proliferation among states, and between states and terrorist organizations. Nine nations within the AOR (Australia, Japan, Singapore, Philippines, Cambodia, Mongolia, the Marshall Islands, Sri Lanka, and Papua New Guinea) have endorsed the statement of interdiction principles. We continue work to expand participation during our regional military-to-military engagements. We joined PSI exercises such as Pacific Protector and Deep Sabre with Australia, New Zealand, Singapore, Japan, and the United Kingdom and observers from other countries. PACOM participates in multiple working groups with our allies and partners to build consequence management capability. We established formal work plans with Japan and South Korea in 2006. We will execute these plans in 2007, resulting in real improvement to our Chemical, Biological, Radiological, and Nuclear (CBRN) defense and consequence management capabilities. On the homefront, we will expand consequence management training through our participation in Department of Homeland Security-Exercise Topoff 4 in October 2007, validating the full range of existing procedures for managing a domestic terrorist WMD event.

ADVANCE REGIONAL SECURITY COOPERATION AND ENGAGEMENT

Our Theater Security Cooperation Plan serves as the primary blueprint to enhance U.S. relationships and military capacities of allies and regional partners. The plan is fully coordinated with our embassy country teams and integrates security assistance, military-to-military exchanges, exercises, cooperative technology development, and outreach programs into a coherent, mutually supportive set of activities for each country, whether ally, partner, or cooperating state.

These security cooperation activities are essential to the success of U.S. national security strategy. For relatively low cost, we have an opportunity to make progress in each of the PACOM focus areas, and facilitate situations in which future security challenges can be met through strong regional cooperation and capacity.

Japan

The relationship between the U.S. and Japan is a cornerstone of peace and prosperity in the Pacific. Nearly 38,000 U.S. Armed Forces personnel are permanently stationed in Japan, with another 14,000 forward deployed U.S. naval personnel. Japan provides over $4 billion in host nation support, the most generous contribution by any U.S. ally.

The response to brinkmanship by Kim Jong-il validated the strength and importance of our alliance. Prime Minister Abe's early engagement with China's President Hu Jintao and ROK's President Roh Moo-hyun is encouraging and offers the potential for better Japanese relationships with those nations. Prime Minister Abe has also advocated for significant changes within the Japanese government and military to support both regional and global security efforts. The Government of Japan (GOJ) has provided significant military and financial support to coalition operations in the war on terror. For example, GOJ legislation supports operations in Afghanistan, maritime logistical support in the Indian Ocean, and recently concluded reconstruction efforts in Samawah, Iraq. Japanese Self-Defense Forces maintain a presence in the Middle East by flying C–130s in support of United Nations (U.N.) and coalition missions in Iraq. We appreciate the GOJ support in the war on terror.

The alliance also continues with the transformation goals laid out in the three Security Consultative Committee Statements released by the Secretary of Defense, the Secretary of State, and their Japanese counterparts in 2005 and 2006. These agreements established our common strategic objectives; rebalanced the required roles, missions, capabilities and force structure between U.S. and Japanese forces; and set forth our roadmap for realignment. They are on track. Implementing these agreements will enhance alliance capabilities while ensuring a more sustainable U.S. military presence in Japan.

Japanese commitment to Ballistic Missile Defense (BMD) is significant. The Japan Defense Agency (JDA) 2004 Defense Budget included funds to initiate research and development of a limited missile defense plan for the Kanto Plain region involving sea-launched SM–3 and ground launched Patriot PAC–3 missiles. The GOJ Cabinet and Diet approved the JDA budget for 2005, which included an additional 106.8 billion yen ($1 billion) for BMD. The JDA, recently elevated to the ministerial level and designated as the Ministry of Defense, has shown great interest in cooperative development with the U.S. of a more capable sea-launched missile and production of PAC–3 missiles. The Japanese Defense Ministry and DOD are exploring complementary systems that share information and make both systems more capable.

Republic of Korea

Despite challenges, the U.S.-ROK alliance is solid and continues to form the foundation for peace and security on the Korean peninsula. Our partnership remains focused on the most immediate security threat to the Korean people—the government of the DPRK. The ROK government has expressed a desire to take the lead role in conventional defense. As a result of ROK combat capability enhancements, nine military missions—ranging from weather forecasting to maritime SOF interdiction—have been transferred from U.S. to ROK military forces. Continued improvements by the ROK military make possible additional mission transfers in the future. The ROK government has sought the ability to exercise operational control (OPCON) of its own forces in wartime, and we have reached agreement to transition our command relationships in April 2012. This is a natural and reasonable next step in the maturation of the U.S.-ROK relationship and should be supported. Together we will implement a transition process that will assure that ROK forces are ready to assume this increased responsibility.

The DPRK is a proven proliferator of missiles and missile technology as well as a participant in a range of other illicit activities including probable state-run narcotics exporting and counterfeiting of U.S. currency. The Six-Party framework—with coordinated multilateral efforts of the ROK, Japan, Russia, and China—is a constructive approach, regardless of DPRK wrangling in the near-term.

The U.S. and ROK are transforming our alliance to meet evolving security requirements. As ROK force modernization allows Korea to take a greater role in its own defense, U.S. forces stationed in Korea are improving their strategic flexibility, in keeping with our global force transformation. Our partnership is valuable beyond East Asia security issues, demonstrated by the significant contingent of ROK engineering, medical, aviation, and security forces supporting coalition missions in Iraq and Afghanistan. We hope to increase regional partnering with the ROK in counter-proliferation, maritime security, and disaster relief while seeking to foster increased trilateral military cooperation between the ROK, Japan, and the U.S. We welcome a shift by South Korea toward a more regional view of security and stability.

Australia is our most steadfast ally, a nation working tirelessly to promote stability and good governance in the Pacific. During 2006, Australians led efforts to restore stability to East Timor and the Solomon Islands, and they continue to provide major security and institutional assistance in the region. The Australian Pacific Patrol Boat program provides the primary capacity to protect against criminal activity in the economic exclusion zones of many island nations. Most recently, Australia is leading relief efforts—in coordination with nongovernmental organizations—to help the devastated portions of the Solomon Islands recover from the recent tsunami, under the auspices of the Regional Assistance Mission to the Solomon Islands or RAMSI.

The strong bond between our Nations has allowed us to make quick strides in areas of mutual concern. U.S. and Australian military forces are synchronizing efforts to build capacity in combating terrorism and enhancing maritime security in the Philippines, Indonesia, and Malaysia. Additionally, we continue to improve interoperability between the Australian Defence Force and U.S. Armed Forces. Talsiman Saber, a major exercise this spring, will provide proof-of-concept for the Joint Combined Training Capability that promises to take bilateral, network-centered training to a new level, and ensure our combined forces are prepared for today's modern and dynamic threat environment.

Our partnership with the Republic of the Philippines (RP) is central to success in meeting our war on terror goals in Southeast Asia. We appreciate President Arroyo's affirmation of the Visiting Forces Agreement, allowing for the continued advancement of cooperative efforts to rid the Philippines of terrorist activity. The recently passed Human Security Act enhances Manila's counterterrorism laws and provides new legal authorities for Philippine security forces in fighting terrorism. Last year, the GRP also established the Security Engagement Board (SEB) as the framework for our bilateral engagement on nontraditional activities such as counterterrorism, counterdrug, humanitarian assistance/disaster relief, and addressing the potential of pandemic disease. This development paved the way for engagement including security assistance, civil-military operations, and other support to AFP operations. The Philippine Defense Reform, endorsed by Presidents Bush and Arroyo in 2003, implemented with Foreign Military Financing under the auspices of the Philippine Department of National Defense and the AFP, is well on the way to producing long-term institutional reform.

Thailand is a major regional ally. Section 508 of the Foreign Operations Appropriations Act mandated the suspension of security assistance to Thailand following the September 2006 coup. While we continue to value Thai support for combined training events, access for U.S. forces, and past contributions to operations in Afghanistan and Iraq, we encourage the quick return to a democratically elected government to allow full restoration of our military relations. We appreciate the continued support and cooperation of the interim Royal Thai Government in combating terrorism in Southeast Asia and for temporary access to its military facilities.

India

The U.S.-India strategic partnership deepened significantly in the last year. With congressional approval of the Henry J. Hyde Atomic Energy Cooperation agreement, we should expect the relationship to become even broader and more helpful in addressing common security issues. Our experience with military-to-military activities mirrors this decidedly positive trend. We foresee great potential for cooperation in areas of concern like Nepal and Bangladesh.

Over the course of the last year, all three Indian Service Chiefs expressed satisfaction with the state of our military-to-military interaction and a desire to increase the scope of these activities in the future. Our two nations conducted a combined Army-Air Force exercise in Hawaii and a naval exercise incorporating elements from the Marine Corps and Army. PACOM will continue increasingly joint, complex and realistic training exercises with the Indian military. Indian Armed Service Chiefs are also keenly interested in the Foreign Military Sales (FMS) program. In their view, FMS plays a central role in our future military relationship. The ongoing transfer of U.S.S. *Trenton* was singled out as a welcome addition to Indian Navy capabilities, building Indian confidence in dealing with the U.S. in equipment acquisition matters.

Singapore is one of our strongest security partners in Asia and a key coalition partner in the war on terror. Beyond providing strategic access to ports and airfields for visiting U.S. forces, Singapore is extraordinarily supportive and cooperative in moving forward with our shared maritime security, counterterrorism, and regional command and control initiatives. Singapore breaks ground this year on a Command and Control Center at Changi Naval Base which will facilitate information sharing between Singapore, the United States, and other regional nations.

Indonesia continues to make steady progress with the reform of the TNI, emphasizing human rights, professionalism and leadership training. Through the recently renewed security assistance programs, the U.S. helped institutionalize reforms, particularly with the International Military Education and Training program. Additionally, the U.S. DOD started the Defense Resource Management Study in September 2006 to improve Indonesian programming and funding practices.

President Yudhoyono has sustained his commitment to thwart extremism and improve maritime security; those efforts are bolstered by carefully targeted security assistance and humanitarian initiatives. We have focused the security assistance funding on coastal radars and communication equipment to improve situational awareness of the maritime domain. Our deployment of the U.S.N.S. *Mercy* provided medical relief to more than 24,000 patients in four areas of Indonesia. In addition to the medical care and training opportunities for the Indonesian medical personnel, the U.S.N.S. *Mercy* deployment demonstrated the importance of the U.S.-Indonesian strategic relationship. Together, these initiatives furthered our common goals in the war on terror—denying maritime sanctuary to terrorists and improving living conditions for the Indonesian people.

People's Republic of China

Chinese global engagement continues to mature. Nations in the Pacific, Africa, and South America are benefiting from Chinese economic growth, while the increasing energy needs of China are fueling ties to the Middle East. China has also demonstrated a greater willingness to play a responsible role in the diplomatic arena, particularly with North Korea. While PRC military modernization efforts do not yet challenge U.S. military capabilities in the AOR, the opaqueness of Chinese defense budgets and intentions, as well as the introduction of new capabilities, are causes for concern.

The purpose of the PACOM-initiated military-to-military interaction with the PLA, conducted within the framework of our over all policy toward China which is based on the three Joint U.S.-PRC communiqués (1972, 1979, 1982), our one-China policy, and the NDAA for Fiscal Year 2000, is to increase transparency between our respective militaries, break down barriers to understanding, and reduce the potential for miscalculation. This past year we have gained traction and are moving the U.S.-PLA military-to-military relationship forward as an important complement to the other elements of the bilateral U.S.-China relationship.

With each successive trip to China, we have seen improved access to leadership and facilities. Most noteworthy has been the increasing interaction among junior and mid-grade officers who in the coming years will become senior PLA leaders. Through this direct contact, we gain experience interacting with one another and build relationships for the long term. We have also made practical advancements with our activities. Talks held last year under the Military Maritime Consultative Agreement (MMCA) yielded a substantial agreement to improve the safety of our Sailors and Airmen. The agreement called for a bilateral search and rescue exercise (SAREX) with elements of free play, internationally accepted protocols, and fixed wing aircraft. These terms allowed the U.S. to practice search and rescue with the PLA in the same manner we carry out such operations with other partners. The need for the PLA to adopt internationally accepted protocols will increase as PLA Navy expands its activities in the Western Pacific.

Progress in the military-to-military venue has been positive. I anticipate the relationship will improve in the areas of transparency and reciprocity. As we see PLA commitment to these principles, I will work with the Office of the Secretary of Defense and Congress to reassess the relationship and, if warranted, propose changes to the NDAA for Fiscal Year 2000 restrictions.

The PRC-Taiwan relationship is an issue that we monitor closely. Consistent with legislation and policy, our interactions focus on efforts to preserve cross-strait stability. We continue to encourage Taiwan to improve its own defenses and create a credible deterrent to any attack. We have advocated inexpensive hardening practices as well as the acquisition of a combination of defensive weapons and systems. PACOM will continue to make available to Taiwan advice, training, and support for congressionally-approved equipment to defend against the potential military aggression by the PRC.

Mongolia, a country with a GDP of approximately $2.4 billion and a population of 2.8 million, continues to make a substantial contribution as a U.S. partner in the war on terror. Mongolian forces have maintained a continuous presence as a coalition member in Iraq and Afghanistan, with seven company-sized rotations to Iraq and six mobile training team detachments to Afghanistan. These efforts and their other U.N. and North Atlantic Treaty Organization commitments mean that almost

one-third (or about 400) of deployment-eligible Mongolian soldiers are engaged in peacekeeping missions, worldwide.

PACOM security cooperation with Mongolia supports their efforts to adjust the structure and skills of the military to better match a peacekeeping focus. The Mongolian Defense Reform and the Global Peace Operations Initiative (GPOI) are being leveraged to maximize the effect of both programs and will result in the transformation of the MAF into an International Peacekeeping Force. Mongolia was selected as one of two countries in the theater (Bangladesh the other) to be sites for regional peacekeeping training centers. Mongolia has agreed to host the second annual GPOI capstone event at the Five Hills Regional Training Center in August 2007 as part of Exercise Khaan Quest 2007.

Russia

In support of the U.S. European Command responsibility for Russia, we have taken steps to improve operational protocols between U.S. and Russian forces. We invited the Russians to participate in Pacreach, our multinational submarine rescue exercise. We have broken new ground toward access in the Far East by initiating a C–17 squadron relationship with a Russian strategic lift unit in the Far East and through preparation for Pacific Eagle, a U.S-Russia naval exercise building common operating procedures for humanitarian assistance, disaster relief and search and rescue responses. We hope to host the newly appointed Russian Far East Military District Commander at PACOM in Hawaii and the Russian Pacific fleet commander at U.S. Seventh Fleet and U.S. Pacific Fleet headquarters in Japan and Hawaii, respectively. In addition to interoperability, one of our major goals is to increase lower-level exchanges and exercise interaction between PACOM and Russian forces.

Sri Lanka

The ongoing civil war between the Liberation Tigers of Tamil Eelam (LTTE) and the Government of Sri Lanka (GSL) is a continuing source of regional instability and loss of life. U.S. focus remains on facilitating a negotiated settlement that meets the needs of the Sinhalese, Tamil, and other communities. The PACOM security cooperation programs with Sri Lanka Armed Forces support their ability to deter renewed violence, improve maritime security capabilities, and institutionalize respect for human rights. Sri Lanka has been approved for $10.88 million in fiscal year 2006 1206 "train and equip" funds. These funds will assist in the Sri Lanka Armed Forces' ability to identify and interdict illegal international arms shipments.

Nepal

Political upheaval has curbed military engagement with PACOM. The end of the 10-year insurgency and the recent inclusion of former Maoist insurgents in the government have not brought about the desired national stability. Continued Maoist refusal to fulfill promises to disarm, return confiscated property, and cease intimidation and extortion cast a shadow of doubt on the future of democracy in Nepal. We remain hopeful that the recent political agreement will result in lasting peace, opening the way for democratic rule and economic development. In the interim, PACOM security cooperation focuses on non-lethal assistance with an emphasis on professional military development and human rights education for the Nepal Army, which remains a positive force for stability and security in the country.

Bangladesh

Political turmoil and the increasing influence of extremists in Bangladesh are growing challenges to both national and regional stability. Political violence led to a decision—backed by the Bangladeshi armed forces—to postpone elections and retain the civilian interim government. PACOM objectives are to assist Bangladesh in combating extremism by enhancing counterterrorism capabilities, improving land and sea border control, and promoting a professional military that adheres to human rights and respects civilian control of the military. PACOM further seeks to enhance Bangladeshi ability to contribute to international peacekeeping missions and to increase their capacity to conduct domestic humanitarian assistance and disaster relief missions.

Our security relations are good and steadily improving with Malaysia, a country whose importance and influence increasingly extends beyond its regional neighborhood. In addition to chairing the Organization of the Islamic Conference, Malaysia recently hosted the Nonaligned Movement and Asean Regional Forum. Malaysia remains active by leading the peace monitoring mission in southern Philippines, and has contributed peacekeeping troops to East Timor and Lebanon.

In other areas of interest, Malaysia has demonstrated strong leadership in maritime security with its littoral partners, fostering support for the "Eyes in the Sky" initiative to increase maritime surveillance. These efforts contributed to the decision

last year by Lloyds' of London to declassify the Strait of Malacca as a high-risk war zone. The new Malaysian coast guard, the MMEA, continues to develop, and take on greater responsibility for maritime patrol.

Vietnam

Our military-to-military relationship with Vietnam is advancing steadily through high level visits and new initiatives for defense cooperation such as additional language and disaster response training and information exchange of weather forecasting data. In January, Vietnam agreed to allow the conduct of recovery operations of missing U.S. personnel in territorial waters using U.S. vessels. Vietnam prominence in the region has increased with its hosting of the Asia-Pacific Economic Council Summit and accession to the World Trade Organization. As their level of confidence and engagement grows, we expect Vietnam to pursue a more active regional role and greater security cooperation with the U.S.

Cambodia

PACOM and the Royal Cambodian Armed Forces (RCAF) are beginning to cooperate closely on counterterrorism, peacekeeping, disaster response and medical and health related activities. Last year, PACOM conducted an assessment of RCAF requirements to better understand their needs and determine a way-ahead to professionalize the RCAF in the post-Khmer Rouge era. In February 2007, the U.S. Pacific Fleet made the first ship visit to Cambodia since the Vietnam War, demonstrating a strengthened military-to-military relationship.

Laos

We are slowly building security-related activities with Laos beyond traditional humanitarian assistance cooperation. As demonstrated during the January 2007 Technical Talks with PACOM, the Lao Peoples' Democratic Republic (PDR) leadership is receptive to increased engagement focused initially on education and language training for mid-level and senior officers. As the Lao PDR forces become more comfortable with our bilateral interaction, we expect to increase the pace of military-to-military activities to include greater cooperation in humanitarian assistance, disaster response training, and exchange of personnel.

New Zealand

New Zealand is strongly supportive of our efforts in the war on terror. New Zealand forces are leading a Provincial Reconstruction Team in Bamyan Province, Afghanistan and have placed additional troops in Bagram. They are also an active, stabilizing force in the Pacific Islands, with their soldiers supporting security efforts in East Timor, the Solomon Islands, and Tonga. The Government of New Zealand's 1987 legislative ban of nuclear-powered ships in its waters remains an obstacle to improved military-to-military relations. However, they continue to provide outstanding support to Operation Deep Freeze missions enabling U.S. scientific exploration in Antarctica.

Compact Nations

PACOM values our special relationship with the three Compact Nations—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The Marshall Islands host the Ronald Reagan Ballistic Missile Defense Test Site, integral to the development of our missile defense programs and conduct of space operations. The proud citizens of these nations continue to serve with distinction in the U.S. Armed Forces and Coast Guard. The U.S. Army Pacific's Joint Task Force for Homeland Defense has taken the lead as we partner with these nations to ensure our mutual defense as set forth in the Compacts of Free Association. Additionally, we fully support initiatives to expand operations to protect their valuable economic exclusion zone resources.

East Timor

Progress in East Timor remains hindered by weak institutions, political infighting, poor education and extreme poverty. Australia and the United Nations Interim Mission in Timor (UNMIT) facilitated security and stability in advance of the April 2007 presidential elections (with inconclusive results, a runoff election is scheduled for next month). PACOM works to complement UMINT and the Australian Defence Force (ADF) with humanitarian assistance and International Military Education and Training (IMET), while the Department of Justice provides police training through the International Criminal Investigative Training Assistance Program. PACOM also provided strategic airlift to support the deployment of Australian soldiers following rampant violence in East Timor during May 2006.

Security Assistance

One of the most important features of PACOM theater security cooperation in the region is our partnership with the Department of State and U.S. Embassy country teams, which facilitates military-to-military interaction with allies and emerging partners. Powerful engagement tools for building security partnerships with developing countries include International Military Education and Training (IMET), and Foreign Military Financing (FMF). IMET advances U.S. and PACOM interests by educating participants on the principles of rule of law, human rights and good governance, promoting increased understanding and regional stability. FMF continues to prove its value by equipping and training regional partners. It is vital in supporting U.S. partners in achieving security goals of mutual interest, including the war on terror. However, Pacific region countries typically receive less than 1 percent of the annual worldwide allocation of FMF. These investments in capacity building and prevention of the conditions which foster instability are very cost-effective and merit increased funding.

Other key programs in PACOM contribute more broadly to security cooperation by addressing transnational concerns. The periodic deployment of the hospital ship, U.S.N.S. *Mercy*, and outreach organizations like the Center of Excellence in Disaster Management and Humanitarian Assistance (COE) and the Asia-Pacific Center for Security Studies (APCSS) provide foundational expertise while establishing enduring relationships between nations of the region. Additionally, Joint POW/MIA Accounting Command is a powerful tool in our efforts to improve relationships in the region, particularly in Southeast Asia.

U.S.N.S. Mercy Deployment

Our experience with the 2004 Indian Ocean tsunami relief effort revealed the tremendous influence of DOD-led humanitarian operations in reinforcing a positive view of the U.S. while countering ideological support for terrorism. Since then, we have adjusted our priorities and resources to achieve those effects through deliberately planned humanitarian assistance efforts. The paramount event of this type in 2006 was the deployment of the Navy hospital ship U.S.N.S. *Mercy*. During a 5-month period, *Mercy* conducted ten humanitarian visits among predominantly Muslim populations in South and Southeast Asia. We augmented the *Mercy* medical complement with hundreds of volunteers from nongovernment organizations and military medical personnel from eight partner countries. Among a wide array of assistance work, the *Mercy* team treated over 60,000 individuals including a thousand complex surgeries. Events of this type will continue to be central to our security cooperation efforts in the PACOM AOR.

MATURE OUR JOINT AND COMBINED CAPABILITIES AND READINESS

Fundamental to success in the war on terror and continued stability in the Asia-Pacific region is our Joint Training Program. Virtually every operation and activity is conducted jointly and in concert with allies, making it important that we train to operate more effectively as a multinational team.

The PACOM joint training plan is specifically designed to mature joint and combined warfighting capabilities and readiness and to advance security cooperation while using resources more effectively. We have taken several steps to maximize scarce training dollars and minimize unnecessary stress on the force. For example, Joint Task Force certification is accomplished through existing exercises rather than new events. By leveraging rotational forces in theater and aligning service exercises to create joint training opportunities, we also met obligations with partners and allies, enhanced training opportunities, and improved interoperability between regional militaries. Combining Joint Exercise Keen Edge with Army Exercise Yama Sakura resulted in efficiencies while continuing to demonstrate our strong commitment to Japan.

GPOI is a Presidential and G–8 program to expand and train competent and professional Peacekeepers worldwide, and is a key component in building combined capabilities in the AOR. The PACOM GPOI program takes advantage of existing host nation programs, institutions and exercises like *Khaan Quest* in Mongolia. We facilitate long-term sustainment and enduring impact of the peacekeeper initiative by using a ''train-the-trainer'' concept, standardizing training with U.N. guidelines, and conducting combined, multilateral training events that foster cooperation, not competition, among countries.

This past year, PACOM GPOI efforts trained more than 700 tactical peacekeepers, 198 qualified staff officers, and 50 trainers from Mongolia, India, Thailand, Tonga, Korea, and Bangladesh. Most will deploy to a coalition or U.N. peacekeeping mission within the year. The Mongolians are supporting U.N. missions in Western

Sahara, Congo, Sierra Leone, Ethiopia, and Entrea as well as a seventh rotation to Iraq and a sixth rotation to Afghanistan. Indonesia, Fiji, Sri Lanka, and Nepal are newly approved GPOI participants in fiscal year 2007.

Maturing our capability and readiness also requires operational improvement that not only spans the spectrum of mission types—from nontraditional to combat operations—but also reflects the maritime nature of our theater.

Undersea Superiority

Continued improvement of air, surface, subsurface, C^4I systems, and acoustic modeling and navigation charts through oceanographic surveys, and cooperative training and operations with partners and allies will enhance our ability to operate effectively in the maritime domain. As demonstrated by the PLA Navy *Song* submarine operating in vicinity of U.S.S. *Kitty Hawk* Strike Group, we must work to maintain our operational advantage in the face of fast-paced PLA–N modernization and ever-expanding area of operations.

Maturing Theater Intelligence Capability

Enhancing information sharing among allies and partners is crucial to success in the war on terror and regional stability. We are developing intelligence modernization programs with several regional partners, helping them improve the professionalism and quality of their intelligence institutions. We continue to close the gap between intelligence and operations by embedding U.S. experts in partner nation intelligence organizations, assisting them to assess their military intelligence capabilities, and hosting annual multinational intelligence working groups to foster multinational cooperation.

Persistent Surveillance

The limited persistence of U.S. intelligence collection systems makes it difficult to readily gauge other nations' military capability, readiness, and operations. At the current time, it is difficult to judge intent or rate of escalation in a crisis. We are further challenged in tracking high value individuals in the war on terror, maintaining real-time status of ballistic missile launch preparations, or monitoring suspected WMD proliferation.

Command and Control (C2)

PACOM requires secure, integrated, standardized, and interoperable command and control capabilities. This includes robust networks to enable horizontal and vertical information sharing and collaborative planning across the full spectrum of joint, and multinational operations throughout the Asia-Pacific region. Key vulnerabilities threaten the commander's ability to effectively command and control joint and/or coalition forces and effectively share information with our partners.

A single facility provides tactical access to the Defense Information Systems Network within the Pacific theater. If this critical network infrastructure suffers a catastrophic failure from attack or natural disaster, there is no redundant capability to fully restore PACOM communication requirements for the war on terror, Ballistic Missile Defense, and execution of standing operations plan. Correcting this single point-of-failure involves the construction of an additional telecommunications area master station within the PACOM AOR at an approximate life cycle cost of $600 million. This new master station will provide redundant and reliable communications for both PACOM and Central Command. Satellite failures as well as funding cuts and delays in follow-on SATCOM systems have also reduced communications availability of Military SATCOM. PACOM is actively engaged with the national satellite community to ensure satellite and terminal programs are synchronized and address this availability gap. The DOD communications infrastructure also remains vulnerable to exploitation and attack. PACOM continues to work with the DOD Information Assurance community to increase the security posture of critical C2 networks through real-time analysis of ongoing intrusion threats.

Expanding coalition communication networks is essential to support PACOM missions. The Assistant Secretary of Defense for Networks and Information Integration and the Joint Staff are implementing a new Multinational Information Sharing (MNIS) program and have designated MNIS-Combined Enterprise Regional Information Exchange System as the DOD standard for multinational networks. The goal of this program is to build and sustain a single network that supports multinational information sharing requirements. PACOM strongly supports this initiative.

Missile Defense

The North Korean short- and medium-range ballistic missile launches in July 2006 highlighted the need for a robust, active missile defense capability in the AOR. The long-term strategy for missile defense in PACOM is to establish a forward-de-

ployed, layered, integrated air and missile defense system. Once matured, this system should be capable of intercepting threat missiles throughout the entire time of flight and must be interoperable with our regional partners. Specific initiatives include moving a U.S. Patriot PAC–3 Battalion to Kadena Airbase in Japan, forward stationing of Aegis Standard Missile-3 (SM–3), deploying the first Forward-Based X-Band Transportable radar to Japan, and establishing a permanent joint command and control facility for integrated air and missile defense within the Pacific Air Forces Headquarters. To further our missile defense capabilities, PACOM would benefit from forward deployment of a Terminal High Altitude Air Defense unit, increased inventories of Patriot PAC–3 and SM–3 missiles, and accelerated development of a sea-based terminal defensive capability.

Strategic and Intratheater Lift

There is a shortage of responsive strategic air and ship lift to support force sustainment and deployment to operating areas. Insufficient strategic airlift capability of C–17 and C–5 aircraft could cause delays in the arrival of critical cargo and passengers. PACOM has eight C–17s based at Hickam AFB, Hawaii, and is looking forward to basing eight more at Elmendorf AFB, Alaska, starting in June 2007. Pacific-based C–17s bring an increased reliability, versatility, and delivery capacity to the theater. An increase in Pacific-based C–17s, should they become available, would be helpful.

High-Speed Vessels

Leased High-Speed Vessels (HSVs) have demonstrated their value in the Pacific theater, supporting unit training, joint exercises, global war on terror requirements, and humanitarian missions such as the tsunami disaster relief effort. They have served as valuable platforms for intratheater lift, providing a cost-effective alternative and highly flexible augmentation to scarce intratheater airlift assets. As the Army continues to transform, the Joint High-Speed Vessels (JHSVs) will be increasingly critical in the rapid deployment of the Stryker Brigade Combat Team forces throughout the theater. PACOM favors continued leasing of HSVs as an interim capability, and strongly supports a more aggressive acquisition process to expedite JHSV delivery. This capability will fully support Theater Security Cooperation Plans and response to disasters, and is also useful as a mobile sea base to facilitate security cooperation. This capability will be increasingly important with the pending relocation of forces to Guam and throughout the theater.

Prepositioned Stocks/Preferred Munitions

Due to the time-distance challenges in this theater, PACOM forces require readily available and properly maintained prepositioned stocks at the outset of any conflict. With the recent download of the APS–3 afloat equipment sets to support Iraq-bound Army units and the existing shortages in the remaining pre-positioned programs, we now have a greater need for replenishment of equipment and stocks. Achieving the appropriate mix of key munitions, particularly GPS-aided and laser-guided weapons to include Guided Multiple Launch Rocket System, new Patriot PAC–3 missiles, Advanced Medium Range Air to Air Missile (AMRAAM) version C–7, and the Joint Air-to-Surface Standoff Missile, is imperative.

Acquisition and Cross-Servicing Agreements (ACSAs) enhance interoperability, readiness, and provide a cost effective mechanism for mutual logistics support between U.S. and allied or partner military forces. ACSAs have been particularly helpful in the conduct of war on terror operations. For example, we have made extensive use of the current agreement with the Republic of the Philippines to support the AFP operations against terrorist cells in that country. With the recently concluded agreement with Sri Lanka, PACOM has a total of 12 ACSAs in place, with 14 additional countries within the AOR currently ACSA-eligible. We are currently in the renewal process with the Philippines and Tonga, negotiating an agreement with India, and we are hopeful interest by Maldives will yield results. We view these agreements as vital in maximizing our interoperability and helping build competent coalition partners in the Pacific region.

POSTURE FORCES FOR AGILE AND RESPONSIVE EMPLOYMENT

The Asia-Pacific region holds both great potential benefit and ongoing challenges for the United States. The region is home to some of our most stalwart security allies and partners—Japan, Australia, Korea, Thailand, the Philippines, and Singapore—a rising military power in China and burgeoning relationships with India and Vietnam. U.S. force presence—in Japan, Korea, and across the Asia-Pacific AOR—has long been a guarantor of peace and stability in the Asia-Pacific.

Changes in PACOM force posture reflect the priorities of the Quadrennial Defense Review, which seeks to strengthen U.S. response to emerging security threats. We are taking advantage of technology to enhance our effectiveness and combat power while simultaneously reducing our military footprint in Asia. At the same time, we are using our increased mobility to guarantee presence where and when needed to respond to security challenges.

We continue to develop and refine plans to reposition and realign our forces in Japan, Guam, and Korea following the agreements reached through the U.S.-Japan Defense Policy Review Initiative (DPRI) and the U.S.-ROK Future of the Alliance (FOTA) Talks. The goals of our evolving force posture are to improve the effectiveness of our alliances with these two vital allies while providing the flexibility and agility to employ U.S. forces worldwide.

The U.S.-Japan DPRI discussions reached a milestone in May 2006, when Secretary of State Rice and former Secretary of Defense Rumsfeld, together with their Japanese counterparts, released the Roadmap for Realignment, which specifically defined the interrelated initiatives, plans and schedules for a number of posture realignment initiatives that will ensure an enduring U.S. presence in the Asia-Pacific. The linchpin for repositioning our forces in Japan is the relocation of Marine Corps Air Station Futenma functions from the current facility to a new, less encroached area in central Okinawa. This new facility will enable us to return the existing Futenma facilities, including several acres of highly desirable land, to the government of Japan, and will lessen the impact of military aviation operations on the local Okinawan populace. We will also move 8,000 marines and their dependents from Okinawa to Guam. This action will return additional land to Japan while retaining a forward-based Marine presence in the PACOM theater. Additionally, we intend to look for more opportunities to leverage our interoperability with Japan, such as ballistic missile defense cooperation, to better align our capabilities and forces to respond to potential security challenges.

As part of our realignment efforts, PACOM is actively supporting various Service planning and infrastructure expansion initiatives that are crucial to our force beddown plans in Guam. Our activities are closely linked with Service initiatives as well as our broader theater security cooperation efforts. We are finalizing construction details and expect to begin upgrades to the military infrastructure, housing and training facilities in 2010. The Joint Guam Program Office, led by the Department of the Navy, will manage all aspects of the project. While Japan will bear approximately $6 billion of the costs of facilities and infrastructure development to support relocation of Marine units from Okinawa to Guam, we must also do our part and financially commit to the required upgrades and changes. Managing the construction effort will require coordination from all branches of the military and active participation and planning from other Federal and territory agencies.

On the Korean peninsula, with the full support of the ROK government, we are reducing and consolidating our footprint into two hubs south of the Han River. We continue to transfer missions to the ROK military, and modernize our combined combat force capabilities. As part of the Security Policy Initiative—the successor to our FOTA effort—we have agreed with the ROK government to complete the transfer of wartime operational control of ROK forces by April 2012. With this agreement, we envision a future force with increased strategic relevance, flexibility, and responsiveness.

ENSURE OPERATIONAL PLANS AT ALL LEVELS ARE CREDIBLE

Operational and contingency plans are the basis for PACOM response to security challenges. Our planning construct, with renewed emphasis on phase zero engagement activities, is designed to synchronize actions across the full spectrum of U.S. national power. Emphasis on peacetime shaping has significantly improved plan development and generated more options for senior decision makers across a wider range of crisis scenarios. Our primary effort remains to prevent conflict and ensure a stable and secure environment within the region. Should deterrence efforts fail, our plans are designed to be successful during all phases of crises.

We validate our planning efforts through annual exercises, such as Reception, Staging, On-ward Movement, and Integration and Ulchi Focus Lens, which enable us to closely examine potential friction points in our plans and develop response options which optimize capabilities. Exercises also help the staff to analyze strategic and operational goals should the plan become a reality.

U.S. forces also conducted joint Exercise Valiant Shield in June 2006 in the waters off Guam, bringing together U.S. Air Force and U.S. Navy personnel and assets to work through a range of warfighting skills such as maritime interdiction and command and control. This exercise, the greatest concentration of naval and air

power in the Western Pacific since the Vietnam War, demonstrated joint command, control and communications of U.S. forces while highlighting continued U.S. commitment to allies and friends of the region. We also hosted observers from many nations, including China.

PACOM has developed a robust plan in support of our national strategy for a pandemic influenza (PI) response and is prepared to support lead agencies (Department of Homeland Security, Department of Health and Human Services, U.S. Department of Agriculture, and Department of State) at a national level. We are working closely with other geographic and functional combatant commands to refine and exercise comprehensive PI response actions.

We are also working to assess activities that support the development and execution of operational and contingency plans. From peacetime security cooperation to winning the fight against terrorism, we are evaluating support of all elements of national power to ensure our approach is comprehensive, efficient, risk managed and measurably effective.

QUALITY OF SERVICE

PACOM forces continue to make a difference not only in the region but also in Iraq and Afghanistan. The performance of our people during this past year has been exemplary. Contributing to their steadfast devotion to duty is the knowledge that others, including Congress, are actively concerned for their health and well being. We appreciate the 2.2 percent pay raise, special benefits for injured and recuperating personnel and their families, the government match for the Thrift Savings Plan for civilian personnel, and expanded authorities for our Reserve component men and women. Continued support of these Quality of Service initiatives contributes immensely to our combat readiness and the retention of our highly-skilled personnel who serve our national interests at home and abroad.

SUMMARY STATEMENT

PACOM long-term priorities emphasize a region that is stable, secure and at peace. We are engaged extensively throughout the AOR to advance theater security goals. We are committed—along with our allies and partners—to turn the promise of a stable and secure region into reality and convert challenges into opportunities that strengthen regional relationships and cooperation. We are fortunate to have traditional allies and partners, as well as emerging partners, who are willing to help set conditions for security and stability and work together for the common good of the people of the Asia-Pacific. We appreciate the staunch support of Congress and American people. I am proud and honored to represent the men and women of PACOM. On their behalf, thank you for your support, and thank you for this opportunity to testify on the defense posture in the PACOM AOR.

Chairman LEVIN. Thank you very much, Admiral. General Bell.

STATEMENT OF GEN BURWELL B. BELL III, USA, COMMANDER, UNITED NATIONS COMMAND AND REPUBLIC OF KOREA/ UNITED STATES COMBINED FORCES COMMAND COMMANDER, UNITED STATES FORCES-KOREA

General BELL. Thank you, Mr. Chairman, distinguished members of the committee, it's good to see all of you again. I want to thank all of you for your continued support for our servicemembers serving in Korea. For the record, I'd like to submit my 2007 Posture Statement.

Chairman LEVIN. Thank you, it will be made part of the record.

General BELL. Thank you, sir. Sir, I've commanded U.S. and Combined Forces in Korea now for over a year, and I can report to you, the ROK/U.S. Alliance is enduring, and it continues to function as a pillar for regional stability in that area of the world.

Today, we're working with our Korean partner to evolve our alliance to meet both nations' 21st century security requirements, and strengthen our position in that U.S. vital national interest area.

For 54 years now, our alliance has successfully deterred North Korean aggression. We all remain hopeful that the progress made

in the latest round of Six-Party Talks will result in a denuclearized North Korea. Nonetheless, I remain cautious about North Korea's long-term intentions.

Kim Jong-il has a history of manipulating the international community in an attempt to shape the political and military environment to meet his objectives. His highly provocative military actions this past year, including unprecedented missile firings, and the detonation of a nuclear device, represent a continuing threat to international peace and security worldwide.

Since its inception nearly 30 years ago, the Combined Forces Command, which I command, has been the warfighting command of the U.S.-ROK Alliance, and for the past several years we've been consulting with the ROK regarding alliance transformation, and the re-stationing of U.S. Forces.

Recently, the ROK and the United States agreed to transition operational command and control of the ROK military forces in wartime, from combined forces command, to an independent ROK military command, in 2012.

We will inactivate Combined Forces Command, and establish a new U.S. independent warfighting command on the Korean Peninsula. The United States will retain clear national command over all of our forces and personnel in this future arrangement.

Our force re-stationing to consolidated and enduring hubs south of Seoul will allow us to focus on improving living and working conditions for our servicemembers and their families while also providing our forces—strategic and operational—flexibility. The ROK has agreed to fund a significant majority of our moving expenses, including a significant majority of the new construction that will be required.

To synchronize our contributions to both Iraq and U.S. in this re-stationing effort, our sustained access to several different U.S. programs is going to be essential, including commercial build-to-lease programs.

In view of this, I do request your full support for our fiscal year 2008 legislative request to adjust our lease caps for build-to-lease housing in Korea. This will empower the Army to actively solicit build-to-lease housing options for our servicemembers and their families, thus enabling our move to South of Seoul. Without the housing, we cannot make this move.

Though our mission in Korea has been a resounding success, and serves as a model for military response to aggression, leading to peace, prosperity, and democracy, today only 2 percent of the U.S. Active Duty military serves in Korea, the war there ended 54 years ago. It's time to begin the process of ending what I consider to be a 1-year war zone rotational tour mechanism, which needlessly adds to our high worldwide operational tempo, while handicapping our readiness and our engagement opportunities with our long-time Korean ally. I'm advocating 3-year, normal accompanied tours as an objective, and a goal that we should work towards in Korea, and I would appreciate your support as I work this initiative over the next several years.

Sir, I appreciate the opportunity to be here today, and I look forward to answering your questions. Thank you very much.

[The prepared statement of General Bell follows:]

PREPARED STATEMENT BY GEN B.B. BELL III, USA

Mr. Chairman, and distinguished members of the committee, thank you for the opportunity to appear before you today as Commander, United Nations Command (UNC); Commander, Republic of Korea (ROK)-United States Combined Forces Command (CFC); and Commander, United States Forces-Korea (USFK). It is my distinct honor to represent the soldiers, sailors, airmen, marines, and their families who serve in the ROK. On behalf of these outstanding men and women who serve our country 8,000 miles from home, I thank you for your unwavering commitment to improving the quality of life of our servicemembers and their families. Your support allows us to contribute to ensuring security on the Korean peninsula while promoting prosperity and stability in Northeast Asia. I appreciate this opportunity to present my assessment of the command and our plan for continued transformation of the ROK-U.S. Alliance.

Forged in war, this Alliance has preserved the peace, promoted democracy, and provided prosperity for the citizens of the ROK, and the region, for over five decades. The ROK-U.S. Alliance is more than a military relationship; it is a comprehensive and enduring partnership that promotes freedom, prosperity and democracy in the Northeast Asia region and the world. A new generation of South Korean leaders, cognizant of their national achievements, is eager to achieve what they see as a more equitable relationship with the United States. The United States supports this and is working with the ROK to evolve the Alliance to meet the requirements of the future security environment. We are transforming the Alliance into one that is capable of meeting 21st century challenges and respects the needs and aspirations of both nations.

Currently, in wartime all forces in the Korea Theater of Operations, including ROK forces, are commanded by the U.S. led CFC. Over the past few years and while remaining strong supporters of the Alliance, the Government of the ROK has expressed a firm desire to assume primary responsibility for its own defense, with the U.S. in more of a supporting role. The ROK Government views the command arrangements of the U.S. led CFC as representing a level of infringement on their national sovereignty. The ROK Government expresses this desired defense policy in terms of "ROK Self Reliance." The United States agrees that, with the application of selected bridging strategies, the ROK Government and military are capable of assuming full command responsibility for their own forces in wartime, which will move the U.S. contribution to a key but supporting role.

Recently, our governments agreed to transition wartime operational command and control (OPCON) of ROK forces to the ROK military in 2012. This will result in the inactivation of the current U.S. led CFC, and the establishment of a U.S. independent, complementary and supporting joint command in Korea. In the future, United States forces in Korea will be more air and naval centric, while continuing to support the superb ground forces of the ROK. I assess the Armed Forces of the ROK will be ready for this transition, and I am working closely with our Ally to make it smoothly with no degradation to ROK security, while ensuring the ROK-U.S. Security Alliance remains strong and viable.

Transferring wartime OPCON of ROK forces to the ROK will open a new and positive chapter in the long and proud history of the Alliance. It will likely occur in a challenging security environment. North Korea continues to challenge international conventions and presents a clear threat to the region and the world. Emerging security dynamics on the peninsula and in the region, and North Korea's attempts to divide the ROK-U.S. Alliance, reinforce the need for our strong Alliance. We will remain in South Korea as a trusted and reliable ally as long as we are welcome and wanted.

I. THE NORTHEAST ASIA SECURITY ENVIRONMENT

Northeast Asia is a dynamic region of economic might, varied cultures, and competing interests. The United States has significant long-term interests in Northeast Asia; namely, maintaining regional stability, fulfilling our commitments to friends and allies, promoting economic cooperation and promoting free market enterprise. The region accounted for approximately 24 percent of our Nation's total international trade for 2006. Stability in Northeast Asia is essential to the vitality of global and U.S. markets.

U.S. economic integration with Northeast Asia represents a positive reinforcement toward regional stability. Our military presence remains essential in a region that includes five of the world's six largest militaries; three of the world's proven nuclear powers, including the United States; and North Korea, which has violated its own agreements, international security norms and standards, and continues to pose a proliferation threat. At the 38th Security Consultative Meeting in Washington DC,

the United States, and the ROK condemned, in the strongest terms, North Korea's 2006 nuclear test and missile launches. These overt provocations are a clear threat to international peace and security as well as the stability of the Korean Peninsula. The Alliance remains committed to the peaceful and diplomatic resolution of this issue as we continue to deter aggression and stand ready to defeat North Korean aggression.

II. NORTH KOREA CHALLENGES REGIONAL AND GLOBAL SECURITY

North Korea remains the key de-stabilizer in Northeast Asia. It continues to devote disproportionate resources (around 30 percent of its gross domestic product) to improving its asymmetric military capabilities and maintaining a large, forward-deployed conventional force. With little notice, these forces can conduct a wide spectrum of provocative acts or launch an attack, potentially resulting in a large number of casualties and significant destruction in a matter of days.

North Korea's Strategy and Goals

Kim Jong-il repeatedly attempts to divide the ROK-U.S. Alliance in an effort to exploit any issues that emerge between the two governments and sew doubts about Alliance cohesion. Alternating these provocations with engagement overtures, in the past Kim Jong-il has allowed carefully controlled inter-Korean social and economic exchange, garnered financial benefits for his regime and offered only vague promises for future cooperation. Often emphasizing symbolism over substance, North Korea has projected a cooperative appearance for public consumption while taking only limited steps toward denuclearization or reducing tensions. While the 13 February agreement in Beijing is a positive step, and the ongoing Six-Party Talks continue to offer the best route towards resolution of North Korea's nuclear aspirations, North Korea's record of noncompliance with past agreements suggests a difficult road ahead.

Domestically, Kim Jong-il ensures internal stability by maintaining absolute power. He perpetuates confrontation with Washington and the region to justify his "military first" societal policy. His scarce resources are diverted to support the military and regime elite at the expense of the general population. Although reunification of the peninsula under North Korean control remains the primary stated objective of the regime, Kim's pervasive system of ideological, political, and physical control aims to ensure the population presents no threats to his rule.

North Korean Nuclear and Ballistic Missile Programs

North Korea continues to develop and hone asymmetric military capabilities as a deterrent and force-multiplier. It furthers nuclear weapons programs as a political instrument to deter perceived threats to Kim Jong-il's rule, while offering an opportunity to coerce neighboring countries. Following its early 2005 declaration of a nuclear weapons capability, North Korea conducted its first nuclear test on October 9, 2006. The device was low yield but significantly raised tensions and concerns over the potential for additional tests, and North Korean nuclear proliferation. Unless the Six-Party Talks process prevails, we expect North Korea to continue nuclear weapons research and development to perpetuate its strategy of intimidation. If the Six-Party Talks do not produce a lasting settlement, the North Koreans will likely conduct a second and potentially additional nuclear tests when they see it as serving their purposes.

North Korea has continued to produce plutonium from spent fuel rods obtained from its Yongbyon nuclear facility in violation of its international agreements to denuclearize the Korean Peninsula. North Korea claims weapons-grade plutonium was processed from spent fuel rods produced at the reactor over the last 3 years, and others stored at Yongbyon since 1994. If these claims are accurate, North Korea may now possess as much as 40–50 kg of plutonium, enough to produce several nuclear weapons. This reactor is not used for electrical power generation, but is used primarily for plutonium production.

In addition, North Korea is reported to be pursuing a Highly-Enriched Uranium (HEU) weapons development program as an alternative route to nuclear weapons. A HEU program could provide weapons grade material even if North Korea agrees to halt plutonium processing. Without a diplomatic settlement, Pyongyang's plutonium production capability and its reported HEU program places it on track to become a moderate nuclear power, potentially by the end of the decade.

The regime views its ballistic missile program as a source of international power and prestige, a strategic deterrent, a means of exerting regional influence, and a source of hard currency derived from exports. As a result, North Korea continues to design, develop, produce, and proliferate ballistic missiles, and may ultimately aim to develop nuclear armed missiles to threaten regional countries, and even the

U.S. For example, North Korea is developing a new solid propellant short-range ballistic missile, which it last successfully test-fired in March 2006. Once operational, this missile will be more mobile, more rapidly deployable, and more capable of being launched on shorter notice than current systems. North Korea is also developing an intermediate range ballistic missile, capable of targeting U.S. forces as far away as Guam and possibly Alaska.

From 4–5 July, 2006 North Korea successfully launched six SCUD and No Dong short- and medium-range ballistic missiles. Its launch of the Taepo-dong-2 Intercontinental Ballistic Missile (ICBM) failed early in flight. These launches marked the highest number of missiles ever fired by North Korea in a 24-hour period. The No Dong launches were the first in 13 years. Some were fired in the hours of darkness—a first for the North Koreans. These launches validated the operational status of North Korea's inventory of about 800 theater ballistic missiles targeting the ROK and Japan—intending to provoke regional tension.

The Taepo-dong-2 ICBM launch demonstrated North Korea's abandonment of its 7-year, publicly-announced moratorium on longer-range missile development. It drew unanimous condemnation by the United Nations (U.N.) Security Council and further isolated Pyongyang from the international community. If North Korea's missile research and development program continues on its present course, and if they meet an objective of developing a nuclear device small enough to be mated with an ICBM, they could eventually field missiles capable of striking targets within the United States homeland with nuclear weapons.

North Korea's sale of missiles and related technologies generates hard currency. It has aggressively marketed missile technology to developing countries throughout the Middle East, North Africa, and Asia, including Iran. North Korea will continue to design, develop, and produce ballistic missiles. The proliferation threat is real, demonstrated, and may not remain limited to conventional weapons. Given North Korea's ballistic missile proliferation record, Pyongyang could also decide to proliferate nuclear weapons technology, expertise, or material to anti-American countries, rogue regimes, or non-state actors.

North Korean Conventional Military Programs

North Korea continues to emphasize its Special Operations Force (SOF) capabilities maintaining the largest force in the world with an estimated strength of over 80,000. Its personnel are chosen for political reliability, loyalty, are among the most highly trained North Korean troops, and have high priority for food and other resources. North Korea's SOF has significant capability to infiltrate the ROK and can conduct asymmetric attacks against a variety of targets. South Korea is particularly vulnerable to these type attacks, given its heavily urbanized and dense population of 49 million citizens living vertically in large cities.

The North Korean People's Army is the fourth largest in the world. Though their equipment is aging and unsophisticated, it is forward deployed and remains capable of launching devastating attacks with little warning. Two hundred fifty long range artillery systems can easily fire on Seoul, a metropolitan area of over 20 million people, from their current positions. Over 60 percent of North Korean ground forces are situated within 100 miles of Seoul.

North Korean conventional forces have some significant challenges. Even with its "military first" policy and the extraordinary commitment of over 30 percent of the Nation's GDP to the military, economic difficulties have had a debilitating impact on training levels and conventional force readiness over the past decade. It does not enjoy the military support that it once did from either China or Russia. It is doubtful the North Korean military in its current state could sustain offensive operations against the south.

North Korean Threat Outlook

North Korea will continue to pose a threat to regional and global security until it changes its fundamental strategy. There is no indication the regime will curtail its efforts to split the ROK-U.S. Alliance, reduce disproportionate military spending, halt destabilizing illicit activities, or loosen its stranglehold on the North Korean people. Kim Jong-il has the option to continue to manipulate the international community by alternating provocations and engagement overtures in an attempt to shape the political and military environment to meet his objectives. It is because of this threat that during this year's Security Consultative Meeting in Washington, the United States reaffirmed its long standing commitment to continue, among other capabilities, to extend to the ROK the security of our nuclear umbrella.

Another regional security threat is the risk of an internal North Korean domestic crisis. This is unlikely in my judgment; however, an internal crisis could trigger regime and North Korean instability or even potentially collapse. An implosion of the

regime would almost certainly bring devastating consequences such as a bloody internal conflict, humanitarian crisis, mass refugees, or even loss of control over nuclear materials. Without a diplomatic breakthrough, North Korea will remain a threat to stability and security in Northeast Asia and to global security for the foreseeable future.

III. THE REPUBLIC OF KOREA-UNITED STATES ALLIANCE

The ROK-U.S. Alliance has remained stalwart in its mutual and enduring commitment to peninsular and regional security. The Armed Forces of both nations are in the midst of an unprecedented transformation and realignment. By transferring appropriate roles and missions to the ROK military and consolidating U.S. forces into centralized hubs, we are improving our overall combined readiness and expanding the capabilities of ROK and U.S. forces to counter current and future threats.

The Republic of Korea Today

Over the course of the Alliance's half-century of economic and security cooperation, the ROK has emerged as a vibrant democracy, first class economic power (by many measures the tenth largest economy in the world), and a major U.S. economic partner. Economic growth is fueled by global exports of innovative high technology and consumer goods. The ROK ranks as the U.S.'s seventh-largest trading partner, seventh-largest export market, and is an important investment location for American companies.

The South Korean government views a nuclear armed North Korea as an intolerable threat, and that a catastrophic collapse in the north would have extremely adverse consequences in the south. However, ROK perceptions of the North Korean conventional threat vary, especially among younger generations. As memories of American sacrifices in the Korean War fade, Korean citizens, seeking what they see as a more equal Alliance relationship question the importance of our long-standing Alliance. Many raise the issue of ROK sovereignty, and a desire for what they characterize as more self-reliance and independence. These generations, while not necessarily anti-American, have strong political views which are increasingly expressed in national policy.

In its final year in office, the Roh administration's approach to inter-Korean relations is guided by its "Peace and Prosperity" policy, which primarily aims to further inter-Korean rapprochement through humanitarian assistance, family reunions, tourism, and trade. Seoul promotes gradual economic integration and reconciliation to provide the catalyst for a formal peace agreement replacing the Armistice Agreement. The United States supports this approach. However, the U.S. is concerned over the potential for aid, trade and salaries to be used for purposes other than those intended. Recent North Korean missile launches and the nuclear test delivered a major blow to the Roh administration's policies. Regardless, we do not assess that there will be a major shift in South Korean policies as a result of the upcoming 2007 Presidential election process.

ROK-U.S. Alliance Today

For the past several years, the United States and the ROK have been engaged in a formal process to evolve the Alliance to meet the demands of the future security environment. The Department of Defense (DOD) and Department of State, as well as the ROK Ministries of National Defense and Foreign Affairs and Trade, are conducting an ongoing dialogue on issues related to Alliance modernization and the realignment of U.S. forces in Korea. Consultations began with the Future of the Alliance talks, were succeeded by the ROK-U.S. Security Policy Initiative, and have led to agreements on the enhancement of our combined defense, deterrent capabilities, and transfer of wartime OPCON of ROK forces from CFC to the ROK military.

These agreements have now entered the implementation phase. To support the realignment of U.S. forces, the ROK has committed significant resources to acquiring land for the relocation of our current Yongsan Garrison in Seoul, and the 2nd Infantry Division (2ID) north of Seoul under the Land Partnership Plan (LPP). This has not been politically easy and the efforts of the ROK Government and Ministry of National Defense deserve recognition. Under the Yongsan Relocation Plan (YRP) and the LPP and in accordance with our ROK-U.S. Status of Forces Agreement (SOFA), the U.S. returns vacated camp facilities, capital investments and land free to the Korean Government, while consolidating into two main hubs south of Seoul. When completed, we will have returned 59 camps and all their facilities and buildings to the ROK, including 109 acres in the middle of Seoul. Thus far, 30 camps have been returned. After consolidating and transforming, our forces will be in a much better position to support ROK defense and U.S. national interests. Addition-

ally, our servicemembers and their families will also enjoy needed and greatly increased quality-of-life.

ROK Defense Initiatives

The ROK is committed to increasing its defense capabilities in a range of materiel, communications and computers, and weapons procurement areas. Under its Defense Reform Plan 2020, the ROK has invested over $10 billion in capabilities modernization in the past 3 years. The ROK military aims to develop a self-reliant, technology oriented, qualitative defense force that remains strongly allied with the United States.

The ROK's Ministry of National Defense has requested an average defense budget increase of 11 percent per year until 2015 followed by an average increase of 9 percent until 2020. While the ROK defense budget has not met these annual goals yet (the increase in 2006 was about 9 percent of the desired 11 percent), the ROK Government is indeed effectively increasing their annual investment in military preparedness. The ROK National Assembly passed a reform bill aimed at reducing total force levels, overhauling the command and control structure, and fielding high-tech weaponry. The force reductions will take place over the next 13 years and will reduce overall (Active and Reserve) forces from about 3.7 million to about 2 million—a cut of 46 percent. In this, the total Army (Active and Reserve) ground force reduction will be about 45 percent. Additionally, the ROK Government has initiated a reduction in the length of service for its conscript Army, from 2 years to 1½ years. Successful ROK execution of Defense Reform Plan 2020 will require long term legislative and budgetary support from the ROK Government. Additionally and as long as the Alliance has the responsibility to deter and if necessary defeat the substantial North Korean threat, close coordination of the ROK Defense Reform Plan 2020 with the United States through Alliance consultative processes will be necessary. As the ROK-U.S. CFC Commander, it is my assessment that ROK troop reductions and changes in conscription laws must not negatively impact the Command's deterrence and warfighting capability on the Korean Peninsula against the postured threat.

Transfer of Wartime Operational Control

Given the advanced military and economic capability of the ROK, the next logical phase in the maturation of the ROK-U.S. Alliance is for the ROK to assume the primary responsibility for their own defense. The United States views this effort as an affirmation of the tremendous success of the Alliance since the end of the Korean War, and fully supports this change. U.S. and ROK civilian and military leaders have been discussing wartime OPCON transfer for nearly two decades as part of the normal progression of the Alliance. This is a natural evolution—one whose time has come both militarily and politically. Transitioning the Alliance to a new ROK-led military command and control structure in 2012 with U.S. and U.N. forces in doctrinally supporting roles will establish relationships that best serve both nations' interests and are well suited for the long-term. The United States desires that our future force contributions leverage our extremely quick reacting and readily available potent air and naval capability, while supporting the superb ROK Army ground forces to counter North Korean aggression. In transitioning to a doctrinally "supporting to supported" military relationship, the Commander of USFK will maintain uninterrupted national command over all U.S. Forces.

The United States and the ROK have also reached agreement on the strategic flexibility of U.S. forces in Korea. This was achieved during the January 2006 inaugural session of the Strategic Consultation for Allied Partnership ministerial-level talks between the United States Secretary of State and the ROK Foreign Minister on bilateral, regional, and global issues of mutual interest. The agreement has two basic tenets: the ROK supports the strategic flexibility of U.S. forces in Korea, and the United States respects the ROK's position that it shall not be involved in a regional conflict against the Korean people's will. The transfer of wartime OPCON reinforces these principles as the ROK assumes the lead responsibility for its defense, and the United States, in a supporting role, becomes more agile and flexible.

Allied Burden Sharing

With the ROK's tremendous economic capacity and prominence in the international community, a balanced defense burden-sharing arrangement in support of United States forces in Korea is fundamental to the strength of the Alliance. Today, the ROK contributes approximately 2.6 percent of its GDP to its national defense, while the United States expends around 3.9 percent for our defense. At the end of 2006, the ROK and the United States concluded talks on a new Special Measures Agreement (SMA) regarding ROK cost sharing support of U.S. forces in Korea for 2007–2008.

In principle, both sides agreed to the goal of reaching an equitable level of cost sharing. The United States believes that to achieve equitable levels, the two allied nations should contribute approximately 50 percent each of the non-personnel stationing costs (NPSC) for U.S. forces in Korea. To date, the Korean Government burden-sharing contribution to assist the U.S. in military stationing costs has been below this 50–50 ratio; the 2006 SMA contribution represented only 38 percent of the NPSC. For 2007, the ROK agreed to provide 725.5 Billion Won ($770 million) as a direct contribution and to increase its level in 2008 with the rise in the 2006 Consumer Price Index (CPI). The ROK 2007 SMA contribution represents 41 percent of our NPSC, still short of the principle of equitable 50–50 cost sharing. As a result of SMA burden-sharing shortfalls, we are forced to stretch limited funding. I cannot allow readiness to suffer, and I will not allow the quality-of-life of my servicemembers or families to suffer. Without more equitable allied SMA funding, we may be forced to recommend a range of fiscal measures to the U.S. Government, including a review of base relocation and consolidation plans.

Clearly, defense burden sharing is advantageous to both Alliance partners. For the United States, the ROK's willingness to equitably share appropriate defense costs is a clear indicator that U.S. forces in Korea are welcome, wanted, and held necessary by our host. For the ROK, an appropriate SMA investment gives them the presence and capabilities of the U.S. military. Additionally, 100 percent of ROK SMA burden-sharing contributions are returned directly into the Korean economy by paying the salaries of Korean USFK local national employees, Korean contractors and service agents, and Korean construction firms. ROK contributions for the past 4 years represent shortfalls that USFK has struggled to absorb by reducing expenditures while maintaining readiness.

Republic of Korea's Support to Global and Regional Security

The ROK continues to superbly assist United States' efforts to promote global and regional security as an active partner in the global war on terrorism; to support operations in Iraq and Afghanistan; and to participate in U.N. peacekeeping missions, humanitarian assistance, and disaster relief missions. Since 2002, for example, the ROK has contributed millions of dollars in aid for reconstruction and deployed contingents of troops to support operations in Afghanistan and Iraq. In December 2006, the ROK's National Assembly approved a third, 1-year extension of its force commitment to Iraq through 2007, although their force will reduce to 1,200 troops. Support to Afghanistan includes providing a 58-person medical unit, a 147-person engineer construction unit, and other military assistance worth millions of dollars. Last, the ROK is deploying an important 350 soldier contingent to the U.N. peacekeeping mission in Lebanon. The ROK has been a steadfast and committed Ally in supporting U.S. and U.N. operations worldwide. We applaud our ally's efforts in this regard, and thank them.

In May 2003, the President of the United States introduced the Proliferation Security Initiative (PSI), a measure to enhance international efforts to prevent the flow of weapons of mass destruction, delivery systems, and related materials on the ground, in the air, and at sea. To date, over 75 countries have expressed support for this initiative and the U.S. has requested that the ROK fully adopt the provisions of the PSI. The Roh administration announced that it supports the principles of the PSI and would cooperate on a case-by-case basis. With North Korea posing such a significant proliferation threat, it is the United States' desire that the ROK fully participate in this initiative.

IV. ENSURING PEACE AND STABILITY ON THE KOREAN PENINSULA

Executing the transfer of wartime OPCON of ROK forces to the ROK military in 2012 will result in the U.S. shifting its command and control structure from the CFC framework to a new structure. North Korean aggression on the peninsula will be met by a fierce ROK military supported by American "life-of-the Alliance" air and naval centric combat power, and "bridging" capabilities including; command, control, communication, computers (C^4), intelligence, surveillance, reconnaissance (ISR), logistics, theater missile defense (TMD), and other capabilities, including appropriate ground power. This evolution provides a stronger and more complementary Alliance that is better organized to meet ROK security needs and our mutual interests in the region.

Readiness

As Commander of CFC, readiness is my first priority. It is achieved through a robust training, exercise, and evaluation program, adequate funding for sustainment, maintenance and logistics, and the modernization of our capabilities. In order to be ready and continue to deter aggression on the peninsula, our training

must evolve and keep pace with the transformation of our military structure. USFK faces challenges in training range and airspace access. Facilities for our air and naval forces exist but scheduling and allocation must be improved to fully support combat readiness requirements. We need access to a modern and instrumented air to ground bombing range. The ROK military is working hard to provide such a range and we appreciate their efforts. Current ground maneuver training facilities are impacted by expanding civilian encroachment. These issues must be resolved in order to meet current and future training requirements.

Continued support for our capabilities enhancements is also critical to our readiness. We have made meaningful progress with several of our key focus areas for modernization: joint C⁴, ISR, TMD, prepositioned equipment, logistics, and counterfire and precision munitions.

Training/Exercises

Today, the theater-level exercises—Ulchi-Focus Lens (UFL); Reception, Staging, Onward Movement, and Integration (RSOI); and Foal Eagle collectively train over 400,000 ROK and United States Active and Reserve component personnel in the critical tasks essential to deterring, and if necessary, defeating North Korean aggression. These command post and field training exercises use battle simulation technologies to train senior leaders in 21st century battle command. Combat enablers, such as C⁴ and Intelligence (C⁴I), provide the Collaborative Information Environment to plan, execute, and assess effects from distributed locations, allowing the CFC to see, understand, assess and act to dominate the battlespace.

UFL focuses on effects based operations, C⁴I, and dominant maneuver theater of war skills. The goal of RSOI is to improve our ability to rapidly reinforce and sustain operations in the Korean theater. Foal Eagle is a tactical-level exercise that hones warfighting and interoperability skills. These exercises, supplemented by subordinate command training programs, ensure that the Alliance remains ready and capable to deter North Korean aggression.

C⁴ and ISR

Continued modernization of C⁴ and ISR capabilities is crucial for the future of the Alliance. An advance in these areas greatly improves our ability to gather, integrate, apply, and share information, optimizing the way we fight. Timely and accurate information is a decisive element of combat power. United States and ROK forces have implemented programs to improve their C⁴ capabilities. These upgrades will enable parallel planning for all CFC and USFK units as well as other friendly forces. In order to leverage these advances, full coordination and implementation is required to ensure interoperability and survivability at all command levels. Current initiatives in coalition interoperability seek to extend a seamless command and control capability throughout the theater that will greatly improve multi-national information sharing capability, yet maintain a viable U.S.-only capability link with our command authorities.

Synchronized intelligence operations are critical to any Alliance/Coalition effort. The Joint Intelligence Operations Center in Korea (JIOC–K) is conducting a comprehensive review of roles, missions and functions including national, joint, and coalition responsibilities for collection, exploitation, and dissemination. The transformational objective for JIOC–K is focused with a purpose to fully integrate and enhance the means to quickly detect, identify and report on provocative acts, combat preparations, and indicators of potential North Korean regime instability. Longstanding ISR requirements exist for Global Hawk, Predator and the Joint Surveillance and Target Attack Radar System (JSTARS). USFK also faces shortfalls in signals and human intelligence collection capabilities. Fulfilling these requirements will improve situational awareness and warning time which is critical to our defense posture and force protection.

In September 2006, the Under Secretary of Defense for Intelligence validated the theater's National Intelligence Support Plan which clearly identified the shortfalls and agency requirements to address them. Congressional support to address and eliminate these shortfalls is essential to ensure the theater is well positioned to execute its national responsibilities for strategic warning, to support our ROK and U.S. warfighters, and support regional stability operations. I view this commitment essential to the effective transfer of wartime OPCON to the ROK.

The ROK is planning to acquire important C⁴ and ISR capabilities for its assumption of wartime OPCON. Once operational, these capabilities will improve the ROK's ability to make critical crisis and combat decisions.

Theater Missile Defense

North Korea's missile tests of July 2006 highlighted the importance of an active theater missile defense system. It is both prudent and necessary for the ROK and

the United States to enter into discussions regarding appropriate commitments and enhancements that each nation should pursue regarding ballistic missile defense on the peninsula. The U.S. will continue to protect its capability to conduct reception, staging, onward movement, and integration in support of the Alliance under our contingency plans. The ROK must purchase and field its own TMD system, capable of full integration with the U.S. system. The regional missile threat from North Korea requires an active ROK missile defense capability to protect its critical command capabilities and personnel.

PAC–3 Patriot Missile System upgrades and improved munitions have significantly enhanced our posture. To protect critical U.S. facilities in Korea, we must complete upgrading the remainder of our systems with advanced TMD capabilities. Continued production of PAC–3 missiles in the near-term, followed by continued development of the Theater High Altitude Air Defense, Airborne Laser, and Aegis Ballistic Missile Defense will provide the layered missile defense capability we require for the future. Your continued support remains essential to these and other Service component programs that protect our forces on peninsula and sustain our ability to reinforce South Korea in the event of a crisis.

War Reserve Materiel

Logistically supporting USFK is a complex, multi-faceted undertaking. The proximity of the North Korean threat coupled with the long distances from U.S. sustainment bases requires a robust and responsive logistics system. The capability enhancements currently programmed will significantly improve our core logistics functions through modern pre-positioned equipment, responsive strategic transportation, and logistics tracking systems.

Our Joint Force Support Component Command (JFSCC) is an initiative to achieve unity of effort in U.S. logistics. It is a single, unified logistics command that directs and integrates our logistics efforts across the joint community. The JFSCC demonstrated its value during UFL 2006 and RSOI 2006 and 2007. We are on track to reach full operational capability following UFL 2007. My ultimate goal is to achieve the ability to bridge gaps between U.S. and ROK logistics capabilities and unify allied logistics, particularly once wartime OPCON is transferred.

Prepositioned equipment sets, which include critical weapons systems, preferred munitions, repair parts, and essential supplies, are vital to rapid power projection to reinforce the Korean theater. Of note, USFK leadership took an aggressive approach in 2005 to improve the readiness of Army Pre-positioned Stocks in Korea. The Army Materiel Command significantly increased their workforce for these stocks and ensured all equipment in the Heavy Brigade Combat Team (BCT) met readiness standards. Headquarters, Department of the Army expects to reach 100 percent Equipment On Hand—up from 78 percent—for our Heavy BCT by June 2007. However, sustainment shortages still exist and can only be overcome through increasing the priority of fill for Army Prepositioned Stocks and the commitment of additional funding.

Strategic Lift

Responsive strategic transportation—fast sealift ships and cargo aircraft—remains crucial to rapidly reinforce the Korean theater and sustain U.S. forces. Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint logistics C^4 and information system. Lessons from Operations Iraqi Freedom and Enduring Freedom have highlighted several areas where relatively small investments in asset tracking systems and theater distribution yield significant efficiencies and improve the overall effectiveness of our logistics systems.

Preferred Munitions

Counterfire and precision strike are core requirements for all of our contingency plans. These enablers allow us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is vital to operational success in the Korean theater. Our priority ordnance requirements include: the GPS-guided Multiple Launch Rocket System with extended range capability; a ground-launched, extended range, all weather capability to defeat hardened and deeply buried targets (HDBTs); precision guided munitions; and air-to-ground and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities to buttress our deterrence.

War Reserve Stocks Allies—Korea

We anticipate beginning negotiations on the War Reserve Stocks Allies—Korea (WRSA–K) program in 2007. Recent legislation permits the U.S. to offer, for sale or concession, surplus ammunition and military equipment to the ROK. The sale of

these munitions will reduce the U.S. stockpile maintenance burden and encourages the ROK to continue toward its stated goal of a self-reliant defense posture.

V. UNC, CFC, AND UNITED STATES FORCES-KOREA

The UNC, the CFC, and the USFK provide dominant military capabilities to maintain the 1953 Armistice Agreement, deter any provocation and deter escalation that could destabilize the region. The forces of these commands provide a potent, integrated team that is trained and ready.

United Nations Command

As the longest standing peace enforcement coalition in the history of the U.N., the UNC represents the international community's enduring commitment to the security and stability of the Korean Peninsula. With 15 current member nations and the ROK, the UNC actively supervises compliance with the terms of the 1953 Korean Armistice Agreement fulfilling the members' mutual pledge to "fully and faithfully carry out the terms" of the Armistice. UNC will provide a unified and prompt response to preserve the security of the ROK if there is a North Korean attack. With exclusive authority south of the Military Demarcation Line for the maintenance of the Armistice, the UNC meets with the North Korean People's Army representatives, inspects South Korean units positioned along the demilitarized zone (DMZ), and conducts investigations into alleged Armistice violations to prevent minor incidents from escalating into destabilizing crises.

As we move towards transfer of wartime OPCON to the ROK military, there is one UNC issue that we must address. In the current arrangement, the UNC Commander is ultimately responsible for Armistice maintenance, crisis management and resolving Armistice violations. However, the ROK military already provides security and surveillance over the entire DMZ. As the UNC Commander, I do not have "peacetime" OPCON—no command authority—over the ROK military. This creates a mismatch between military authority and responsibility. This mismatch is currently mitigated through my dual-hat status as CFC Commander. However, this mismatch cannot be mitigated once the transfer of wartime OPCON is completed, as the U.S. commander will have no ability to command and control ROK forces—the very forces that are arrayed along the DMZ—in peacetime, crisis escalation, or war.

As the executive agent for the UNC, the United States will continue to work with the ROK and the U.N. Sending States to ensure that the future arrangement—after wartime OPCON transfer—takes into account the realities of the new command structure. It is our goal to transfer or delegate appropriate armistice authorities and responsibilities to the ROK, while ensuring that the UNC remains a critical command in deterring aggression, and supporting combat operations should war break out on the peninsula. We must also maintain the U.N.-Japan Status of Forces Agreement, which provides throughput access to critical Japanese air and naval bases for U.S. and U.N. forces, should crisis escalate and war break out.

Combined Forces Command

Since its inception nearly 30 years ago in 1978, the CFC has been the warfighting command of the ROK-U.S. Alliance. Through authority based on the 1953 Mutual Defense Treaty, the CFC provides the cornerstone of deterrence against North Korean aggression, and if deterrence fails, stands ready to win decisively. Vigilant and well-trained, the CFC is the most powerful combined warfighting alliance in the world today. As the commander of CFC, I respond equally to both Alliance partners, the United States and the ROK. There are an array of effective Alliance mechanisms which allow the two allies to coordinate and consult on military matters during peace or wartime.

We are committed to achieving the goal of a ROK-led defense structure. Doing so requires a reshaping of the ROK-U.S. military partnership in a manner that will strengthen our Nations' relationship while facilitating the ROK's predominant role in its own defense. We have agreed to transition our relationship in 2012 from a shared operational control system under our combined headquarters (CFC), to independent, parallel national command systems where the U.S. assumes a doctrinally supporting role to the ROK military. CFC will be disestablished. Our Combined Implementation Working Group has been charged with developing the construct under which the Alliance will function after wartime OPCON of ROK forces has transferred to the ROK.

We are confident that the overall U.S. security posture in the Asia Pacific region, coupled with the improvements in ROK capabilities as well as significant U.S. capabilities on the peninsula, will enable OPCON transfer to occur with no degradation to the Alliance deterrence mission. The ROK is also enhancing its military capabili-

ties as it continues to field and upgrade its fleet of K1A1 tanks and multiple launch rocket systems. Additionally, it plans to purchase upgraded Guided Missile Destroyers with enhanced communications and surface to air capabilities; four Airborne Early Warning and Control aircraft; and enhance its own theater missile defense posture with the Patriot missile system. The ROK's new naval base for their 3rd Fleet is also operational and includes a recently completed pier capable of handling U.S. nuclear powered aircraft carriers.

The transformation of the Alliance makes it essential that we continue to expand our capabilities and revise operational concepts. Simultaneous maneuvers, parallel planning, effective coordination, effects-based operations, and asymmetrical maneuvers all conducted in a dynamic battlespace will improve the lethality of our future Alliance military operations.

United States Forces-Korea

We are focused on maintaining proper capabilities on the peninsula. Our assessment is that ROK forces are capable of defending the ROK, but that U.S. support is a critical enabler to that defense.

In 2004, the United States and ROK Governments agreed to the reduction of 12,500 personnel from USFK over a 5-year period beginning in 2004. Between 2004 and 2005 we reduced 8,000 troops, including the deployment of the 2nd Infantry Division's 2nd BCT to Iraq which was subsequently relocated to Fort Carson, Colorado.

We continue to make progress in re-aligning U.S. forces in Korea. In late 2004, the Yongsan Relocation Plan was signed and ratified. Under that agreement, U.S. force elements assigned to the Yongsan Garrison in Seoul will relocate to Camp Humphreys, near Pyongtaek, over 60 kilometers southwest of Seoul. The relocation of the 2nd Infantry Division is also part of the realignment plan which, when complete, will allow United States forces to assume a more efficient and less intrusive footprint within two hubs of enduring installations. Relocation will significantly improve the quality-of-life of our servicemembers, while returning valuable land to the citizens of the ROK.

To date, we have closed 36 installations encompassing over 16,700 acres with a tax assessed value of over $500 million and returned 30 installations to the ROK. Along with these camps and in accordance with our SOFA, we have transferred free to the ROK the full range of buildings, capital assets, and improvements found on these camps, many built with U.S. appropriated funds. It remains our goal to close a total of 59 facilities and areas—two thirds of all land granted us under the SOFA, totaling more than 38,000 acres.

In exchange for the return of the majority of our dispersed camps, the ROK, per our agreements, has purchased 2,800 acres of land required to expand the Army's Camp Humphreys and the Air Force's Osan Air Base. It is also in the process of purchasing more than 250 acres at the Air Force's Kunsan Air Base to accommodate relocation efforts there. We have awarded a contract to develop the first 205 acres at Camp Humphreys for the Army's fiscal year 2007 construction program. Sustained funding for our military construction projects, particularly Army construction, coupled with sufficient host nation-funded construction by the ROK, is crucial for this plan to remain on track.

As a vital component of our construction programs, the Army is pursuing a range of build-to-lease family and senior officer/NCO quarters to be sited at the Camp Humphreys facility. Army forces cannot displace to Camp Humphreys until these units are completed. To begin build-to-lease construction, the Army needs to gain legislative approval for lease authority that provides for the appropriate level of purchasing power that is essential to the success of the Army build-to-lease program.

Achieving Normalcy for United States Forces-Korea

We are approaching 54 years since the signing of the Armistice Agreement in Korea. In 54 years, South Korea has transformed from a war ravaged country to one of the most modern, progressive, democratic and free countries in the world. South Korea is a top flight first world country, and highly competitive with the most advanced economies in the world. Their medical system is world class, their universities renowned, and their industries/businesses are credited with superb worldwide innovation and reliability. Historically, the United States was willing and anxious to face down the Soviet Union in Europe with full family accompanied tours authorized. We willingly took this risk in the face of over a hundred divisions of enemy forces equipped with hundreds of tactical and theater nuclear weapons. My son was born 12 kilometers across an inter-zonal border from several Soviet divisions. Unfortunately in a modern and vibrant ROK, we still rotate servicemembers in and out annually as though this remained an active combat zone. We only authorize 2,900

of our current 29,000 servicemembers force (10 percent) to bring their families to Korea. We need to initially double this, then over time provide the facilities and infrastructure to authorize full accompanied tours for the entire force. Korea is one theater where rotational forces and individual short tour rotational servicemembers do not serve our national interests as effectively as we need.

By continuing to execute a 1 year rotational force policy in Korea, we are contributing to several debilitating realities. First, we are needlessly separating our families from their servicemembers—servicemembers who are already relentlessly rotating from their bases in the United States and Europe to repeated combat tours. Given the nature of the global war on terrorism, most political-military analysts predict that the U.S. military will continue rotational commitments to combat zones for years to come. We are needlessly contributing to increased rotational turbulence by continuing short tour rotations in a modern Korea.

Next, we are complicating the opportunity to develop deep and lasting cultural ties with our ally, the South Koreans. While strong and enduring, our Alliance with South Korea has been under some level of stress for the past several years. Some analysts attribute this to individual unaccompanied U.S. servicemembers coming and going annually, never having a real opportunity to engage at the family level with their Korean counterpart citizenry. As individuals, we are pretty much isolated on our base camps. Last, we negatively impact readiness and spend too much permanent change of station (PCS) money rotating our troops each year. The annual rotation ensures that we have a less ready force than we should have. We need to keep troops, leaders, and commanders in position as long as reasonable—3 years, and we can decidedly save money by extending tours and lessening PCS costs for the force.

With about 2 percent of the active military force committed to service in Korea, the United States can easily afford to do what is right and endorse normal 3 year accompanied tours in Korea, much like we endorse in Japan. I strongly and indeed passionately seek congressional support for transitioning to normal 3 year command sponsored family accompanied tours for our American force in Korea. While there will be some expense which we will amortize over time, our Korean ally will shoulder a significant amount of the required investment in capital assets, through the Special Measures Burden-Sharing Agreement and Yongsan Relocation Plan.

Having spent 14 years of my military service overseas in Korea, Europe, and the Middle East, living and working in both accompanied and unaccompanied environments, it is my best judgment and recommendation that for the health of our alliances and the Nation's engagement strategy, a commitment to a reasonable level of normal accompanied tours overseas is decidedly in the best interests of the United States. I will soon submit formal proposals to the DOD in pursuit of this policy. If and when the budget proposals to resource this policy formally arrive in front of Congress, our servicemembers, and their families would deeply appreciate your favorable consideration and support. The ROK-U.S. Alliance will measurably benefit.

Ensuring Equitable Pay

Major improvements have been made in pay disparity in the ROK. For the first time in over 50 years of the Alliance, a cost-of-living allowance was authorized in 2003. Additionally, the Army and the Air Force implemented the Assignment Incentive Pay (AIP) Program, authorizing a cash incentive for servicemembers who are willing to extend their tours in Korea. So far, over 16,000 soldiers and airmen have volunteered for AIP, saving the DOD over $78 million in PCS costs. Following the great success of the Army and Air Force AIP programs, in January 2006, the Navy implemented this program for its sailors. The combined effect of reduced PCS costs and increased stabilization is a win-win situation. However, while AIP has been a major success, for our unaccompanied servicemembers (90 percent of the force), accepting AIP means longer separations from family back in the States. Nonetheless, the AIP program is a superb success and your continued support will help improve the stability, predictability, and operational readiness of our force.

Upgrading and Building New Infrastructure

The relocation of USFK to two enduring hubs will provide the long-term infrastructure that is required to maintain a persistent presence on the peninsula. As we move forward with our overall construction master plan we must also continue to maintain our existing facilities until construction is completed. Your support of our Sustainment, Restoration, and Modernization Program requirements, supplemented by host nation contributions, will allow us to complete our infrastructure renewal program to enhance our force protection posture and the quality-of-life for our personnel. The President's fiscal year 2008 budget request includes Service military

construction projects that are essential to our forces in Korea, and critical to the execution of our overall theater master plan.

The challenge the Services face in recapitalizing their infrastructure in Korea is substantial and we continue to work with them to prioritize this requirement. Our facilities and infrastructure are old, particularly Army facilities: over one-third of the buildings in the command are between 25 and 50 years old and another one-third are classified as temporary structures. Due to historically insufficient sustainment, restoration, and modernization by the Services, many buildings have deferred maintenance, contributing to their continual deterioration. Our annual allocations for sustainment funding have been about 50 percent of requirements, while restoration and modernization funding has been much less. A robust sustainment, restoration, and modernization profile for each of the Services is absolutely essential if we are to maximize the appropriated military construction dollars we receive. Without the investment to sustain, restore, and modernize our facilities, our servicemembers, especially Army soldiers, will be perpetually relegated to live and work in run-down, dilapidated, patched-up facilities.

Many of our servicemembers continue to live in extremely substandard housing, whether in military facilities or in crowded urban areas outside our installations. Our realignment to two enduring hubs will allow us to focus on improving living and working conditions. To this end, sustained access to several different funding programs will be essential, including United States military construction, host nation-funded construction, and commercial build-to-lease programs.

The Services are working towards achieving the DOD's goal to house all unaccompanied USFK servicemembers in adequate installation housing as soon as possible. The Army and Air Force are using military construction to build unaccompanied housing facilities at the Army's Camp Humphreys, and the Air Force's Osan and Kunsan Air Bases. In addition, we recently completed two host nation-funded construction projects in our southeast hub to provide adequate barracks space for our marines and sailors assigned to Camp Mu Juk in Pohang. To improve the unaccompanied senior enlisted and officer quarters, the Army has contracted a commercial build-to-lease project at K–16 Air Base and plans similar projects at Camp Humphreys.

For fiscal year 2008, the Army is requesting $57 million in military construction funds to build two additional barracks complexes at Camp Humphreys. I strongly support these projects as essential and request your support.

I am particularly supportive of the Army's requirement to meet our national commitments in realigning Army forces from Seoul and north of Seoul. For example, the Army is pursuing build-to-lease opportunities to meet housing requirements at Camp Humphreys. Build-to-lease provides a quality, cost effective housing option and I strongly support the Army's pursuit of this effort to leverage private capital. Our current lease cap authority does not allow us to keep pace with the high cost housing market in Korea. The Army is aggressively seeking your support to ensure that our lease cap authority delivers the appropriate purchasing power to enable the build-to-lease program to succeed. I strongly support the Army's efforts to meet our housing requirements, and also ask for your favorable and expeditious approval of our legislative proposal to establish the necessary lease cap authority for build-to-lease. Continued support for family housing construction in Korea through commercial build-to-lease projects will help ensure quality housing for all our servicemembers' families. Again, this program is essential to the Army's efforts to relocate Army forces from north of, and in Seoul, to south of Seoul, and supports national agreements the U.S. Government has concluded with the ROK. Unless we receive timely approval for lease cap authority adjustments, it will be extremely difficult, if not impossible, for the Army to synchronize its construction program in Korea with ongoing burden-sharing building efforts by the Korean Government on our behalf.

Good Neighbor Program and Mandatory Theater Specific Required Training

The Good Neighbor Program is a USFK hallmark for fostering harmonious relations between our servicemembers and the ROK citizenry. The key pillars include community relations programs, Korean cultural awareness programs and ROK-U.S. military-to-military activities. Some examples include: servicemembers and their families teaching English to Korean children, volunteering in orphanages, and assisting with humanitarian projects and conservation efforts; Korean families inviting servicemembers to their homes to experience Korean hospitality and participate in cultural tours; and commanders hosting local government officials to orient them to the military mission. It is our hope that the Good Neighbor Program will improve the understanding and support of the Korean community for the strategic mission of USFK and effectively demonstrate the respect of USFK servicemembers for the

laws, history, culture, and customs of the ROK. If we are authorized to increase our family accompanied tours, the effectiveness of the Good Neighbor Program will increase dramatically.

In addition to the Good Neighbor Program, USFK instituted a Mandatory Theater Specific Required Training program for all arriving personnel to the ROK. This training—for example in personnel safety, prostitution and human trafficking, and sexual assault—not only facilitates accomplishment of our assigned missions, but also ensures that servicemembers conduct themselves in a manner that is compatible with and respectful of ROK culture and law. Commanders are responsible for validating the completion of all required theater specific training.

SAFETY

Our well-being is a function of safe training and personal conduct. While we recognize that we operate in a hazardous military environment, units that aggressively embrace risk management and personal intervention with their servicemembers routinely have superb safety records. The majority of our serious accidents, incidents and deaths occur during off-duty periods. This fact requires the chain of command to aggressively engage with its individual servicemembers, and positively impact their personal behavior. At USFK, we call this process "Under the Oak Tree Counseling" through which first line supervisors gain a verbal behavior contract with their subordinates before each lengthy off-duty period. Through the combined efforts of our men and women, we employ appropriate safety measures to ensure that all members stationed in the ROK can go about their daily lives knowing that we have done everything possible to safeguard and protect them. I expect commanders to empower subordinates while holding them accountable for the safety of their soldiers, sailors, airmen, and marines.

Prostitution, Human Trafficking, and Sexual Assault

USFK has zero tolerance for prostitution and human trafficking (P&HT). To ensure members are fully aware of our policies regarding P&HT, the command has initiated a four-pronged approach focusing on awareness, identification, reduction and enforcement. This initiative has had a positive effect for the command. In January 2006, a DOD Inspector General (IG) team visited USFK as part of an Evaluation of DOD Efforts to Combat Trafficking in Persons (TIP). In their report, the inspection team praised USFK for aggressively attacking the problem of TIP at the "strategic, operational, and tactical levels," and further stated that "the USFK anti-TIP program continues to set the standard for DOD efforts to combat TIP." In addition to DOD's USFK visit, the USFK IG completed several comprehensive inspections of command policies and climate relevant to prostitution and its links to human trafficking. Recommendations from both DOD and USFK IG inspections continue to be incorporated into the command's strategy.

The Command's initiatives are equally important in combating sexual assault. USFK has developed and implemented education programs for training our leaders and servicemembers on awareness and prevention of sexual assault. The foundation of our USFK program is a 40-hour, centralized and certified Victim Advocate and Sexual Assault Response Coordinator training program. This training stresses sexual assault risk factors and victim care. To date, our program has focused primarily on awareness and response. We are currently developing a Sexual Assault Prevention Program that meets research based criteria for addressing individual attitudes, behaviors and perceptions that place servicemembers at risk for victimization and perpetrating sexual assault.

I will continue to be vigilant in enforcing the sexual assault prevention programs and zero tolerance approach adopted by the command. Promoting dignity and respect are of the utmost importance and a mandate we fully embrace within USFK.

VI. STRENGTHENING THE ALLIANCE AND INVESTING FOR THE FUTURE

The ROK and the United States have stood side by side on the Korean Peninsula nearly 57 years. We have shed blood together in freedom's cause. This relationship, first forged on the battlefields and sustained through the years by the courage and efforts of Korean and American servicemembers, stands as a testament to the principles of freedom and friendship. If we are going to continue to assist in securing peace and stability in Northeast Asia in the future, it must continue. In pursuit of this, we must recognize that the ROK is prosperous, democratic and largely self-reliant. As such, our relationship must evolve. Both sides are committed to this transformation which will enable future generations to continue to enjoy the benefits of our Alliance.

Your continued support is greatly appreciated and will ensure that we achieve our transformation objectives by providing our forces with the resources needed to deter aggression and foster peace and stability on the Korean peninsula and in the region. I am proud of the soldiers, sailors, airmen, marines, and civilians serving in the ROK. I know you are too. Through their daily dedication and performance, they continue to earn the trust and confidence that you have placed in them, while serving upwards of 8,000 miles from home. We owe them and their families the very best working, living, and training environment, and we should do everything feasible to give it to them. Thank you.

Chairman LEVIN. General, thank you so much.

Admiral Olson?

STATEMENT OF VADM ERIC T. OLSON, USN, DEPUTY COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND

Admiral OLSON. Mr. Chairman, distinguished members, thank you for the opportunity to appear before you today to report on the posture of SOFs. On behalf of my boss, General Brown, I thank you for the great support that you've given to U.S. SOCOM, it has been significant and its impact has been powerful.

With your permission, Mr. Chairman, I've submitted our written posture statement for the record.

Chairman LEVIN. Thank you.

Admiral OLSON. U.S. SOCOM is celebrating its 20th anniversary this week. The command was created by Congress to organize, train, and equip SOFs with Service-like Title 10 authorities, and a separate budget, to develop and acquire Special Operations' peculiar material, supplies, and services.

The wisdom of Congress in so doing has paid significant dividends for 2 decades, but especially in the past few years, as SOFs proved their agility, innovation, and value in the chaotic wars of Afghanistan and Iraq and the emerging terrorism and related activities in the Philippines, Colombia, and many other places, primarily in those places to return again in assistance operations.

U.S. SOCOM is guided by three enduring priorities. Success in our ongoing campaign against terror and terrorists, ensuring the readiness of SOFs today and in the future, and taking care of our Special Operations warriors and their families, for the key to Special Operations success continues to be the individual Special Operations operator.

In Operations Enduring Freedom and Iraqi Freedom, SOFs conduct direct action missions every day and every night, to capture or kill terrorists and violent insurgents, but perhaps more importantly, SOFs are conducting indirect operations worldwide, that are crucial to building a global environment that shuns terrorism and embraces stability and security.

We know that we cannot kill or talk our way to victory, our actions must demonstrate our values, and be convincing locally, regionally, and ultimately, globally. It is essential that we develop the meaningful relationships with coalition partners that will enable access for building their capabilities and capacity, and encourage them to resolve threats within their own borders.

U.S. SOCOM has been directed to plan and synchronize Department of Defense (DOD) global activities against terrorist networks. In collaboration with U.S. agencies and other governments, we are maturing into a fusion point for operations, intelligence, and strat-

egy that enables SOFs to work with our partners in an unprecedented fashion. This has been a complex effort, but with the help of Congress and DOD, SOCOM is building the infrastructure processes and relationships that will enable collaborative operations.

Current and anticipated future demand for SOFs exceed the supply. We are growing our force at a rapid pace, but one that enables us to maintain the high standards that have served this Nation so well.

In fiscal year 2008, U.S. SOCOM will grow by about 6,300 personnel to more than 54,000 military and civilians, including over 6,100 in our Reserve components. We will add nearly 1,900 personnel in Army SOFs that provides Special Forces Battalion, 3 ranger companies, and nearly 800 additional civil affairs, psychological operations, and support personnel.

Naval Special Warfare will add about 400 personnel. Air Force SOCOM will grow a predator squadron, and establish a distributed common ground system.

Last year, we established the Marine Corps Forces Special Operations Component (MARSOC). Currently at about 1,500 people and on track to expand by nearly 550 in fiscal year 2008.

Our rate of growth is about what we asked for, and what we can sustain without sacrificing quality and readiness. The additional manpower is not to relieve stress on SOF or add to the numbers already deployed to Afghanistan and Iraq, but increase SOFs' presence in the areas of the world where we are now underrepresented. It's important to sustain a balanced force as we grow, so we must retain our experienced people as we train new accessions.

Two years ago, DOD approved retention initiatives for our senior enlisted operators, and in 2005 and 2006, over 1,100 of our people with 19 or more years of experience committed to stay with us until at least their 25th year.

Our overall fiscal year 2008 budget request is $6.2 billion, an increase of just over $1 billion from fiscal year 2007. This includes a request of $676 million in military construction (MILCON) funding, nearly double our request last year, in order to fund 36 projects that focus on training and operations in support of that Quadrennial Defense Review (QDR)-directed growth.

As we grow in personnel and infrastructure, we are also closely monitoring the status of our equipment, with special focus on our airframes that are operating at a tempo that is higher than originally projected. The fiscal year 2008 budget includes aircraft procurement that will help us sustain and reset our aviation fleet. The budget includes a buy of five CV–22s, which are the soft variant of the Osprey. It continues to fund the replacement of center wing boxes on our MC–130 Combat Talons and AC–130 gun ships, it adds six non-standard aviation assets to support Special Operations airlift requirements worldwide, by enabling SOF operating in remote locations that are not serviced by reliable and safe commercial aviation, and recapitalize our aging helicopter refueling fleet. We will purchase components required to make the SOF modifications to four additional tanker aircraft.

SOF warrior systems remain a high priority for U.S. SOCOM. We will buy body armor, helmets, weapons, ammunition, night-vi-

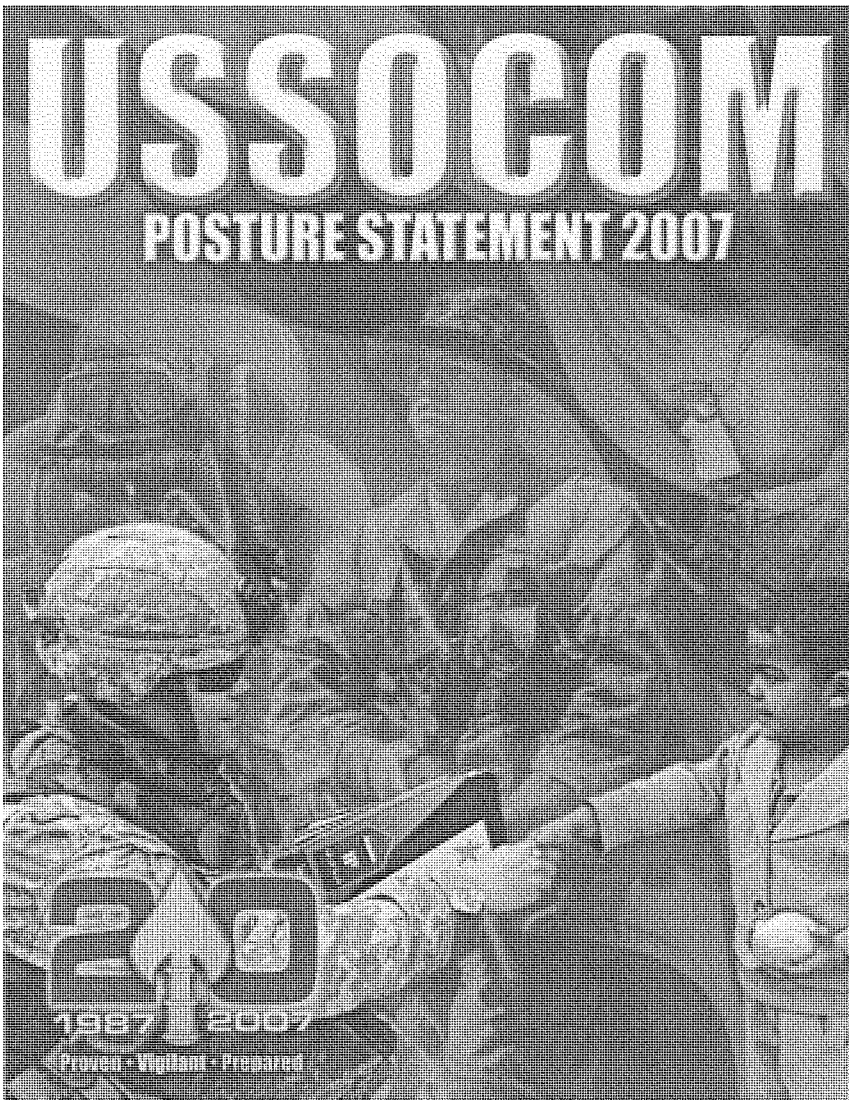
sion optics, individual and squad-level radios, and other items that optimize success while minimizing casualties.

U.S. SOCOM was fully engaged in and well-served by the QDR process. The QDR's emphasis on irregular warfare capabilities contributed to a SOCOM fiscal year 2008 program that supports a careful balance of direct and indirect activities around the world. We continue to closely monitor the challenges of a growing force and aging equipment, and we keep our eye on emerging requirements. With the support of Congress, we are well-postured for continued success.

I thank the members of this committee for your continued support for the past 20 years, today and into the future.

I'd be happy to answer your questions.

[The prepared statement of Admiral Olson follows:]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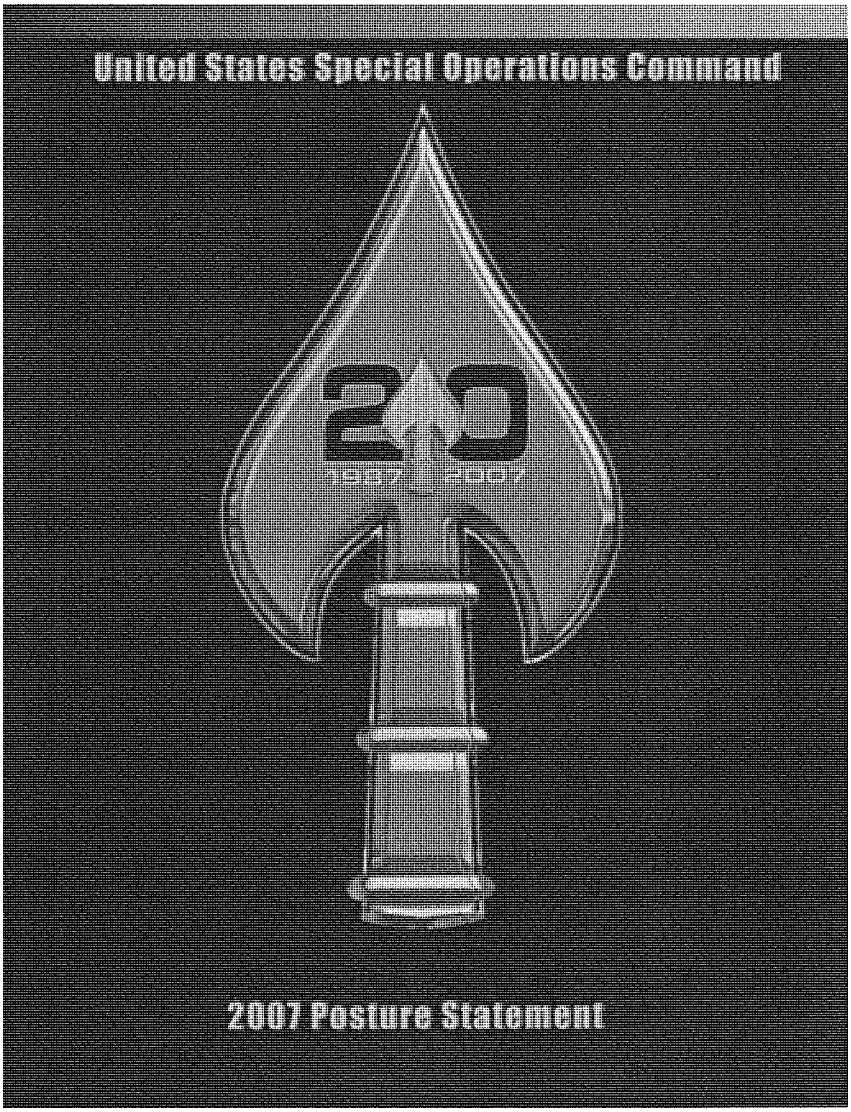
United States Special Operations Command
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2007 Posture Statement

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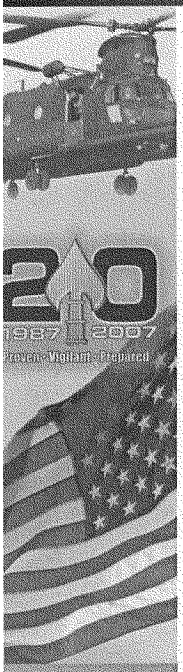
Air Force Special Operations Command airmen pose with members from the Chadian Air Force.



Executive Summary

The United States Special Operations Command (USSOCOM) will celebrate its 20th Anniversary in April, 2007. The impetus for the Command's creation was the failed rescue attempt of American hostages in Iran in 1980. Congress recognized that the capabilities and equipment required to conduct joint special operations could not be fragmented throughout the Services and be successful. This vision established a joint Special Operations headquarters, with service-like responsibilities, that could provide the organization, training, and equipment required for complex special operations. USSOCOM remains the only Combatant Command established by Congress with the passing of the Nunn-Cohen Amendment to the Goldwater-Nichols Act in 1986. Throughout 2007, the Command will celebrate this landmark event while continuing to focus on synchronizing the Global War on Terror (GWOT) and supporting Special Operations Forces (SOF) Warriors.

USSOCOM is uniquely qualified to lead the GWOT for the Department of Defense (DOD). The types of missions and capabilities mandated by Congress for USSOCOM enable the unconventional, irregular, and adaptive actions that are best suited to engage the global asymmetric threat of terrorist organizations. USSOCOM is synchronizing DOD's GWOT efforts, aggressively collaborating with other government agencies and our international partners to build a global network to combat terrorism. The strategic campaign plans USSOCOM developed have created an unprecedented infrastructure and methodology to synchronize the complex requirements of the GWOT. As an inherently joint and globally focused Combatant Command, USSOCOM was working with the interagency and partner nations well before 9/11, and has greatly expanded this collaboration in the past six years. Today, when a DOD leader is critical for quickly implementing coordinated GWOT actions, USSOCOM, with its unique structure, authorities, and capabilities, is poised to take on this role through increased authority and responsibility.

USSOCOM has three simple and enduring priorities: Winning the Global War on Terror; Ensuring the Readiness of Special Operations Forces; and Posturing SOF for the Future. The key to USSOCOM's success in each of these areas is the individual SOF Warrior. Empowered by a streamlined acquisitions process and an innovative culture, today's SOF Warriors are better trained and equipped than ever before. Their global performance in combat and non-combat areas has proven the value of a mature, culturally attuned, properly equipped, adaptive Special Operations Force. The growth directed by the 2006 Quadrennial Defense Review has furnished the capacity to implement USSOCOM's GWOT strategy, realizing the SOF Warrior's potential now and in the future.

USSOCOM's growth, although important to the GWOT, must be tempered with an understanding of the SOF Truths. These four principles define the tenets of Special Operations that preserve the quality and capabilities required for success.

SSOCOM Core Tasks
- Synchronize DOD
- WOT efforts
- Counterterrorism
- Unconventional
- Warfare
- Direct Action
- Special
- Reconnaissance
- Foreign Internal
- Defense
- Civil Affairs
- Information &
- Psychological
- Operations
- Counterproliferation
- f WMD

SOF Truths
- Humans are more important than hardware
- Quality is better than quantity
- Special operations forces cannot be mass produced
- Competent special operations forces cannot be created after emergencies occur

The Strategic Environment

The nature of the terrorist threat in 2007 has evolved into a global insurgency of state and non-state actors with similar ideologies. Government instability and failed states have become the catalyst for the spread of international terrorism. Besides the problems of poverty, corruption, porous borders, and ineffective national security structures, today's environment has state and non-state actors fostering instability and political chaos across numerous geographic regions of the world. Some nation-states leverage this instability to strengthen their influence while undermining international efforts at every opportunity. At the same time, non-state actors, particularly al-Qaida, instigate fear, chaos and sectarian violence to undermine national governments and the international community. The resulting instability creates an accessible population of disaffected youth that can be motivated and nurtured into willing fighters, then skillfully used by militant groups to manipulate large portions of the populace. Their success hinges on promoting and sustaining a clash of civilizations.

An Expanding Global Enemy

The primary terrorist threat today is a transnational movement of extremist organizations, networks, and individuals that use terrorism as a means to achieve their geopolitical and ideological ends. Since 9/11, the United States and our partner nations have inflicted considerable damage on the leadership of this transnational threat – specifically the al-Qaida network and the associated global terror movement. However, al-Qaida remains the preeminent danger to the Homeland and to U.S. interests abroad. Principal al-Qaida leaders are adaptive and resilient – able to survive and persist operationally even after significant losses in Afghanistan, Pakistan, and Iraq.

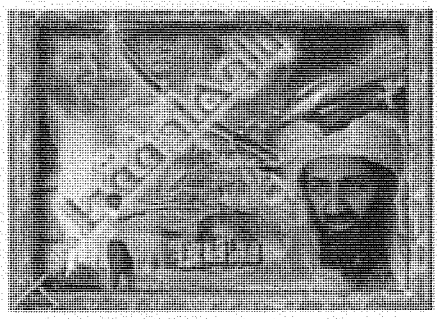
Due to the successful proliferation of violent extremist ideology, primarily from al-Qaida, the global terror movement is broadening in scope to include other affiliated, independent, and emerging terrorist groups. The movement is adapting to worldwide counterterrorism efforts that have eroded much of the operational capability of al-Qaida and others. This movement aspires to establish an oppressive, pan-Islamic extremist federation that stretches from Spain to Indonesia, spreading geographically as its members grow in number.

Trends/Outlook

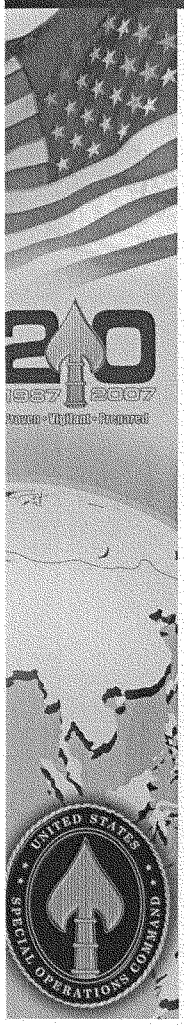
The global terror movement has become more decentralized – a trend likely to continue. Terrorist groups merge with al-Qaida, when convenient, to pursue a more expansive global goal. In addition, new terrorist networks, groups, and even individuals possessing entrenched anti-Western or anti-globalization agendas are increasingly likely to materialize. What unites these emerging groups is a convergence of a shared world view that a radical, fundamentalist Islamic caliphate is required to restore dignity and respect to Islam. The advantage of dispersed resources will make it more challenging to defeat the transnational terrorism threat in the future.

Terrorists fighting today in Iraq, Afghanistan, and elsewhere will be the battle-hardened terrorist leaders of tomorrow, and they will increasingly use the internet to communicate, recruit, train, and gain financial support. In the information age, radicalization and recruitment of terrorists and dissemination of successful tactics is occurring more quickly, more widely, and more anonymously than ever before.

For militant Islamic terrorists, there can be no peaceful coexistence with those who do not subscribe to their world view. There will be no compromise and no consideration of conflicting viewpoints – creating the need for our resolve and commitment in the long war.



An al-Qaida website image claiming responsibility for attacks in Kenya and the United States.



Synchronization of the Global War on Terror

Understanding the strategic environment underscores the requirement for a synchronized effort to effectively counter the global terrorist threat. The GWOT involves not only the vital interests of the U.S., but the vital interests of many of our closest allies and economic partners around the world. Countering global terrorism requires an integrated and multidimensional approach by the Departments and agencies of the U.S. Government as well as partner nations, international organizations, and even the business community. This will be the greatest threat to our enemies.

The GWOT forced a change in the way the Department of Defense plans, synchronizes, and conducts operations across the globe among and between the Geographic Combatant Commanders (GCC). As directed by the 2006 Unified Command Plan, USSOCOM is the lead Combatant Command for planning, synchronizing, and as directed, executing global operations against terrorist networks in coordination with the other Combatant Commanders.

As a result, USSOCOM developed the DOD GWOT campaign plan. This plan and the GCCs' supporting regional war on terror campaign plans are dynamic and will evolve as the operational environment changes over time. Today, USSOCOM leads a global collaborative planning process that leverages other Combatant Command capabilities and expertise to develop a coherent approach to winning the war on terrorism. USSOCOM integrates the regional counterterrorism planning efforts, leading the larger effort of synchronizing DOD's execution of the overall GWOT plan.

Synchronization Efforts

USSOCOM is synchronizing global operations against terrorist networks in coordination with other Combatant Commands, U.S. Government agencies, and international partners through collaboration and the employment of national-level systems to maximize these combined effects. The authority to synchronize enables USSOCOM to arrange global military actions to ensure the optimum employment of force. This unprecedented and complex effort is maturing rapidly and all parties, both within and outside of DOD, are becoming accustomed to the process.

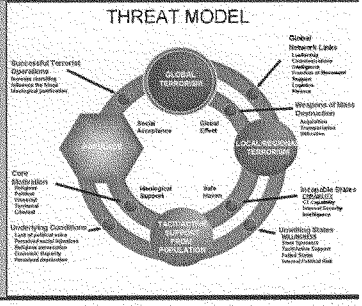
USSOCOM's Center for Special

The Threat Model

This model shows how violent extremist organizations can use terrorism as a cycle that operates around four critical components:

(1) A population from which extremists have the potential to draw support
(2) The level of active support given to the extremists by that sympathetic population
(3) Eventual global terrorism as a result of unwilling or incapable states to counter violent extremists and
(4) Global terrorism that results from global networks that thrive upon popular support and the inability of states to control local and regional extremist networks.

The cycle is completed when successful terrorist operations (at the global or local/regional level) produce ideological justification and influence that portion of the population that is susceptible to the extremist ideology.



Operations (CSO) is the fusion point for DOD GWOT synchronization efforts, combining operations, intelligence, and long-range planning and strategy. The CSO provides a venue for regular meetings, briefings, and conferences with each of the GCCs, the interagency, and partner nations. This consistent dialogue is the catalyst for ongoing planning and situational understanding that simply did not exist even a year ago. The continuous collaboration is augmented with a USSOCOM sponsored semi-annual Global Synchronization Conference. Participants include DOD commands and representatives from other U.S government agencies and international partners. The conference provides a consolidated, common threat picture, a detailed review of GWOT-related plan development, and prioritizes GWOT operations, actions, and activities for near- and long-term objectives.

Many Global War on Terror activities are not limited to the DOD. In fact, most GWOT tasks require actions by other government agencies and international partners. USSOCOM's task to coordinate DOD GWOT efforts with the interagency and partner nations is an intricate one that requires the development of relationships through continuous liaison partnerships, a supporting technical infrastructure, and information sharing policies.

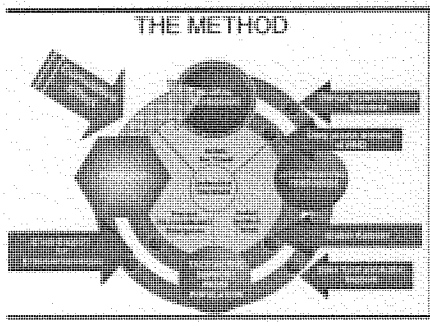
USSOCOM does not control GWOT operations within GCCs' areas of responsibility, but synchronizes their activities at the global, strategic level. This ensures unity of effort and allows USSOCOM to look "between the seams" as terrorists move, communicate, finance, and operate between regions.

The Integrated Approach

DOD's GWOT campaign plan focuses on two essential approaches – direct and indirect. These approaches are mutually supporting and integrate the need to disrupt violent extremist organizations operating today and to influence the environment in which they operate to erode their capability and influence in the future. The goal of both the direct and indirect approaches is to establish an environment inhospitable to terrorism.

The direct approach involves the immediate goals of pursuing those responsible for terrorism and defending the homeland. Through persistent pressure on terrorist networks, these actions provide time for the more challenging indirect approach. While most direct military actions now occur in the Central Command area of responsibility, the direct approach may also be used globally to disrupt violent extremist organizations that have the capability and intent to attack U.S. interests at home and abroad. Most terrorists are not going to change their ideology or goals – they must be fought and defeated today and in the near future. To maintain this kind of constant pressure, the direct approach is not limited to physical attacks on known terrorists, but includes attacking terrorist resources and their support infrastructure through a variety of means.

The indirect approach comprises those actions taken to attack the roots of terrorism and eliminate its further growth. In the long war, it is the indirect approach that will prove decisive. The focus is to enable our foreign partners, deter support to terrorists, and erode extremist ideologies. The indirect approach diminishes the underlying global conditions that allow extremist



organizations to originate, gain support, flourish, and operate. This approach enables international partners to better control their borders and more effectively identify and reduce internal threats. Increasing partner nation capabilities can reduce terrorism from a global threat to a regional, and eventually local, level. Simultaneously, programs that address governmental corruption, poverty, unemployment, illiteracy, and basic human needs build confidence in unstable and fledgling governments. This kind of engagement can reduce popular support to terrorist groups by increasing a weak government's ability to provide for the populace. Another effort that must be undertaken for success in the long war is that of eroding violent extremist ideology. The terrorists' application of hate and violence as means of political change must be countered and eliminated to affect their capability to rally support from the population. By reducing or addressing these factors, the indirect approach increases the legitimacy of threatened governments and reduces the influence and effectiveness of extremist organizations. DOD and USSOCOM's efforts in the indirect approach are only part of the overall interagency and partner nation effort, as this long term approach must be applied through all elements of national power.

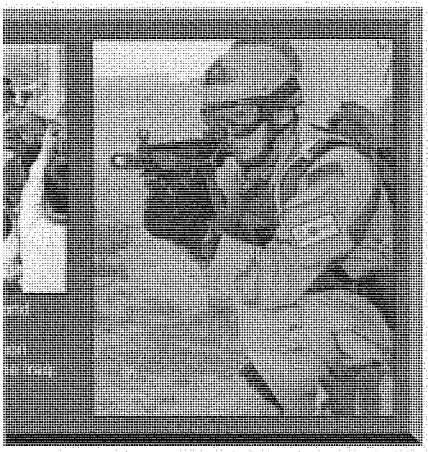
As part of the DOD GWOT effort, USSOCOM is committed to integrating both approaches throughout the globe from the strategic to the tactical level. Both approaches are inherent in the SOF Core Tasks – the Direct Action and Counterterrorism capabilities address direct approach requirements; Unconventional Warfare, Foreign Internal Defense, Civil Affairs, and Psychological Operations are the key military capabilities applicable to the indirect approach. Vital to the success of short-term and long-term objectives in the GWOT is SOF's ability to manage both approaches to harness their complementary effects. For example, Operation Enduring Freedom-Trans Sahara, a European Command initiative, is designed to use both the direct and indirect approaches to build partner nation counterterrorist and intelligence capabilities in the region while simultaneously countering violent extremist propaganda and recruiting. The objective is to apply persistent pressure to violent extremist organizations to degrade their ability to attack while eroding ideological support for their methods.

Continuing the Initiative

Expanding on its synchronization responsibilities and success, USSOCOM continues to develop programs and initiatives that add to and complement the GWOT Collaborative Planning Environment. Interagency relationships continue to thrive and grow, with over 120 U.S. Government agency and Combat Support Agency

representatives embedded with USSOCOM staff. In September 2006, the Chairman of the Joint Chiefs of Staff approved USSOCOM's plan to provide SOF GWOT representatives to several of the key national agencies to enhance liaison and coordination. Also within the last year, the U.S. Agency for International Development (USAID) joined the GWOT synchronization working group, and USSOCOM began furthering collaborative efforts by participating in the National Counterterrorism Center's monthly Interagency Coordination Groups. USAID, in fact, has started an Office of Military Affairs to better coordinate the development of defense linkages, which has been successful. USAID supports the thrust of USSOCOM's efforts to foster interagency coordination and utilize each agency's unique capabilities in support of the GWOT. In recognition of the need for closer coordination and synchronization, USAID has placed a Senior Developmental Advisor on the USSOCOM staff as well as embedding a USSOCOM liaison on the USAID staff. This adds to USAID's ability to deconflict and synchronize activities with USSOCOM as well as the GCCs.

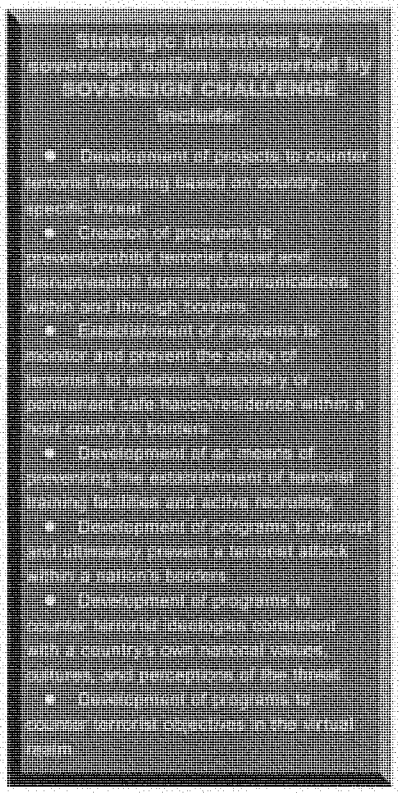
In April 2006, USSOCOM stood up an interagency task force to enhance operational effectiveness in the GWOT. This is a dedicated operations and intelligence planning team comprising DOD and interagency intelligence and operations planning specialists and a robust information collection capability. All of the major interagency partners are represented in the task force as well as the Combat Support Agencies.



The interagency task force searches for and identifies new, developing, and emerging counterterrorism opportunities to attack the al-Qaida Network and other terrorist organizations and networks worldwide. The task force further develops actionable intelligence into operational courses of actions and plans against the emerging targets. Throughout this process, the interagency and Combat Support Agency liaison partners provide the direct conduit for the flow of operational information and intelligence between USSOCOM and their parent organizations. This model is based on battlefield proven teams formed in Afghanistan and Iraq where operators informally adopted effective interagency relationships in the field. USSOCOM formalized this process to support future counterterrorism missions at the tactical, operational and strategic levels. Central to the task force's success is its ability to overcome traditional structures, policies, and procedures. This enables the rapid sharing of counterterrorism intelligence, coordination, and synchronization of operational plans and missions.

A unique USSOCOM contribution to creating a global antiterrorist environment involves its strategic Psychological Operations (PSYOP) capabilities. Strategic PSYOP are those actions or activities designed to promote the truth and influence foreign audiences in support of U.S. Government objectives. This capability is used in areas or situations that are particularly sensitive, require a large degree of senior-level oversight, or have significant impact on the governance of foreign nations and populations. USSOCOM's Joint Psychological Operations Support Element (JPSE) is a key component for conducting trans-regional PSYOP in support of the GWOT. USSOCOM established the JPSE to address an identified shortcoming of a strategic PSYOP capability within DOD following the attacks on 11 September 2001. It focuses on denying safe-haven to terrorists abroad and countering global terrorist ideology and influence with strategic and trans-regional PSYOP prototypes and activities. Trans-regional PSYOP are conducted under the authorities of USSOCOM or the GCCs, and are always in coordination with local U.S. Ambassadors and the interagency.

Strategic communications, in contrast, are the U.S. Government's focused efforts to understand and engage key audiences in order to create, strengthen, or preserve conditions favorable for the advancement of U.S. interests, policies, and objectives. A highly effective USSOCOM strategic communications initiative is the Sovereign Challenge Program. This program is a collaborative USSOCOM/U.S. Strategic Command (USSTRATCOM) project which focuses on the sovereignty of independent nations, the ways in which terrorism violates that sovereignty, and how these nations can assist each other in combating terrorism. The program is based on the premise that each nation has a responsibility, in its own self-interest, to develop programs which counter or prevent terrorism, while supporting and cultivating its national interests, cultures, and citizens. In October 2005, USSOCOM hosted a Foreign Military Attaches' Conference attended by 82 foreign representatives from 51 countries, in an effort to gain a better understanding of the terrorist threats facing those countries. The feedback from this conference was the impetus for the Sovereign Challenge program, leading to a second conference hosted by USSTRATCOM in 2006, attended by 65 foreign representatives from 52 countries.



Along with the specific initiatives developed by the participating nations, USSOCOM launched a Sovereign Challenge website in October of 2006 as a collaborative, information-sharing web portal. The website encourages and supports continuing dialogue among senior international military leaders and their civilian counterparts around the world on issues of global terrorism.

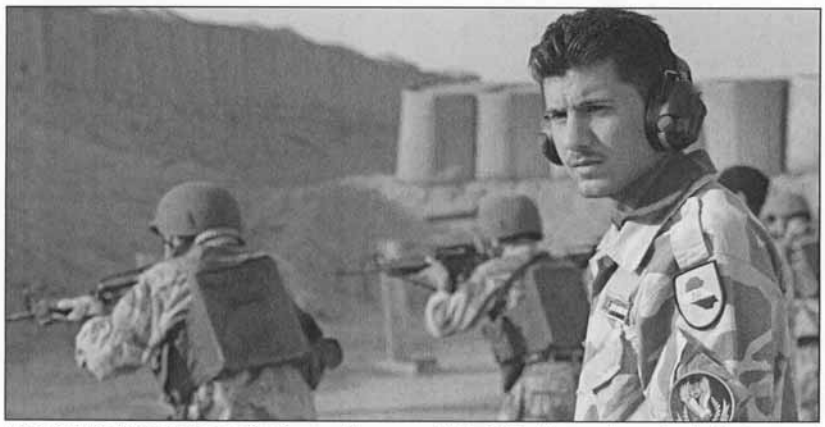
The International Engagement Program (IEP) is an initiative developed by USSOCOM in 2006 with plans for implementation in 2007. The IEP will engage partner nations with a strong GWOT awareness, regional influence, and a desire to engage in combating terrorism efforts with other nations by assigning SOF officers to willing partner nations to work with military decision makers. The thrust of the IEP is not tactical, nor is it a security assistance program, but rather a strategic placement of SOF professionals at the Planning Staff, Chief of Staff, or Ministerial level depending on the host country's desire. The purpose of the IEP program is to assist partner nations in organizing their planning elements to fight terrorism by identifying shortfalls, coordinating with appropriate agencies to assist, resolve, and enhance their counterterrorism capabilities, and increase overall information sharing. IEP representatives will help the host country synchronize counterterrorism efforts with the U.S. Government and other partner nations as part of a global combating terrorism network. The IEP will be coordinated with the GCCs, the local U.S. Ambassadors, and the interagency, and will directly support their ongoing programs and goals.

The Geographic Combatant Commanders maintain the best regional focus and knowledge of their areas of operation. They continue to execute operations, including SOF-unique missions, as the supported commanders in their theaters, with USSOCOM in a supporting role. USSOCOM provides a sub-unified command, the Theater Special Operations Commands (TSOC), to ensure SOF are fully integrated into GCC collective security plans and contingency operations. The TSOCs are primarily manned and principally funded by USSOCOM and have grown considerably in the last few years. Each TSOC is focused on planning and conducting joint special operations, ensuring SOF capabilities are matched to mission requirements, and advising their GCC on the proper employment of SOF. The TSOCs maintain operational command and control over all SOF when they are in theater and link SOF to conventional forces.

Global Success and Proven Capability

Throughout 2006, SOF were at the forefront of the GWOT, deployed throughout the globe in combat operations, theater security cooperation events, and training with partner nations to foster those relationships necessary for success in the future. The majority of deployed SOF in 2006 remained in the Central Command area of responsibility, focused on the terrorist threats in Afghanistan and Iraq. However, SOF also conducted GWOT activities in other regions of the world, staying engaged with partner nations through training and counterterrorism initiatives. In almost all deployments SOF work side-by-side with conventional forces and other government agencies, continuing the strong relationships that have been built over the last six years.

In Iraq, U.S. Army Special Forces and U.S. Navy SEALs have significantly expanded Foreign Internal Defense (FID) operations. Training and advising the Iraqi Special Operations Forces is still a main focus of SOF's efforts, but in 2006 several other regular Iraqi army and security forces were included as well. For example, SEALs trained approximately 1500 Iraqi army and police personnel within the past year, executing over 400 combined combat operations. Mentorship of Iraqi units has matured to the point that they have increasingly conducted unilateral operations without the presence of U.S. advisors. SEALs and Special Forces also played a key role in tribal engagement efforts in Al Anbar province, establishing relationships with tribal sheiks that resulted in the recruitment of 300 local tribesmen into the Iraqi police. These successes culminated in 2006, but they did not happen overnight. They are the result of patience and persistence over months and years, demonstrating the generational aspect required of the indirect approach in



A U.S. SOF-trained Iraqi special operations forces advisor oversees training of his fellow countrymen at an training compound.

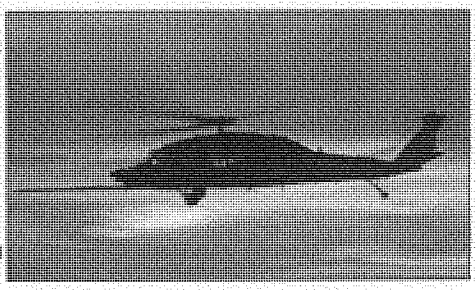
winning the GWOT.

Special Forces continued FID training and operations with the Afghan National Security Forces (ANSF), most notably in three highly successful operations in late 2006. These operations disrupted Taliban command and control, resulted in the death or capture of hundreds of Taliban fighters, returned security to these regions, and made it possible to conduct hundreds of humanitarian assistance operations in areas previously controlled by the Taliban. The provincial Afghan government was integral to the planning, coordination, and execution of each of these operations. Additionally, the integration of the direct and indirect approaches by Special Operations Task Forces was instrumental in influencing and gaining the support of numerous local nationals, who previously supported or were influenced by the Taliban. Special Forces improved the security situation in Afghanistan by enabling the ANSF to plan, command, control, and execute combat operations and their ability improves daily. This continued progress increases the confidence of the Afghan national government, fosters goodwill among the populace, and postures these forces for continued success against insurgents seeking to undermine the sovereignty of this emerging nation state.

The intense operations in Afghanistan in the fall of 2006 also highlighted the capabilities of SOF fixed-wing aircraft. AC-130H and MC-130H aircraft and Special Tactics Air Commandos were instrumental to the overwhelming success of these operations against Taliban forces. During 12 days of operations, a small number of highly-specialized aircrew and support personnel flew 47 time-critical sorties, almost three times the average aircraft use rate. In hostile and extreme conditions, the MC-130H aircraft infiltrated more than 150 U.S. and Coalition SOF and some 290,000 pounds of war material, conducted three emergency airland resupply missions, and three emergency airdrop missions into objective areas surrounded by enemy forces. AC-130H gunships found, fixed, and finished high value and other targets in support of maneuvering coalition forces, providing lethal firepower on select objectives areas to minimize collateral damage. The precision and capabilities of these aircraft and crews play a vital role in SOF's joint and combined combat operations.

SOF rotary-wing assets, combining superior air mobility and fire support platforms, are crucial to sustaining the high operational tempo of complex special operations missions. In 2006, the U.S. Army 160th Special Operations Aviation Regiment (SOAR) executed more than 1,000 combat air assaults in both Afghanistan and Iraq, while simultaneously supporting Army, Navy, and Marine SOF in multiple training exercises. The 160th SOAR continues to transform by growing a fourth battalion, and modernizing its helicopter fleet with the fielding of upgraded versions of current air frames.

In support of European Command, SOF deployed to Africa numerous times in 2006 in support of Operation Enduring Freedom Trans Sahara (OEF-TS) and the Trans Sahara Counterterrorism Initiative. Leveraging an indirect approach, SOF employed a wide range of joint elements to all nine OEF-TS partner nations. The focus was to provide training and assistance to the host countries to develop their indigenous capacity to combat terrorism and create a more secure and stable environment. A highlight for OEF-TS in 2006 was the deployment to Chad of two Foreign Military Training Units (FMTU) from the Marine Corps Forces Special Operations Command (MARSOC). For six weeks, the FMTUs formed, trained, equipped, and assessed a battalion from the Chadian anti-terrorism regiment on a broad range of individual and unit skills, to include officer tactical planning and leadership courses. The trained anti-terrorism battalion is now capable of



A MH-60 from the 160th Special Operations Aviation Regiment (Airborne) conducting operations over Iraq.

conducting border security operations, raids, and other counter-terrorism operations.

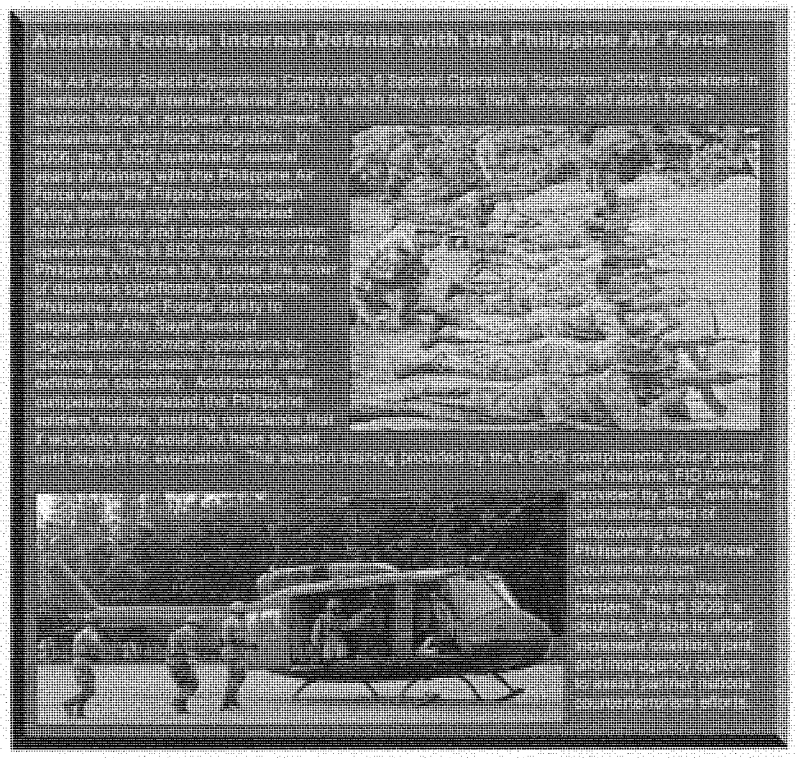
Another example of European Command's use of the indirect approach as part of OEF-TS has been the employment of Civil Affairs. While Civil Affairs units have been critical to operations in Afghanistan and Iraq since the beginning of both operations, their capabilities have been used to great extent in many other locations. In both Mauritania and Mali, Civil Affairs teams conducted Civil Military Support Element (CMSE) operations in support of U.S. and local national government objectives. In conjunction with the U.S. Ambassadors' plans in both countries, the Civil Affairs teams performed humanitarian assistance projects in multiple provinces, in support of both DOD and other interagency departments. These projects, including the construction of health clinics, water wells, and schools, were coordinated through and approved by the U.S. Embassies and local national governments. This coordination included publicized "Grand Openings" that were attended by representatives from the U.S. Embassy, local and national governments, and local press. In Mauritania, these positive results led to an official agreement with the U.S. Embassy and the Ministries of Health, Education, and Hydrology for all future humanitarian projects. Civil Affairs projects such as these deter support to terrorists by legitimizing the existing governments and fostering a more positive opinion of the U.S.

SOF operations in the Philippines continued to be successful in 2006. Using the indirect approach, SOF employed joint elements working by, with and through their Philippines Security Forces counterparts. Special Forces, SEALs, Special Boat Team operators, and Aviation FID units advised and assisted Philippine Security Force counterparts, building their capacity to combat terrorism and creating a secure and stable environment. Civil Affairs units facilitated Philippines Government-led civil military operations in the form of engineering, medical, dental, and veterinarian programs to improve the quality of life for its citizens. By enhancing government control of the region through increased Philippine Security Force capacity and decreased local support for terrorists, SOF efforts succeeded in helping the Philippine forces deny terrorists sanctuary and the use of vital sea lanes in Mindanao and the Sulu Archipelago.

Psychological Operations support to SOF operations in the Philippines has been in the form of a Military Information Support Team (MIST). MIST activities

assist their Philippine counterparts in performing Information Operations to emphasize the Philippine government's successes in spreading security and stability and improving the quality of life for its citizens. PSYOP is essential in setting the conditions necessary to prevent and mitigate terrorist operations throughout the Philippine archipelago through face-to-face interaction with the local population and by the dissemination of PSYOP products via radio, print, and television programs. MIST activities are crucial to the success of SOF and the Filipino forces in the fight against Southeast Asian terror networks, principally from the Philippines and Indonesia.

SOF are a high-demand force in the GWOT and are deployed globally in support of each GCC's specific needs. However, over 85 percent of SOF deployments were to the Central Command's area of responsibility in 2006, leaving few special operators to pursue long-term operations in others areas of the world. Ultimately, we must be victorious in Afghanistan and Iraq to defeat global terrorism, but the long term GWOT will not be won in these two conflicts. To fully engage in the increased responsibilities of SOF in the GWOT, growth in the force and its capabilities is required.



SOF Growth and its Effect on the Force

Special Operations Forces transformed significantly over the last six years. This transformation encompassed all facets of special operations – personnel and force structure growth, budget, training, equipment and acquisitions, operations, and education – and will continue into the near future. SOF are trained, organized and equipped to conduct missions conventional forces are not designed to do. To that end, all of USSOCOM's transformation and growth has one purpose: to enable the SOF Warrior, now and in the future.

Quadrennial Defense Review Growth – In line with the DOD GWOT Plan

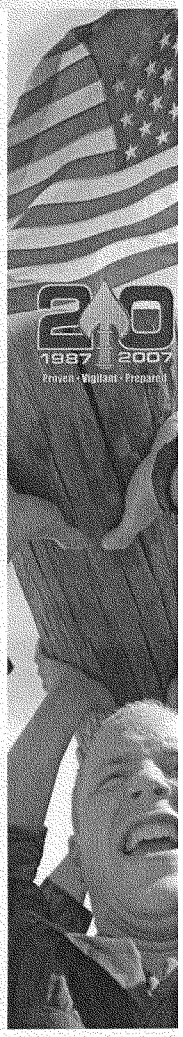
The 2006 Quadrennial Defense Review (QDR) directed growth in both the size and capabilities of SOF, allowing USSOCOM to accomplish its increased missions and responsibilities of synchronizing the Global War on Terror as both a supported and supporting command. This QDR-directed growth will occur over a span of five years. This includes increasing the number of U.S. Army Special Forces, Rangers, and Special Operations aviation; growing the number of active duty U.S. Army Civil Affairs and Psychological Operations forces; increasing SEAL Team force levels; establishing the MARSOC as a Marine Corps component of USSOCOM; and creating a SOF unmanned aerial vehicle (UAV) squadron. This growth, while large by SOF standards, is occurring over enough time to recruit, select, train, and equip the right people to maintain the high quality of SOF.

In Fiscal Year (FY) 2007 USSOCOM will complete the transfer of all Reserve Civil Affairs and Psychological Operations units to the U.S. Army Reserve Command. However, USSOCOM will retain all Active Duty Civil Affairs and Psychological Operations units. Overall, QDR-directed increases for USSOCOM total over 13,000 new positions and transfers over 9,000 existing Reserve Civil Affairs and Psychological Operations billets from USSOCOM to the U.S. Army Reserve Command. The result is a net gain of over 4,000 billets to USSOCOM's force structure endstrength.

People – the Core of SOF

USSOCOM's total authorized manpower for FY 2007 is 47,911 personnel, with roughly thirteen percent

	ACTIVE	RESERVE	NATIONAL GUARD	MILITARY TOTAL	CIVILIANS
ARMY	19,091	399	2,904	22,394	1,715
NAVY	6,328	1,030	0	7,358	734
AIR FORCE	10,629	996	825	12,450	1,780
MARINE CORPS	1,470	1	0	1,471	9
SUBTOTALS	37,518	2,426	3,729	43,673	4,238
		FY 2007 USSOCOM TOTAL		47,911	



of SOF military personnel coming from the Reserve and National Guard. This total manpower number is lower than FY 2006 because of the transfer of U.S. Army Civil Affairs and Psychological Operations Reserve personnel. Funding for SOF military personnel is included in each of the Services individual accounts.

With few exceptions the personnel readiness of SOF in FY 2006 was excellent and continues to equal or exceed Service averages in all areas. USSOCOM expects and needs this positive trend to continue. The programmed enhancements to USSOCOM's capability through FY 2011 focus on our most valuable resource – our people. In addition to standing up the MARSOC and the added capabilities that component brings to prosecuting the GWOT, USSOCOM will selectively recruit, assess, and train sufficient Soldiers, Sailors, and Airmen over the next five years to add over 3000 personnel.

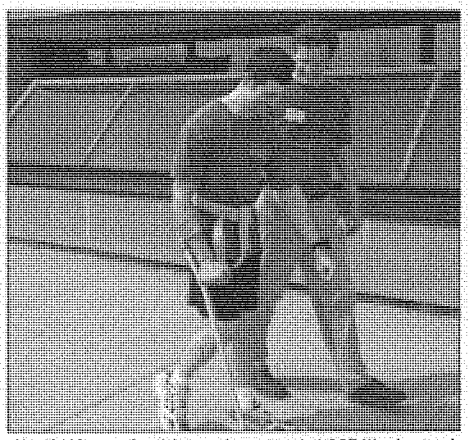
USSOCOM studied and modeled the impact of balancing experience levels within our force. The results suggest some experience shortfalls as we continue to grow. The risk can be mitigated by retaining experience in the most critical career fields while the force grows. USSOCOM Components took steps to maximize the number of graduates from the training pipelines while maintaining quality in the process. The U.S. Army Special Operations Command (USASOC) showed large gains in FY 2006 after increasing instructors and totally redesigning the Special Forces Qualification Course curriculum. A phased plan was implemented to grow from a historic average of 400-450 active duty enlisted graduates per year to 750 for FY 2006. USASOC exceeded this goal, with 762 active duty enlisted Special Forces Soldiers graduating in FY 2006. The Naval Special Warfare Command (NAVSPECWARCOM) is still facing challenges filling SEAL billets, but the Chief of Naval Operations' commitment to SEAL recruitment as a top Navy priority is helping enormously. Additionally, NAVSPECWARCOM introduced several initiatives to their training programs to increase output while maintaining current standards. Air Force Special Operations Command (AFSOC) heavily revised its training pipeline over the last few years, which began to pay significant dividends as evidenced by increasing numbers of newly qualified operators. Based on current production, AFSOC should reach its required manning levels by FY 2009. Our newest component, MARSOC, continues to grow as planned and will be fully manned by FY 2008.

Naval Special Warfare personnel assigned to Naval Small Craft Instruction and Technical Training School *train personnel from the Iraqi Riverine Police Force on special boat maneuvers and weapon handling.*

Adding more special operators to the structure cannot be done at the expense of current force quality and readiness. SOF will maintain demanding standards, retaining the best and most experienced personnel and continuing to care for our families. SOF are generally a more mature and experienced force, requiring tailored methods to maintain readiness. The Department of Defense continues to work with USSOCOM to develop creative ways to use the force management tools available to maintain current personnel readiness levels. USSOCOM Component training pipelines have been maximized to the greatest extent possible while maintaining quality in the process. The Services have been briefed on the increase in requirements and they have pledged their fullest support. However, we cannot simply overpopulate the force with junior personnel to meet aggregate numbers and simultaneously strive to maintain required personnel readiness. To meet this challenge, USSOCOM identified the need for retention incentive bonuses. In FY 2005, the Undersecretary of Defense for Personnel and Readiness approved the SOF Retention Initiative enabling us to provide focused incentives to SOF throughout their careers. In the first year, we guaranteed an inventory of 671 senior SOF with 19 or more years of experience. By the end of FY 2006, we added another 440 experienced operators to that cadre. Most will stay with SOF through 24 years of service.

Retention incentives, the expansion of our training base, and ongoing efforts to improve recruiting are the pillars on which we will maintain and grow the force. Overall, our SOF populations are healthy in the areas of inventory, promotions, training, command opportunity, and active component retention. USSOCOM is confident that we will maintain readiness and successfully grow while continuing the high standards vital to SOF. USSOCOM has commissioned a study on compensation that is intended to provide options to enhance the force and continue to take care of our people.

USSOCOM's Care Coalition has matured significantly over the past year, helping SOF wounded warriors and their families identify and receive a full spectrum of support by coordinating with DOD, government, and non-government organizations. The Care Coalition is a unique organization that provides support to all casualties, regardless of severity of injury, illness, or wound, and provides this support for life. The Coalition has successfully advocated for SOF casualties and families by providing rapid, personal service of matching their needs with the means of government and non-government organizations. The priority is direct resolution of casualty issues through close relationships with the Office of the Secretary of Defense, the Joint Staff, Service staffs, TRICARE, Veteran's Affairs, numerous government agencies, and always with USSOCOM's Components. Problems that cannot be resolved through government channels are usually resolved by non-government organizations, hundreds of which have the singular mission of supporting military casualties and families. The USSOCOM Care Coalition has developed relationships with many benevolent organizations whose support to SOF



USSOCOM Care Coalition assists wounded SOF Warriors and their families throughout the recovery process and beyond.

Pararescue trainees carry a heavy training log during the pararescue indoctrination training course.

wounded warriors includes rental vehicles, airline travel, guide and companion dogs, home improvements, lodging, and legal support.

In 2007, the USSOCOM Care Coalition will pilot unique programs focused on improving casualty recovery and long-term success. The Warrior Wellness Program is a congressionally funded pilot program linking SOF casualties and families to mentors of similar age and injuries who have been successful in the recovery process. The core of our direct casualty support is our network of special operations hospital liaisons that supervise, support, and adopt SOF casualties to ensure their hospitalization is as worry free as possible. Special operations casualties continually astound medical experts by their rapid recovery times. The USSOCOM Care Coalition, by improving total force quality of life, significantly contributes to SOF operational readiness.

Training and Education

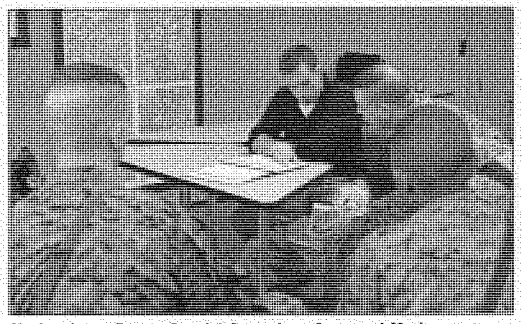
Assessment and selection is the critical initial process by which candidates with the necessary aptitude and attitude are identified for entry into the Special Operations community. It is Basic Underwater Demolition/SEAL training for Navy SEALs, Special Forces Assessment and Selection for Army Green Berets, the initial selection phase for Air Force Combat Controllers and Pararescuemen, the special selection for the Army's Special Operations Aviators, and initial training teams - the "Green team" - for many other units. MARSOC conducted a pilot assessment and selection course in 2006 and will have their full process up and running by May 2007. This process will recruit and screen all MARSOC Marines and Sailors, and assess and select all specialties going to operational billets to determine if they has the right skill sets required to perform MARSOC core tasks. A relative few possess the essential combination of maturity, character, mental agility, physical strength, and motivation necessary for selection as a SOF Warrior. Consequently, attrition rates are high, making growth a challenge.

The special operations initial training that follows assessment and selection teaches candidates the unique skills required of SOF today – direct action capabilities, regional and cultural orientation, and the ability to operate in denied or sensitive areas sometimes by, with, and through indigenous forces. Today's special operations successes can be attributed directly to the quality of the SOF operator and his nearly two years of initial training. USSOCOM's Components have taken steps to maximize the number of graduates from

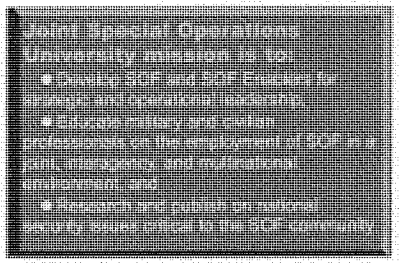
their respective training pipelines to the greatest extent possible while maintaining quality in the process. The prospects are encouraging, but it will take time, as initial training output can only grow in concert with other aspects of force structure growth, such as recruiting and selection.

Language capability and cultural knowledge remain essential to the successful and timely accomplishment of many SOF missions. USSOCOM focuses training resources on regionally oriented units and individuals to ensure these finite resources build and then enhance regional expertise. USASOC was first to integrate language and culture into SOF qualification training pipelines and then assign those Soldiers to regionally oriented teams. MARSOC is using a similar concept to staff its Foreign Military Training Unit and AFSOC is planning pipelined training to address the growth of their Aviation FID Squadron. However, initial training is only the beginning and many SOF are further assigned to regionally oriented units where robust sustainment and enhancement training programs at the unit level reinforce language and culture skills. The units build on the solid foundation provided by the training institutions by placing select personnel with the right aptitude into programs that combine classroom training with deployments to build expertise.

Beyond initial training, professional military education is vital to SOF's continued success.



Marine Corps Forces Special Operations Command Marines participate in linguistic training.



USSOCOM has several programs in development or underway which match individual SOF Warriors to specific needs of the command. For 2007 USSOCOM is developing a SOF Interagency Fellow's program which will match mid-to-senior level SOF to positions of advanced degree or research programs at traditional and non-traditional academic institutions. The follow-on utilization tours are intended to match the graduates' new knowledge to positions at interagency organizations or other institutions where SOF expertise can leverage, and be leveraged, for missions assigned to USSOCOM and those partnering organizations.

The mission of USSOCOM's Joint Special Operations University (JSOU) is also growing. For 2007 the university has developed several priorities, the first of which is to continue build upon a series of certificate programs to ensure mastery of the USSOCOM key capabilities. For example, the Joint Special Operations Warrior Certificate is already underway, which defines and prioritizes the competencies that SOF mid-level grades should have to focus on the operational level of warfare. This certificate program focuses on current missions, joint doctrine, SOF capabilities, interoperability, planning, and similar operational issues facing the joint SOF operator and SOF enabler. A USSOCOM Staff Operations certificate to prepare non-SOF personnel to operate as effective members of the various SOF command staffs

worldwide will begin development in early 2007.

Congruent with the certificate programs, JSOU will continue to offer courses to SOF and non-SOF populations that cover topics of importance to joint SOF that are either not taught elsewhere in the military education system, or are not provided at career points as required by SOF personnel. Some newer examples include the Joint Special Operations Medical Officers Orientation course, the Special Operations Combating Terrorism course, and the SOF Interagency Collaboration Course. For 2007 several new courses are in development to provide interagency personnel and non-SOF General/Flag Officers a greater understanding of SOF and their interaction with special operations in the long war. With these new and expanded courses and programs, JSOU is operating at an unprecedented level of efficiency and experience, but it will never reach its full potential until moved to a new facility at MacDill Air Force Base, Florida in FY 2014.

Budget, Acquisition, and Logistics

When Congress created USSOCOM in 1986 it provided the Commander budget and acquisition authorities for Special Operations-peculiar equipment under U.S. Code Title 10, Section 167. Under this authority USSOCOM fielded numerous Special Operations-peculiar systems instrumental in today's fight, and is currently executing programs to rapidly address the emergent needs of the SOF Warrior in combat.

U.S. Army Special Operations medical personnel unload medical supplies during a U.S./Iraqi medical civil-military operation in Ash Sharqat, Iraq.

The individual SOF Warrior is at the core of Special Operations capabilities, a key factor in USSOCOM's budget and acquisition strategies. USSOCOM's Strategic Planning Process (SPP) develops resourcing requirements and is capabilities-based rather than platform-centric, focusing on the mission needs of the SOF Warrior. USSOCOM's past and current budgets reflect this unique philosophy. The Long Range Planning Process (LRPP) is tied to the SPP, and looks at future threats and emerging technologies to ensure SOF remains ahead of potential adversaries. The LRPP uses the same capabilities-based planning process to balance near-term capabilities with long-term requirements. It couples acquisition strategy to the development of capabilities that are essential for executing future SOF operations.

Budget

The FY 2007 funding received by USSOCOM – approximately $6.2 billion - is focused on meeting USSOCOM's top three priorities: GWOT; Readiness; and the Future. These resources are initiating fundamental changes necessary to expand USSOCOM's capabilities to lead, plan, and synchronize global operations against transnational terrorist networks while improving established capabilities to respond to a wide range of national threats. The FY 2007 funding includes the initial requirements to implement the results of the Quadrennial Defense Review. USSOCOM's FY 2007 budget is divided into four major categories: Operations and Maintenance (O&M); Procurement; Research, Development, Test and Evaluation (RDT&E); and Military Construction.

- Nearly $3.7 billion was received for our largest account, O&M, which maintains SOF operational readiness and provides for maintenance of equipment, fuel, consumable supplies, civilian salaries, spare parts, and repair of weapons and equipment.
- Over $1.6 billion was received for Procurement,

which allows USSOCOM to fund vital SOF-unique modernization and recapitalization efforts in force protection, mobility, weapons, munitions, communications, and intelligence equipment.

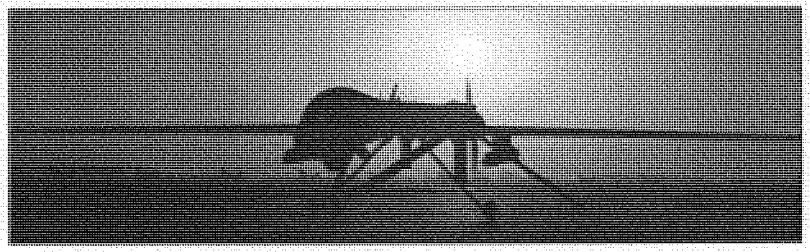
- Over $556 million was provided for RDT&E, which provides technological advances and modernization for SOF.
- Completing the portfolio, USSOCOM requested just under $347 million in Military Construction to build unique headquarters and operational facilities necessary for SOF growth, training, and deployment.

The FY 2008 President's Budget request for USSOCOM is $ 6.159 billion and includes specific additions directed by the Quadrennial Defense Review process. This request will continue investing in capabilities to improve SOF warrior systems, promote specialized and institutional training, explore and exploit leap-ahead technology, and refine force structure. This submission also represents a change from previous years in that it does not include Military Personnel costs. USSOCOM was previously required to program for those costs, but the individual Services actually executed Military Personnel funding. As a result, those funds are no longer included in USSOCOM's overall submission.

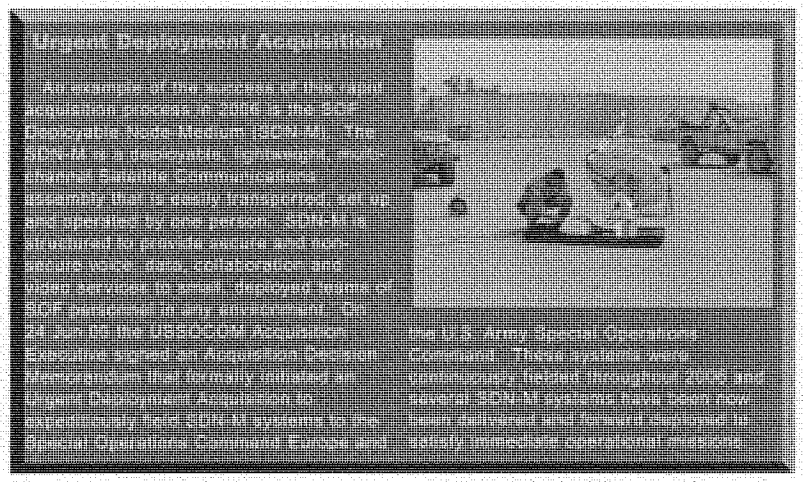
Equipment Advances and Initiatives

USSOCOM is the only Combatant Command that manages the entire materiel acquisition life-cycle process for the systems and equipment employed by its forces. USSOCOM processes are similar to those of the Joint Staff, the Office of the Secretary of Defense, the Military Departments, and the Services, but with the unique advantage of defining both its operational requirements and the missions its forces conduct as a supported Commander. USSOCOM has its own acquisition workforce with embedded contracting, legal, and oversight staffs – all in one location. Subject to the same overarching statutes, regulations, and policies that apply across DOD, the Command's Program Executive Officers utilize the inherent freedom and flexibility of the Command's acquisition process to streamline their acquisition efforts and associated documentation, while benefiting from a proximate decision chain. This team, with exceptional support from Congress, the Secretary of Defense, the Joint Chiefs of Staff, the Military Departments, and industry partners, has built a superb capability to provide rapid and focused technology, acquisition, and logistics support to SOF Warriors. As a result, today's special operations personnel are well equipped and confident in their aircraft, maritime craft, intelligence and information systems, communication systems, weaponry, and individual equipment.

Two new Program Executive Offices (PEO) complete a transformation and vision for the future of USSOCOM's acquisition structure and methodology. The PEO for SOF Warrior manages the development, acquisition and sustainment of systems specifically designed to enhance the capabilities of the SOF Warrior as an integrated system. This includes force protection equipment, individual weapons, ammunition, demolitions, individual clothing and personal equipment, night vision and electro optics, and ground mobility systems. The PEO for Mission Training and Preparation Systems (PEO-MTPS) is the other new



The RQ-1 Predator lands in after one of its sorties at sunset.



PEO, which manages the development, acquisition and sustainment of Special Operations-peculiar mission training and preparation systems. PEO-MTPS is using a system-of-systems approach to integrate SOF air, ground, and sea simulators into a common environment, and provide a seamless architecture to conduct SOF training and mission rehearsals.

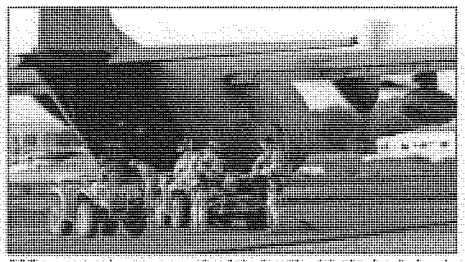
The Command's Urgent Deployment Acquisition process provides rapid acquisition and logistics support in response to emergent requirements submitted through Combat Mission Needs Statements (CMNS) from SOF deployed on the global battlefield. Advanced technology systems are acquired and fielded in as little as seven days from CMNS approval, with most capabilities delivered to combat forces in less than six months.

USSOCOM's Unmanned Aerial Systems (UAS) are powerful force multipliers for SOF GWOT activities. UAS are diverse in size, from the very small or micro, to the long-endurance Predator class systems. These platforms provide critical force protection to small SOF units and aid in the identification and tracking of individual targets and items of interest. USSOCOM maintains a UAS roadmap designed to reduce costs and improve capability with the flexibility to quickly capitalize on the many advances in this key technology area.

Today's SOF are better equipped than ever. Nonetheless, specific shortfalls in Intelligence, Surveillance, and Reconnaissance (ISR) capability continue. Persistent airborne ISR is a critical supporting element to USSOCOM's prosecution of the GWOT. ISR must be ever present, and must also rapidly disseminate operational information to key elements on the battlefield. USSOCOM has been rapidly equipping SOF with ISR capabilities within the overall constraints of our budget and our Special Operations-unique responsibilities. Through mission analysis and lessons learned, we have determined a combination of manned and unmanned airborne ISR is required to provide the flexibility to support the dynamic SOF mission set. We have modified existing SOF equipment where available, procured additional dedicated ISR equipment, and partnered with the Services to cooperatively field additional airborne ISR equipment in support of USSOCOM missions.

USSOCOM continues to face the mounting challenges of sustaining the low-density, high-demand SOF C-130 fleet while simultaneously satisfying roadmaps for modernization. Ongoing

operations in support of the GWOT have stressed the SOF C-130 fleet at ever-increasing rates. MC-130H and AC-130U Center Wing Box aircraft structures have aged prematurely. In addition to SOF equipment obsolescence and diminishing manufacturing sources issues, USSOCOM continues to monitor the U.S. Air Force's Avionics Modernization Program and is developing strategies to fill gaps in the SOF C-130 avionics architecture until those upgrades are available. Combat losses and additional capacity are being addressed by conversion of older "slick" (i.e., unmodified) C-130s for the SOF mission. The MC-130W specialized air refueling aircraft and an additional four AC-130U Gunships with dual 30mm guns are scheduled to be deployed this year. Despite over forty years of prominence, the mounting sustainment costs of USSOCOM's MC-130E Combat Talon I and MC-130P Combat Shadow fleets now outweigh the costs of recapitalization. USSOCOM is partnering with the U.S. Air Force to procure new SOF medium-lift aircraft.



SOF personnel prepare a simulated patient to be loaded onto a MC-130P aircraft during a rescue exercise on Camp LeMonier, Djibouti.

Increasing the inventory and capabilities of USSOCOM specialized rotary wing aircraft remains a priority and modernization plans for these aircraft will maintain the Command's ability to project SOF capabilities worldwide in the GWOT. Procurement of additional MH-47G Chinook helicopters combined with the ongoing fleet modernization to the G-model configuration adds critical rotary wing capability and capacity, while streamlining logistics and maintenance. Overall, USSOCOM continues to modernize and extend the service life of the rotary wing fleets with a focus on survivability modifications to protect SOF aircraft and crews. Examples include the Joint Terrain Following/Terrain Avoidance Radar, a suite of infrared countermeasures, the MH-60L Blackhawk modernization programs, and the procurement of seventy-two new, highly modified MH-60M aircraft.

The CV-22 is a priority USSOCOM aircraft program that will provide increased vertical lift capacity with significantly improved speed and range, allowing long-range vertical lift missions to be performed in a single period of darkness. Three of the first four production CV-22s delivered to date have already conducted an Operational Utility Evaluation. CV-22 training will continue with an Initial Operational Test & Evaluation period before Initial Operational Capability is reached.

A CV-22 Osprey flies a mission over New Mexico.

USSOCOM continues to sustain and enhance maritime mobility systems including the MK V Special Operations Craft, the Rigid-hulled Inflatable Boat, the Special Operations Craft–Riverine, the SEAL Delivery Vehicle, and the Advanced SEAL Delivery System. As some of these platforms near the end of their service life, USSOCOM is utilizing the joint process to analyze future SOF maritime mobility requirements to identify the next generation of surface and subsurface platforms needed to support the SOF Warrior. USSOCOM is working with DOD to obtain a solution for

its Afloat Forward Staging Base requirement, which has proven to be very effective in the littorals, enabling SOF access to key GWOT nations and geographically remote areas.

SOF's Tagging, Tracking, and Locating (TTL) capabilities are influencing the battlefield by providing location and intent of hostile forces. Furthermore, by integrating TTL and ISR capabilities, SOF is enhancing its ability to conduct persistent surveillance and collect and extract information from denied areas. USSOCOM TTL programs are being worked side by side with interagency partners to develop synchronized TTL capabilities for future applications in the GWOT.

Acquisition Logistics

In the logistics support and sustainment area, USSOCOM continues to enhance the capabilities of the Special Operations Forces Support Activity (SOFSA) to meet the needs of the Theater Special Operations Commands and Components in the execution of the GWOT. SOFSA is a government owned, contractor-operated facility that is the Command's Logistics Center of Excellence providing:

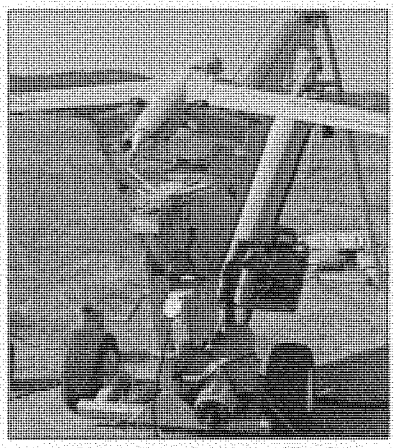
- The modernization, maintenance, and modification of SOF rotary wing assets.
- A Joint Service Inventory Control Point with the capability of ensuring SOF receive dedicated supply support for special operations-peculiar equipment.
- A conduit for in-theater Special Operations-peculiar logistics support for SOF which enables USSOCOM to rapidly support the fielding, supply, maintenance, refurbishment, and reset of Special Operations-peculiar equipment in direct support of combat operations.
- A USSOCOM Joint Operational Stock capability which stocks, maintains, and loans mission critical equipment to support TSOCs, Components, and SOF units.

Science and Technology

The USSOCOM Science and Technology (S&T) strategy addresses emerging and advanced technologies for potential integration into current and future SOF concepts and requirements. The S&T strategy is to invest and leverage available resources with DOD and other agency laboratories, academia, and industry for the purpose of maximizing SOF warfighting capabilities. Key to the long term success of these programs is the recent development and implementation of the Strategic Technology Evaluation Process. This process will ensure a uniform and comprehensive approach to the identification and prioritization of SOF capability gaps that might be solved by the appropriate application of technology.

The Special Operations Technology Development (SOTD) program conducts studies and develops laboratory prototypes for applied research and advanced technology development. SOTD projects attempt to link Basic and Exploratory research to SOF-specific fieldable items. Research and development is underway in the areas of advanced night vision devices, sensors, better mobility, improved communications, and enhanced training.

The Special Operations Special Technology (SOST) program demonstrates and evaluates emerging and advanced technologies in relevant SOF environments. SOST projects are oriented towards the development of more mature technologies and prototypes to mitigate or eliminate capability gaps. Efforts are focused on a



A Scan Eagle unmanned aerial vehicle sits on a launch sled during USSOCOM sponsored Tactical Network Topography 07-1 experiment at Camp Roberts, Calif.

wide range of capabilities to include advanced sensors, diving equipment, power sources, and improved ammunition.

The USSOCOM Small Business Innovation Research (SBIR) program aggressively pursues technology solutions via the largest sector of the nation's industrial base, the small business. The SBIR program invests in a wide range of technology areas to meet the needs of the warfighter. Currently, the program is managing 84 contracts with a total dollar value of approximately $22 million, consistent with USSOCOM's long term average of 80 contracts. Topic areas include sensors, communications, weapons, and mobility.

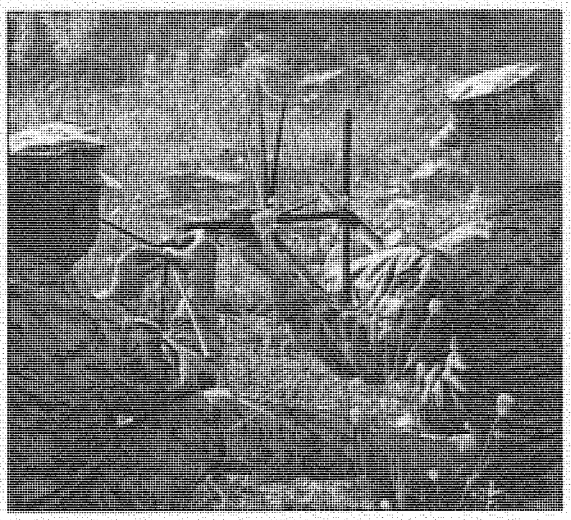
The USSOCOM Medical Technology program seeks to improve techniques and procedures for advanced SOF Tactical Combat Casualty Care. The Medical Technology program also strives to provide medical methodologies to improve SOF Warrior performance and training effectiveness. The Biomedical Initiatives Steering Committee provides the command with a single consolidated source of medical expertise and technical advice on medical S&T issues.

SOF Communications and Networks

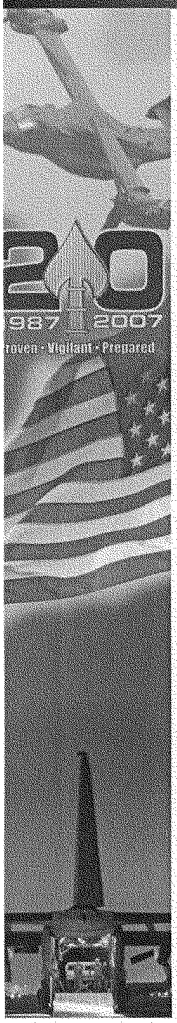
USSOCOM fields numerous systems providing the Command and SOF units with a variety of communications and network capabilities ranging from inter-team communications to large bandwidth networks supporting mission planning and execution. USSOCOM continues to mature these systems' capabilities by enhancing the technology to provide secure network access to deployed SOF teams.

As the Command supports current operations and the GWOT, its communications and network capabilities need to transform into net-centric enabled systems. By enabling net-centric warfare, SOF will maintain and increase their edge in information superiority and networking. This will enhance operations by creating better and faster actionable intelligence, reduce logistics by moving electrons instead of personnel and equipment, and provide improved command and control across the battlespace. USSOCOM's net-centric enabling environment is called SOFNet and will be SOF's portion of the Global Information Grid (GIG). SOFNet will not only fully interoperate with the GIG, but it will also have enhanced capabilities supporting SOF's unique mission requirements.

USSOCOM's net-centric approach will tie SOF networks together into a single, cohesive electronic operational environment, providing the necessary capabilities and information to SOF forces whether in garrison or deployed. USSOCOM will provide SOFNet capability to SOF operational forces in a spiral process that will bring enhanced capabilities online as they are certified operational.



MARSOC Marines from the Foreign Military Training Unit set up their satellite system.



Into the Future

Maintaining Global SOF Pressure and Presence for Purpose

USSOCOM's implementation of the GWOT campaign plan, and the ability to adequately provide both direct and indirect approach capabilities, is enabled by two factors. The first is SOF growth, which was addressed by the 2006 Quadrennial Defense Review. This growth is being programmed and executed by USSOCOM at a manageable rate to maintain quality. The second enabling factor is global SOF posture. USSOCOM is developing a Global SOF Posture (GSP) plan designed to better enable global force management of SOF. This plan will provide more SOF capacity to the Geographic Combatant Commanders and allow SOF to maintain a continuous presence in accordance with theater and strategic needs. SOF will be sourced globally through a training and deployment cycle that tailors joint SOF to fulfill the special operations requirements of the GCCs' regional war on terror plans.

Key elements of the USSOCOM GSP concept are: planned growth in the force, joint SOF training, and integration of SOF global force management to support U.S. global objectives:

• Growth. Growth in SOF is a critical enabler to the USSOCOM GSP concept. It fosters increased capability to perform priority missions at the current levels. When operations in Central Command's area of responsibility eventually diminish in size and scope, programmed SOF growth will reduce stress on the force, allow for improved training, and provide long term sustainability for continuing GWOT requirements worldwide.

• SOF Training Program. The SOF Training Program enables special operations deployment, recovery, training, and preparation cycles. It will deliver versatile special operations task forces to U.S. objectives at the right time and place and allow SOF to be balanced, flexible, and sustainable.

• SOF Global Force Management. The key to successful implementation of the USSOCOM GSP is intensive and continuous management of SOF. Based on global requirements, USSOCOM will be able to provide mission-ready SOF to support planned or emerging needs and will be able to operate for as long as necessary. The net impact of this deployment framework will be more SOF capacity with increased capability for longer periods of time.

It is imperative that SOF have access to forward areas to conduct global operations. The USSOCOM GSP strategy leverages existing theater facilities that will serve as hubs through which rotational SOF units will deploy. The plan includes establishing a robust network of Forward Operating Sites and Cooperative Security Locations that enable persistent presence of SOF in priority countries and regions. Employing innovative concepts such as the Afloat Forward Staging Base will also enhance SOF ability to assure access and sustainability. Associated military construction costs will continue to be revised over time to meet emerging requirements. The USSOCOM funded military construction is associated with SOF-unique construction, including equipment and facilities to support SOF-unique operations, training, storage and maintenance.

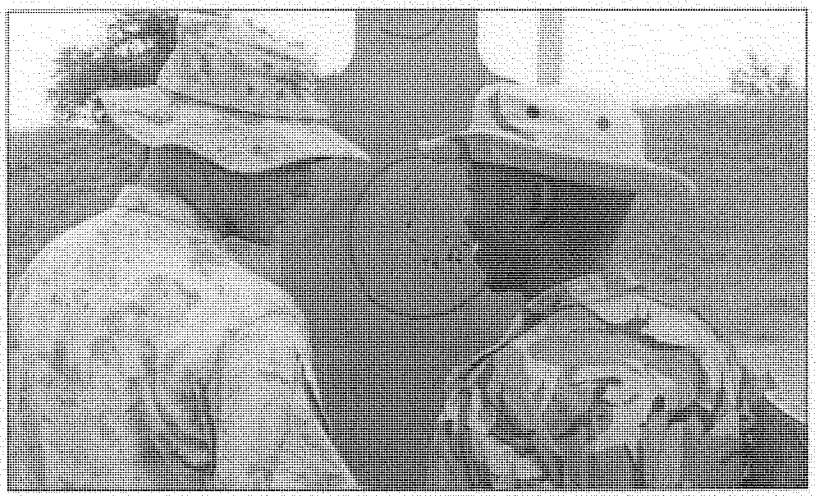
The GSP plan ensures USSOCOM can deploy the right forces with the proper skill sets to meet the GCCs' planned and emergent requirements more efficiently, with more capacity and better flexibility. USSOCOM has programmed for GSP to start in FY 2009 and the end-state is an

enhanced SOF posture with improved operational agility, increased SOF capability and capacity, and rotational SOF deployments as needed.

Capstone Concept for Special Operations

USSOCOM's strategic look toward the future begins with the Capstone Concept for Special Operations (CCSO). The CCSO describes the application of SOF's functional capabilities within the future operating environment and reflects USSOCOM's implementation of the GWOT and the Global SOF Posture plan. Additionally, the CCSO expresses the challenges we are facing and at the same time defines how SOF will look past the Future Years Defense Plan (currently FY 2008-2013). This concept demonstrates how and why we must strengthen SOF for the future, and delineates a concept of operations with intended solutions. Perhaps most notably, the CCSO establishes an active management architecture for future SOF expeditionary employment.

USSOCOM's strategic goal of continuing to transform SOF to meet the challenges of the long war are not attainable without applying the lessons learned from past, current and future operations supporting the GWOT. Effectively integrating USSOCOM's lessons learned and those of our joint, multinational, interagency, intergovernmental, and Coalition special operations partners is crucial to countering and defeating international terrorism threats. The current Lessons Learned program at USSOCOM is shifting its emphasis from passive collection and archiving lessons observed to a new, more aggressive paradigm. This evolution centers around robust active collection with detailed analysis that is integrated throughout the Command's Strategic Planning Process, the resourcing process, the USSOCOM Long Range Planning Process, and many other processes with resolution of issues and dissemination to SOF and joint communities as the primary goals. The difference in a lesson observed and a lesson learned is the application of corrective action and resourcing to effect change of a process, a piece of equipment, or the manner in which personnel are trained. As lessons learned must be incorporated into the allocation of dollars they must also be considered when developing the operational concepts for future SOF concepts.



Persistent engagement with our partner nations is key to success in the long war.

Special Forces conduct a night-time operation in Iraq.

At the heart of the CCSO are three strategic objectives for the future that USSOCOM will continue to pursue: GWOT Lead, Global Presence, and Global Expeditionary Force. The document establishes five key capability areas that are essential to achieve the three strategic objectives.

- The Joint Expeditionary SOF Concept structures and reorganizes future SOF for maximum employment.
- The Joint Special Operations Warrior Concept is a program for joint SOF Warrior development to produce more capable and diverse SOF through new concepts for selection, training, education, and career development.
- The Joint Special Operations Command, Control, Communications, Computers, and Information (C4I) Concept integrates disparate communications into a seamless, global, fully interoperable C4I infrastructure.
- The concept for Joint Special Operations Logistics, Acquisition, and Resourcing describes changes necessary for meeting responsibilities of global persistent presence and rapid global expeditionary employment.
- The concept for Joint Special Operations Intelligence outlines transformation to a globally distributed intelligence system that unifies the entire SOF community

Developing these key capability areas enables USSOCOM to identify needed capabilities and subsequent capability gaps, and then determine possible solutions. The CCSO is critical because it guides the Command's transformation process and serves as the foundation for the Long Range Planning Process, which balances near-term capabilities with long-term requirements. In this process, future SOF operating concepts are developed and refined through wargaming and experimentation, and will undergo Capabilities Based Analysis in order to identify necessary SOF capabilities for programming. The CCSO and Long Range Planning Process create a infrastructure to lead USSOCOM to its desired future and required capabilities.

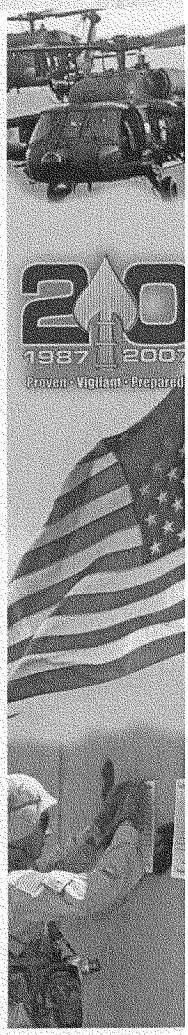
Conclusion

United States Special Operations Command understands that the strategic environment facing the United States today requires many capabilities, several of which are not traditional areas of military expertise, and reside outside of Department of Defense. Accordingly, USSOCOM's development and continued maintenance of the DOD GWOT Campaign Plan facilitates the required integration between the various U.S. Government agencies and international partners, as well as the integration of required capabilities, both direct and indirect. USSOCOM is synchronizing these efforts and operations with Geographic Combatant Commanders, other government agencies, and partner nations, on an unprecedented global scale.

Key to success in the long-term GWOT is our ability to focus and facilitate international partners on a cooperative, integrated strategy, and USSOCOM is leveraging SOF capabilities to do just that. In the end, the goal is to develop a global environment that is inhospitable to terrorism. This can only be accomplished by enabling our partner nations to reduce terrorist threats to regional and eventually local levels, which they can successfully address through their own security and justice systems. Some of our SOF activities such as Foreign Internal Defense and Unconventional Warfare enable our international partners through training, equipping, and advising them regarding counterterrorism operations. Less visible but equally important are Civil Affairs and Psychological Operations that address deterring support to terrorists and eroding extremist ideologies. USSOCOM initiatives such as the Joint Psychological Operations Support Element, the International Engagement Program, Civil Military Support Elements, and the Sovereign Challenge Program reinforce and expand upon these efforts. These core SOF capabilities require synchronization with other ongoing interagency and partner nation actions, and USSOCOM ensures this synchronization to harness the expertise of all participants.

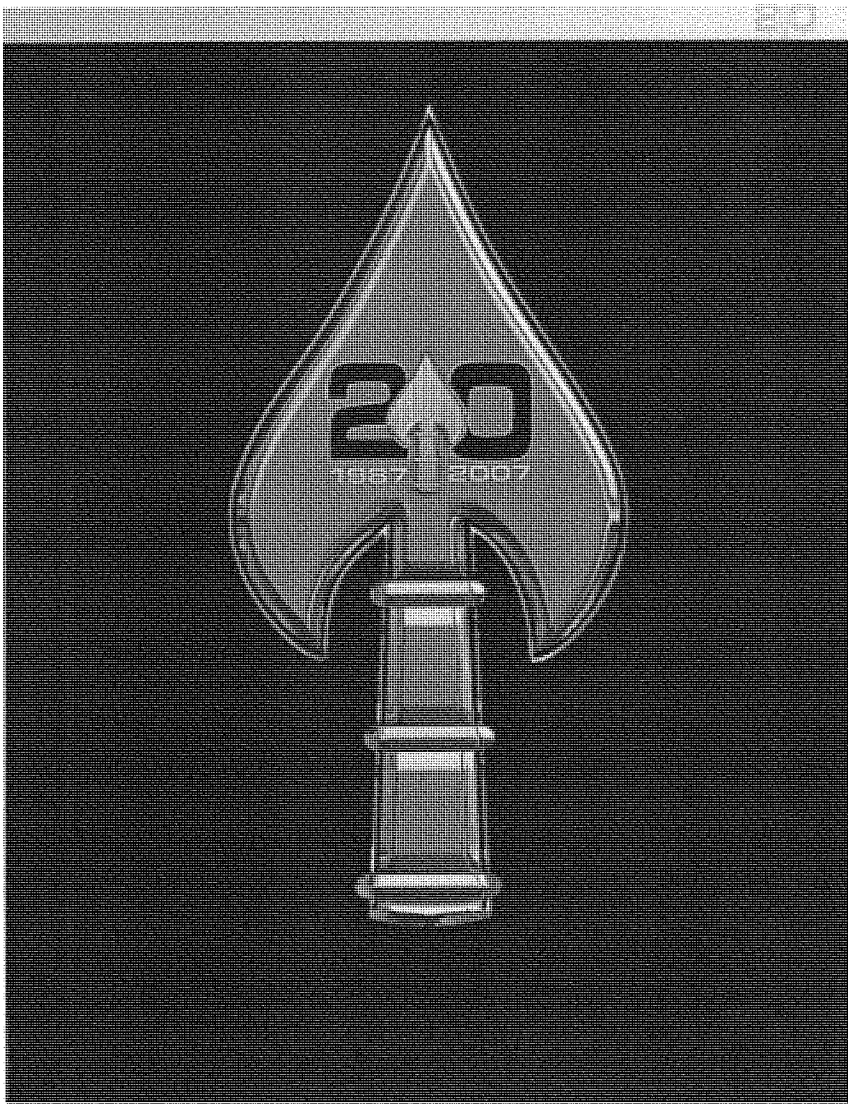
The SOF Warrior is crucial to the Global War on Terror. SOF's growth supports the GWOT Campaign Plan, USSOCOM's implementation of the GWOT plans, and the future Global SOF Posture plan. This very deliberate growth is happening at a pace that USSOCOM and its components can sustain without compromising the essential high standards of the SOF Warrior. All USSOCOM processes – from acquisition to resourcing to futures – are focused on supporting and enabling the SOF Warrior, today and in the future. At the core of these processes is a driving passion to be outstanding stewards of the resources USSOCOM has been provided. As a result of proactive management oversight, USSOCOM's Internal Control Program Statement of Assurance was recognized as second best of 34 reporting agencies in the Department of Defense.

As USSOCOM celebrates its 20th Anniversary this year, the Congressional actions that created the Command have been thoroughly validated. USSOCOM was established to synchronize the irregular warfare and counterterrorism capabilities scattered throughout the Department of Defense. These very capabilities are what make USSOCOM so uniquely suited to lead the Global War on Terror today.



Glossary

AFSOC: Air Force Special Operations Command
ANSF: Afghanistan National Security Forces
C4I: Command, Control, Communications, Computers, and Information
CCSO: Capstone Concept for Special Operations
CMNS: Combat Mission Needs Statement
CMSE: Civil Military Support Element
CSO: Center for Special Operations
DOD: Department of Defense
FID: Foreign Internal Defense
FMTU: Foreign Military Training Unit
FY: Fiscal Year
GCC: Geographic Combatant Commanders
GIG: Global Information Grid
GSF: Global SOF Posture
GWOT: Global War On Terrorism
IATF: Inter-Agency Task Force
IEP: International Engagement Program
ISOF: Iraqi Special Operations Forces
ISR: Intelligence, Surveillance and Reconnaissance
JPSE: Joint Psychological Operations Support Element
JSOU: Joint Special Operations University
LRPP: Long Range Planning Process
MARSOC: Marine Corps Forces Special Operations Command
MIST: Military Information Support Team
MTPS: Mission Training and Preparation Systems
NAVSPECWARCOM: Naval Special Warfare Command
O&M: Operation and Maintenance
OEF-TS: Operation Enduring Freedom Trans Sahara
PEO: Program Executive Office
PSYOP: Psychological Operations
QDR: Quadrennial Defense Review
RDT&E: Research, Development, Testing, and Evaluation
S&T: Science and Technology
SBIR: Small Business Innovation Research
SEAL: Sea, Air, and Land forces
SOAR: Special Operations Aviation Regiment
SOF: Special Operations Forces
SOFSA: Special Operations Forces Support Activity
SOST: Special Operations Special Technology
SOTD: Special Operations Technology Development
SPP: Strategic Planning Process
TSOC: Theater Special Operations Command
TTL: Tagging, Tracking, and Locating
UAS: Unmanned Aerial System
UAV: Unmanned Aerial Vehicle
USAID: U.S. Agency for International Development
USASOC: U.S. Army Special Operations Command
USSOCOM: U.S. Special Operations Command
USSTRATCOM: U.S. Strategic Command
WMD: Weapons of Mass Destruction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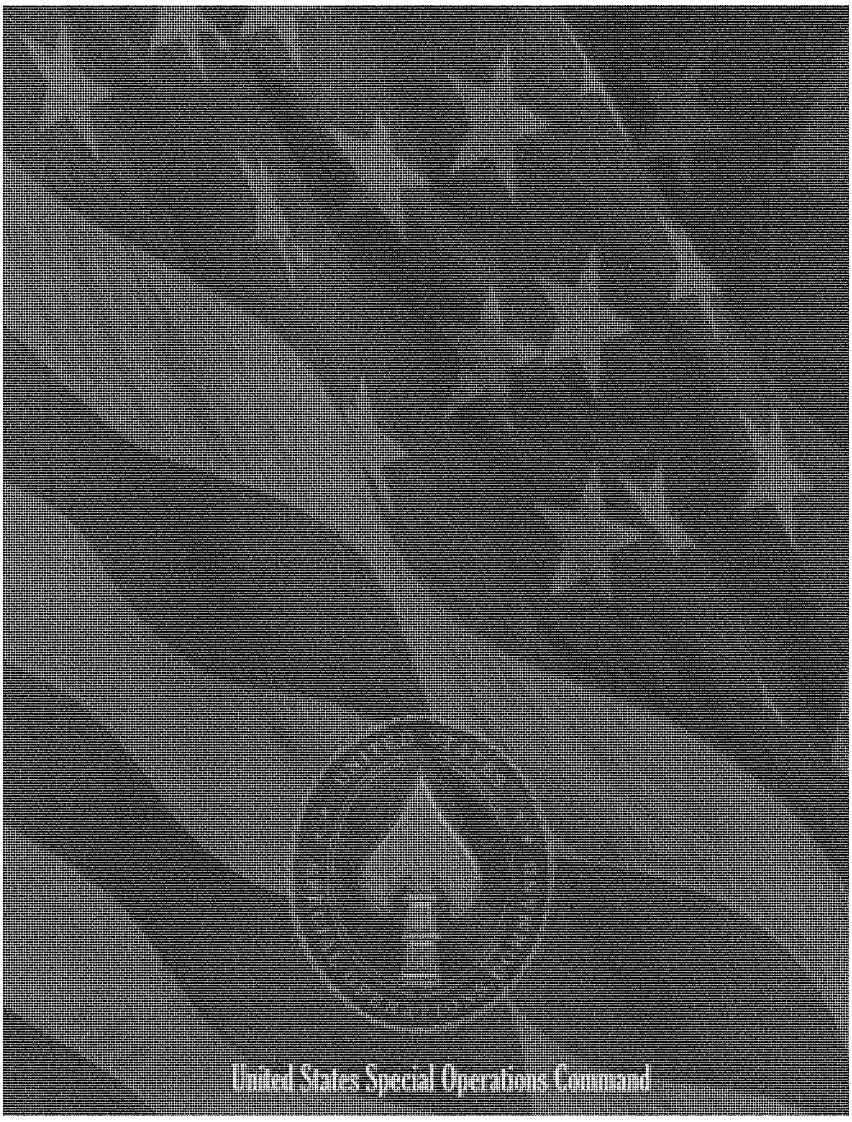

Chairman LEVIN. Admiral Olson, thank you so much.

We'll start with an 8-minute round of questions for the first round.

We've heard a lot, and before this committee, about the lower basic readiness of our non-deployed forces, and the problems that that creates in terms—in many ways, including a lack of strategic depth—that puts in your hands, some real significant operational risk. I'm wondering whether each of you would describe the readiness challenges that you face. Is there a lower readiness level in our non-deployed forces, and what problems does that create for

you? What are the implications, long-term and short-term, of these lower levels of readiness for your command?

Admiral, let me start with you.

Admiral KEATING. Mr. Chairman, we look at that carefully, as you would expect us to. It would—for us to execute the plans, should we be required to do so, not be as elegant, it would not be quite as timely, and we would shift our focus from certain service-specific capabilities to other Services where there are not the draw on those forces—Navy and Air Force, in particular, is not as significant as is for the Army and the Marine Corps.

But, it's our assessment that we can respond in a timely fashion, should we be required to on the peninsula or elsewhere throughout our AOR. We are gradually increasing assets such as ship and land-based preposition equipment, we would rather have the rate of replenishment for precision-guided munitions increased, but there are plans from the Services to address each of those shortcomings.

So, in the shortest answer I can give you, Mr. Chairman, is we can respond, if necessary, we would shift some of the capabilities to other Services that aren't quite as strapped, and the risk is not insignificant, it has increased over time, but we are still able to respond.

Chairman LEVIN. Thank you.

General Bell?

General BELL. Thank you, sir. I agree with Admiral Keating, and would amplify in Korea. My requirements for forces are initially air- and naval-centric, and I will tell you, Senator, that the ability of the Air Force and naval aviation, and naval surface combatants and subsurface combatants to respond to my requirements is quite high, and I'm very satisfied with that, and I exercise it routinely.

I am not as satisfied, to say the least, with Army ability to respond, or Marine Corps ability to respond. The really good news in the ROK, is however, that we have a terrific ally with a great military, and their strength happens to be their Army and their Marine Corps. Their 560,000 men, Active-Duty Army is first-class. I've rung that thing out from top to bottom, and so we have an environment there, where this idea of interdependency in coalition and combined warfare, is a reality; it's a great success story.

So, for our war plans in Korea, the greatest challenge that we see in the U.S. military today, which are real and complex, do not affect me to the degree that it might in other areas where U.S. ground forces are required immediately to a combat area.

So, I am concerned about U.S. ground force readiness, it does play in my op plan, however, with the ability of air and naval forces to respond being quite good, I am quite confident that we can exercise our op plan.

Chairman LEVIN. Thank you.

Admiral Olson?

Admiral OLSON. Mr. Chairman, U.S. SOCOM and by law, the Commander of U.S. SOCOM, is responsible for the combat readiness of SOFs. We are a force provider, unlike other combatant commands, and in that role, General Brown and the rest of the Command pay great attention—it's our highest priority—to ensure that the forces are, indeed, ready.

The data that is reported by each of our units has been consistent for about 5 years. The measurable readiness of the force has neither increased nor decreased significantly, as we've gone through what we've been through recently.

Now, the data reports both the technical readiness against a discrete set of standards, and it permits the commanders to, in their own words, state their readiness for war. The readiness for war has increased, as the measurable standard has stayed the same. That's because the Command is focusing on a mission that is facing us most directly.

There is a decreased time between deployments that impacts the ability to train on the plethora of other things that SOCOM forces should be training on, because they've just taken a lower priority in preparing for the fight in which we are engaged.

Among those things is language training, which you addressed in your opening remarks. We are at an operations tempo where we have spelled our commands that are regionally-oriented to CENTCOM with commands that are regionally-oriented to other parts of the world. That, then, causes a decrease in language readiness.

But, in general, the skill sets and the readiness of the equipment are steady, or slightly improving, in recent years.

Chairman LEVIN. Thank you.

Admiral Keating, there was a recent New York Times article that discusses the debate, allegedly, within the administration as to whether the United States could have taken some action to address the Chinese anti-satellite weapon test last January. Are you familiar with that article?

Admiral KEATING. I am, sir.

Chairman LEVIN. In your view, since it's alleged that we knew in advance that that test was going to be launched, was there such a debate as to whether or not we should meet with the Chinese and explain to them what our concerns were?

Admiral KEATING. Senator, I don't know if there was or not. I wasn't in the PACOM when that information was apparently available. In the job that I had, we would have been interested in that discussion, because of requirements I would have had at NORTHCOM, and I was not aware at that time of those discussions.

Chairman LEVIN. All right, General Bell, let me ask you about North Korea and its alleged highly-enriched uranium (HEU) program. Last February, this committee heard testimony that indicated that the Intelligence Community may be reassessing or have reassessed the level of confidence that it has about whether North Korea has or had a HEU program, and I'm wondering whether or not you are aware of any assessment or re-assessment relative to that level of confidence about a HEU program in North Korea and more specifically, has there been any change in our intelligence assessment since the November 2002 NIE on that subject?

General BELL. Yes, sir. I think we all know that we have clear evidence and admitted evidence of the transfer of centrifuges from the A.Q. Khan network in Pakistan several years back, with some small number of centrifuges, that would enable the development of a HEU program, along with other technologies. The several engage-

ments that the United States has had with the North Koreans and their own self-professed discussions on this gave us at one time high confidence that they were seeking to develop a HEU program to complement their plutonium program that they get from their plutonium they get from their reactor.

Since those days, about 5 years ago, the proclamations and the evidence of a continuation of a HEU program have been sparse. The latest unclassified estimates that I've seen, and that I'm aware of, are that we have confidence that this program still exists, and that we intend to make it a part of the Six-Party Talks process, and that the expectation is during Phase 2 of the Six-Party Talks, should we get into Phase 2, that the declaration of the North Koreans of a HEU program, or not, will be made, and that they will give us access to that program—us being the international inspectors—to verify and validate what they have been doing in HEU, and then we would expect them to disable that program, like we expect the other programs to be disabled.

So, I have no evidence today that the HEU program in North Korea has grown any, and I think our Intelligence Community's assessment is that they still have a program, that we have confidence that they have a program, and it's now up to them to declare their program, and allow the inspectors to get in there and determine the extent of it, and then in good faith take that program apart, as part of the denuclearization effort.

Chairman LEVIN. Just to conclude here, the level of confidence that we expressed at the time was a high degree of confidence.

General BELL. Yes, sir.

Chairman LEVIN. Has that level of confidence remained the same?

General BELL. It is my understanding from the Intelligence Community that it is a moderate confidence level today.

Chairman LEVIN. Would that be a lesser level of confidence?

General BELL. It would be less than high, yes, sir.

Chairman LEVIN. Is it less than what existed at the 2002 estimate?

General BELL. My assessment is that it would be.

Chairman LEVIN. Thank you. Thank you very much.

Senator Warner.

Senator WARNER. Mr. Chairman, I'd like to just ask a quick follow-on question to your important line, and then the balance of my time go to Senator Martinez who has to depart.

You know that the North Koreans committed to do a 60-day deadline for meeting the initial steps. Now, that failed to take place. What's your own feeling, professionally, of that breakdown in what, otherwise, was an orderly process outlined, and how does that impact or not impact the security relationships, which is your prime responsibility?

General BELL. Thank you, Senator Warner.

First, the Six-Party process is a solid process with the right verification regiments in it, and I think our diplomats did a masterful job of negotiating a reasonable approach to the requirement to denuclearize North Korea. You're exactly right—60 days from the signing on 13 February of this agreement, the North Koreans were to have shut down their reactor at——

Senator WARNER. Yongbyon.

General BELL. Yes, sir. Shut it down, and allow the International Atomic Energy Agency inspectors in there. During this process, they raised the issue of the frozen funds in the Banco Delta Asia, which is not technically a part of the Six-Party Talk process. The United States agreed to un-freeze those funds, and we did. Those funds are available to the North Koreans to withdraw.

There are complexities for them and the international banking community in affecting that withdrawal, apparently. I'm certainly not a banker, but I will tell you that there are complexities, but nonetheless, it is clear to me that those funds are available to be withdrawn, and can be—in my view—fairly quickly by the North Koreans, should they choose to do it. They have not.

We're now almost 2 weeks beyond the 60-day point. The North Koreans appear to want to assure themselves access to the international banking community, and I believe there is concern by themselves, and the international bankers, that if a normal transfer of funds is made from the Banco Delta Asia to other banking entities, that those entities could become liable for violating a series of sanctions.

So, what the diplomats are trying to work out is a way for North Korea to gain access to its funds without all of the other banks in the international community, without their help.

So, the process has not broken down. The funds are available. The North Koreans have articulated continued good faith in this. I believe, sir, that it is acceptable that we give them more time to sort out the physics of how they will get this money. They are not experienced in international banking. With all of the restrictions, and proper restrictions, that are placed on illicit funds activities, this is no small matter for them.

So, I think we should give them a little longer, and see how it works.

Senator WARNER. That's clear, and I think our country deserves credit; it has led these Six-Party Talks and I think they've been successful, I share your views. The U.S. has acted in good faith, as has the other members of the Six-Party Talks, and it's up to the banking community, and I hope it will work out.

Senator Martinez, would you pick up on that, the balance of the time?

Senator MARTINEZ. Thank you, Senator Warner, I appreciate your kindness and deference. I wanted to ask Vice Admiral Olson a couple of questions, first to congratulate you on your 20th anniversary, and tell you how delighted I know all of Floridians are that you are headquartered in MacDill in Tampa. I know Senator Nelson shares that joy with us, so we're glad to have you in Florida, and we appreciate your presence there.

Admiral OLSON. Thank you, sir.

Senator MARTINEZ. I wanted to ask—one of the things that we always are concerned here, particularly in the current posture that we are, is recruitment and retention, and wonder—particularly in your forces, which requires special endurance, expertise, and skill, and everything else—how that picture is shaping out, and how we're doing on retention and recruitment?

Admiral OLSON. In a nutshell, Senator, it's shaping out okay. We are growing at the rate that we optimistically predicted that we could, and our optimism is proving to be well-founded.

We did invest previously in the training infrastructure, especially the Army side, and so they had the instructors and the classrooms in place to absorb the greater input. We've grown an additional battalion of recruiters for SOFs, they've been successful. We have more input into Army Special Forces this year than we've ever had. The infrastructure—just as an example—that we did invest in a few years ago, enabled us to increase our annual through-put of Green Berets, Special Forces Operators, from about 300 a year to nearly 800 2 years ago. So, if that trend continues—and we have every reason to believe it will—we'll be in pretty good shape, Army-wise.

Navy SEALs are a little bit tougher, recruiting-wise, but the Navy has given SEAL recruiting its number-one priority this year, and invested an awful lot of energy, and a good deal of money into recruiting SEALs.

The statistics that I saw this week show that we have about between 30 and 40 percent more sailors eligible to commence SEAL training this year than in any previous year. That includes a readiness rate, and just the physical fitness test, for example, whereas at boot camp, those who volunteered a couple of years ago were passing the fitness test at a 17 percent rate, now those who are volunteering are passing at a 70 percent success rate.

So, we will start more SEAL trainees this year than ever before, and the motivation week—often called "Hell Week"—which is a crucible of SEAL training, the last two classes have been the two largest classes to finish Hell Week in recent memory.

Air Force Combat Controllers and Para-Rescue Jumpers, again, a small, but very important and hard recruit-for element of our force, have made changes in their recruiting and in their pipeline training processes that are showing about the same level of success, so again, we expect that we will graduate more Combat Controllers and Para-Rescue Jumpers from the Air Force than ever before.

Aviation—both Army and Air Force—is always tough, but we don't recruit people to be aviators, we recruit aviators from the Services to be Special Operations Aviators, so that's something that is very carefully negotiated with the Services in terms of what they are willing to let go from their needs to meet ours. But, we're having some success with that as well, sir.

So, back to my opening nutshell, I think we are very okay, and we are optimistic, but what we don't know is the long-term impact of what is happening, yet. So, we are trying to collect the data and do the studies regarding recruiting and retention to ensure that we can stay ahead. The response generally follows the data, and the data follows the reality. We're trying to be predictive in that, so that we can stay ahead.

Senator MARTINEZ. Thank you. I hope it continues to be encouraging.

I want to also have you update me on the progress of the timeline to move the Army's 7th Special Forces Group to Eglin Air Force Base.

Admiral OLSON. Yes, sir.

Senator MARTINEZ. Where it is at the moment?

Admiral OLSON. There are environmental impact concerns now, largely related to the stationing of the J–35 Strike Fighter at Eglin Air Force Base, which has probably delayed our move of the 7th Special Forces Group from Fort Bragg to Duke Airfield in the Florida panhandle by up to a year. We're expecting now fiscal year 2010 movement. Originally, we had programmed fiscal year 2009 movement.

Senator MARTINEZ. Any facilities needs that you are needing that relate to that move that are not currently being met? Are the facilities at Eglin adequate for what you need?

Admiral OLSON. No, sir. They're not adequate now, but they're in our program to be adequate.

Senator MARTINEZ. Admiral, I wanted to ask of you, relating to the Chinese Navy and if you could forecast for us where you see their development and, into a Bluewater Navy, and how quickly you think that they're evolving into that type of a Navy?

Admiral KEATING. Thank you, Senator. The Chinese Navy is, they're pretty good and getting better in terms of equipment. They have participated with us in a couple of relatively rudimentary search-and-rescue exercises, inaugural events for our Navy to participate with their Navy. Their skills in those exercises were average. These are fairly simple exercises, Senator, and their equipment is increasingly impressive.

They're building some of their own naval vessels, and they are buying others, principally from Russia. So, we watch them very carefully, we are exercising with them on an increasing basis, both in terms of numbers of exercises, and complexity of exercises, but they are nowhere close to as capable as our United States Navy. We see their growth rate as not being insignificant, in terms of capability and equipment, but they are a long, long way from challenging us in the maritime domain.

Senator MARTINEZ. Thank you, Mr. Chairman.

Senator REED [presiding]. Thank you, Senator Martinez.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Admiral Keating, the first question regarding the United States progress in the global war on terror, in your AOR, is the current approach to fighting the global war on terror the correct one, in your opinion?

Admiral KEATING. It is, sir.

Senator BEN NELSON. Part of the success of this global war on terror depends on how the world perceives it, and in your AOR, what is the perception of the battle, our battle in the war against terror?

Admiral KEATING. I believe, Senator, the perception is balanced on the part of our allies throughout the Pacific Region, it is a challenge for us in the long-term. There are schools of thought that suggest that throughout the tens of millions of Muslims in Malaysia and Indonesia, and India, in particular, those three countries, that there is a perception amongst the rank and file that our efforts may be shifting very gradually—the United States efforts

from a global war on terror to a global war on Islam, and if that's accurate, in our view, that would be unfortunate.

So we're trying to shoot ahead of the duck a little bit here, and moderate those opinions if they are, in fact, developing by increasing our engagement in those countries, in particular, and working across the interagency, in particular, with our embassies on a strategic communications plan that would, to the best of our ability, offset those potential changes in perception.

Senator BEN NELSON. On a scale of 1 to 10, what would you give our chances of being successful in changing the attitude toward our efforts?

Admiral KEATING. Seven, Senator.

Senator BEN NELSON. That high.

Admiral KEATING. Well, if I could amplify, sir.

Senator BEN NELSON. Go ahead, sure.

Admiral KEATING. I was just in Malaysia, I don't know, 10 days ago, let's say. My first visit to that country, it's an amazing place, and growing in a hurry. A vast majority, in the high 90 percentile, of the Muslims in that country are very much disenchanted with the radical Jihad Muslim movement. But, that's not to say that they're not ever-so-slightly skeptical of United States efforts in the Middle East.

So, it is incumbent on us, in my view, based on my one visit to Malaysia, to take that number that I just gave you, about seven, and try and move it further to the right, and I think we are capable of doing that, not just PACOM, much more importantly, in the inter-agency effort led by the State Department.

Senator BEN NELSON. General Bell, what are your thoughts about that same effort?

General BELL. Thank you, Senator.

Where I sit in Korea, we have a very small, but real, Muslim population. However, we have no Islamist terrorist activity that has been directed at either the Korean Government or U.S. interests.

There is some concern there that there could be, we do track the movement of known names in this arena to make sure that we're doing our force protection business correctly.

I think the real issue for me in Korea is, does our ally, in this case, Korean ally or any of our allies, do they stand by us in this global war on terror and are they contributing? Do they see this threat similar to the way we see it? I would offer to you that the citizens of the ROK have demonstrated their perspective of this by supporting the contribution of troops from the ROK both to Iraq and Afghanistan.

They have also committed a new force to Southern Lebanon, and it will be going into Southern Lebanon this summer. About 350 soldiers to be part of the peacekeeping force there in the Middle East, so the ROK, through the engagement strategy that the United States has pursued for the last 50 years with that great ally of ours, is standing beside us and contributing real capability in real places that matter to the United States as we pursue this.

So, I believe, as General Keating said, that engagement with our allies, making certain they understand the risks to the world that radical, fundamentalist Islam poses, and how it ought to be dealt

with on a global basis, is paying off in some sectors. Certainly, I think, it is for us in the Pacific.

Senator BEN NELSON. Admiral Olson, your take on this?

Admiral OLSON. Sir, SOFs in the course of a given year will go to about 100 different countries. We wake up most days in 45 or 50. The nature of those deployments is most often to train with counterparts in those nations, we're there by invitation, and we work at the small unit level. Most often our deployments are in single-digits of people, or low double-digits for a finite period of time, measured in single-digit weeks, in a specific location for a specific training purpose.

So, the people that we train with are generally focused on either their next deployment as coalition members into Afghanistan or Iraq or the surrounding nations, or their concerns about the security of their own borders, and the rising terrorism threat within their nations.

There is a general concern that as the balloon has squeezed in CENTCOM, there will be increased terrorist activity elsewhere in the world, in places that are less governed. So that is on the minds of many of the nations that we train in, sir.

Senator BEN NELSON. What about language training? Is your language training adequate, General Bell?

General BELL. Certainly where I deal with our ally, our language training is adequate. We have a very aggressive Korean language program.

Senator BEN NELSON. Yes, of course.

General BELL. We do not pursue an Arabic or Islamic training program, but I know that language training across the Army is a challenge, we struggled coming out of the Cold War to shift our language training efforts to more applicable areas, particularly the Middle East. Those shifts have been made, it takes years to make a good linguist.

I've learned now from the last 4 years of overseas duty, both in Europe, in NATO, and now in the ROK that at the basis of the relationship with any foreign country is our ability to speak their language, and their ability to speak ours. It is a huge multiplier in the investment that's required by our Nation, in language training for our servicemembers, and quite frankly, across the other interagency activities of our Government, is a vital component of our ability to prosecute security initiatives across the world.

So, we're doing well on Korean training, but I would not tell you that we're there yet on the kinds of training that we need to secure our Nation in the future.

Senator BEN NELSON. That's after 50 years plus.

Admiral Keating, what is your take on this as you look toward a broader command?

Admiral KEATING. I would echo General Bell's statement, although I think Admiral Olson's probably best qualified of the three of us to address specifics for SOFs, but in the Pacific theater, we capitalize, to the extent that we can, on American citizens who have family roots in the countries in our AOR, and that is a significant source of language capability for us, and I know the Services are actively concentrating on determining what those capabilities

are in the individual joining the Service, and trying to capitalize on those.

A lack of language ability does not adversely affect our readiness, Senator. So, that's a negative way of putting it, it can affect our plans based on the capabilities that we have.

Senator BEN NELSON. Finally, Admiral Olson? You have a much broader range, array of requirements.

Admiral OLSON. Yes, sir, we do. We study many more languages, we have different structures and some advantages over the big Services in terms of the way that we manage our language programs, it has been a high priority for us for many, many years.

But all that said, the answer to your question, is it adequate? It's still not adequate. It's a perishable skill you have to keep at a language over and over and over, classroom study is only part of the answer to being proficient in a language, and on the scale of one to five by which languages are typically measured, it requires a proficiency level of three to really be functional to the point where you can instruct and interact and converse in another nation.

So, we don't have as many as three speakers and above as we would like, we're striving to get there, we have instituted enhancements to our language programs across all of our forces, but it's a continuing struggle, sir.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen.

Senator REED. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. Just a comment to commend our colleague from Nebraska about raising this rather delicate and complex issue about the term of global war on terrorism. More and more we find that that, for some reason, is being misunderstood as a broad indictment against the Muslim religion and the Muslim world, when in fact, the terrorists are but a minute fraction.

I noticed that the House Armed Services Committee under the leadership of Chairman Skelton has looked into this issue. Great Britain, likewise, has begun to examine it, and I think your answer on this question—your response, Admiral Keating, is very cogent. I personally am going to try and work through this issue and try and figure out what we should do on it.

Senator Sessions.

Senator SESSIONS. Thank you.

Admiral Keating, just briefly—you've, in the past, noted that North Korea's weapons of mass destruction program does present threats to us, and that as Commander of Northern Command (NORTHCOM), you were in command of the Ground-Based Missile Defense System, our basic missile defense system.

Now, you're in the Pacific, that is your AOR—how important is it that we keep up with the threat, and that we deploy a ground-based system, and sea-based systems, in your opinion, today?

Admiral KEATING. It's crucial, Senator.

Senator SESSIONS. Admiral Keating, and maybe Admiral Olson, we've had some very good success as advisors to the Philippine military as they have confronted violent terrorist groups in the Southern Philippines. Many have suggested that's a model for us in the future about how to fight terrorism. Let me ask you, do you

think that's so? Would you share basically your thoughts, each one of you, as to how we've been successful there and what lessons we can learn from that?

Admiral KEATING. Senator, you're right. The work being done by our Special Forces in the Pacific training the Philippine Armed Forces has resulted in significant setbacks for terrorists and the criminal elements that would support them, and it's a pretty fine line, sometimes there's no distinction in that part of the world, Senator.

Senator SESSIONS. But, there was direct connections between that group and al Qaeda in the Philippines.

Admiral KEATING. That's correct.

Senator SESSIONS. This was clearly an international terrorist group.

Admiral KEATING. No question about it. Progress has been significant. Again, the pace is not breakneck, but it is quantifiable nonetheless. There have been less incidents of terrorism throughout that particular part of the world, not just Southern Philippines, but Indonesia and Malaysia, and not just land-based terrorism, but maritime terrorism, as well.

So, the progress has been measurable, the model—it has application throughout our AOR. I would let Eric comment as to whether or not the train-the-trainer system is applicable in each and every case, but we find it is very effective in our particular theater, Senator.

Senator SESSIONS. Admiral Olson?

Admiral OLSON. Senator, I agree with Admiral Keating. This is a train-and-assist mission in the Philippines that incorporates a number of other disciplines like civil affairs and psychological operations activities. We are living with the Filipino Army, our operations have a Philippine face on them, the people in the local areas are crediting the Philippine Government for the goodness that is coming from the activity, we are assisting the Filipinos with medical programs, dental programs, veterinary programs, school-building programs, and those things, so for us, it is a form of counterterrorism in irregular warfare.

Basically, it largely is a humanitarian assistance mission, coordinated by their government. It is absolutely a model. It's a model that doesn't apply everywhere, but it's a model that we ought to apply wherever we can.

Admiral KEATING. Senator, I remembered something else.

Senator SESSIONS. Yes.

Admiral KEATING. If I could add—an important aspect of this, as those smaller nations' militaries get better at counterinsurgency, counterterrorism, they will work more closely with each other, without our prodding or our assisting. That is a significant benefit, I think, to us, as our Forces can now, literally stay out of the equation, as let's say, Malaysians and Filipinos work closely together to enhance maritime and land security in their respective countries, without direct assistance from the United States. That is a very positive benefit of the train-and-assist program.

Senator SESSIONS. I think that's the first step, and basically we did that in Afghanistan—we had SOFs when the Taliban fell,

that's in 2000—would that be right, Admiral Olson? In Afghanistan when the Taliban collapsed?

Admiral OLSON. Yes, sir.

Senator SESSIONS. We were working, allied with indigenous forces. In the Philippines we work with the Government of the Philippines. These terrorist groups are tough, tough fighters, and they know how to attack these governments, and with a little help, sometimes these governments can be effective in defending themselves, rather than us carrying the burden.

General Bell, you mentioned the build-to-lease situation in Korea. You're moving away from the demilitarized zone (DMZ)?

General BELL. Yes, sir.

Senator SESSIONS. Further south, which makes good sense. The Koreans are funding a substantial portion of that. They've been a terrific ally. But we do need to build and the way they do in that country, a build-to-lease system—would you explain to us what we get if we do that? Why it might cost a little more than you would think necessary upfront, but in the long-run why we would be a winner to take advantage of this situation?

General BELL. Thank you very much, Senator Sessions.

In my 38 years of military service, and 14 years overseas, I have rarely seen the confluence of what we might say is a normal building program with national policy and strategy, but I have that facing me now in Korea, and I think, the Nation does.

So, this is a reasonable question, and I'd like to spend just a moment answering it, because it's really important to the United States.

ROK is a terrific ally. We've had some issues with our allies, certainly in the last 10 years we've worked through all of those, they have become a First World country. This is the 10th largest economy in the world. The notion of M*A*S*H and Korea is something for the movies. We land in Korea now, you have to search for an airport because it is likely that there's a high-rise, 80-, 60-story building right there. This is a modern First World country with all the trappings of the most advanced nations in the world. So they've been expressing a level of independence, and God bless them for that.

This is a great success story for the United States of America, in coming to the aid of an ally who was war-ravaged, and helping them for the long-haul to get on their feet and to become a major world power.

So, in that regard, it is now time for us to turn over more and more of the security responsibility of the ROK to the Koreans, and with our guaranteed support, as a reliable and trusted ally.

Part of that is an agreement that the two nations have made at the senior administration level, to move our forces from north of Seoul, and in Seoul, to south of Seoul, thus ensuring that the South Koreans are responsible for dealing directly with a threat along the DMZ, and second, getting our forces, literally, out from under artillery range, and last, allowing us to consolidate at efficient hubs, instead of these oftentimes pathetic little enclaves where we are still living and working.

The South Koreans have spent an enormous amount of money already helping us with this move. They bought 2,800 acres of land

next to a place called Camp Humphreys, South of Seoul, for $1 billion—bought it, from the local citizens. It's there where we want to do this expansion.

They've agreed to spend over $4 billion in military construction—the Koreans have—at their expense, to facilitate our move, to build the buildings we need. They've agreed to allow us to use levels of burden-sharing money to facilitate these operations.

We've agreed, hopefully, to do one thing, and that is, build family housing for the currently authorized members of our servicemembers who have their families in Korea today. This isn't about normalization in the future, it's about our current family housing, and some housing for senior noncommissioned officers (NCOs), and officers at this place called Camp Humphreys. So, we want to do it through a build-to-lease program.

We've asked Congress in this year's National Defense Authorization Act for Fiscal Year 2008 to raise the lease cap that we legislatively are faced with right now, to empower us to deal in an economy that is a First World economy, and has experienced a growth in the standard of living and the cost of living. Quite frankly, sir, the lease cap that we have right now, legislatively, does not attract an investor to do this work.

If we get the lease cap raised in the legislation this year, then we'll be able to meet our end of the bargain, and that is putting up 2,800 sets of quarters, both family, senior NCO, and officer barracks to meet our end of what has been a very good deal for the United States of America. Billions and billions and billions of dollars—maybe as much as $6 to $7 billion—spent by our ally and something dramatically less than that to be spent by the United States to make this move.

So, to make a long story short, I think that this is one case where a build-to-lease project—and I did build-to-lease in Germany, just before I went to Korea. Build-to-lease there was all about us. Build-to-lease in Korean is all about the alliance, and it's about our partnership and our future commitment to each other, and it's about our people.

So, I strongly, sir, ask for support of Congress to raise that lease cap so that we can meet our obligation. We can't move to Camp Humphreys unless we have a place where people can live, and we've agreed to do that, and it does take congressional support, sir, and I would appreciate it.

Senator SESSIONS. I think you're exactly right. I visited Korea several years ago, and was very disappointed in the quality of housing that our soldiers have in those camps, some of them had leaking roofs and Quonset huts from the 1950s and we were losing personnel from the military who got assignments there.

Now, we've already made some progress, and this move could really create a much better standard of living.

General BELL. Yes, sir.

Senator SESSIONS. We do end up with the property after the lease period extends.

General BELL. We do.

Senator SESSIONS. We end up owning it, and don't have to make the payments anymore, and the cost of living in South Korea is as

high as any place in the world, or most places. I think this is good advice, and thank you for your leadership.

General BELL. Sir, it's a good point, if I could just add on—this is a 15-year lease, that is congressionally mandated, it used to be 10 years, it was raised to 15. But after 15 years, we retain use of that property, free, and don't have to pay lease on it anymore, if we keep it 100 years. So, I realize that we do budgets here year to year, and what you're going to tell me is going to be good for me 15 years from now, that may not be our immediate problem, fiscally, here today, but for sure, on the 16th year that our servicemembers live in those quarters, we're not going to be paying a lease payment, but we're still there.

Senator SESSIONS. We're going to end up reducing our number of personnel in Korea, and I believe we can end up giving them much better quarters, and that would be a major step for us as a Nation, and thank you.

General BELL. Thank you, sir.

Senator REED. Thank you, Senator Sessions.

Senator Akaka.

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

I want to welcome our witnesses this morning, and I want to thank you and your families for the long years of service that you've given our great, great country.

Admiral Keating, I want to say Aloha to you, good to have you there, even for 4 months in Hawaii and in the Pacific, and I hope that your transition there with you and your family has been smooth. I want to wish you fair winds and following seas in your work there at PACOM.

Admiral KEATING. Mahalo.

Senator AKAKA. You know that a great deal of attention here has been given to Iraq and to Afghanistan, but we need to look at the Pacific as having special interests of security there for our country as well, and that the Pacific is another front of the war on terrorism. So, we're glad to have you there.

Admiral Keating, in your written statement, you stated that there is a single facility in PACOM in your AOR for tactical access to the Defense Information Systems Network. What concerned me is you indicated that if this facility were damaged during an attack or natural disaster, there is no backup, no redundant capability to restore PACOM's communication requirements for the war on terror or the Ballistic Missile Defense or even the execution of the standing operations of PACOM.

Admiral, what is the situation there about on that? Is there really no backup system to that?

Admiral KEATING. Senator, as best I can describe, there is a single point of failure for the system, and I'm happy to provide you classified information for the record.

Senator AKAKA. Thank you.

[The information referred to follows:]

[Deleted.]

Admiral KEATING. The single point of failure—it's not like an on-off switch, however, this is a large facility in your State through which certain kinds of communications—not all communications—

but certain kinds of communications upon which we rely, but we're not dependent on them, would those forms of communications pass through this large facility.

There are other ways of moving the information. It is not as timely, and on occasion they can be less secure. But it is not so critical that if there were to be, let's say, a tsunami that would wipe this very large, complex, well-fortified facility, off the face of Hawaii, we would not be prohibited from conducting our operations.

So, it is a single point of failure for standing communications systems. We have backups that are less effective, and less efficient, and consequently not desirable, but we could use them if we had to.

Senator AKAKA. Can you tell me, or any one of you, whether there is a similar problem in other commands or AORs?

Admiral KEATING. There are similar challenges, Senator, the work-arounds they're not so elegant, in some cases it's literally using cell phones instead of classified systems, but if the situation is sufficiently grave, that's what we'll do.

Senator AKAKA. Thank you.

Admiral KEATING. All of the other combatant commands.

Senator AKAKA. Admiral Olson, as indicated in SOCOM's posture statement, SOCOM is a lead combatant command for planning and synchronizing, and when directed, executing global operations against terrorist networks in coordination with other combatant commanders.

One of the pieces of the integrated approach to the global war on terror described in your posture statement is that actions are being taken to attack the roots of terrorism and eliminate its further growth.

Admiral Olson, how is this strategy being implemented in countries like Syria and Iran?

Admiral OLSON. Sir, SOCOM is the DOD lead for planning and synchronizing DOD activities in the global war on terror and as you said, and when specifically directed for executing those activities.

In many of those activities, we're in a supporting role. We support State Department or another agency of Government in conducting many of those activities. We are embedded in the country teams of many embassies, as an example, to provide psychological operations support, or some military information support kind of activities. We're supporting rewards for information programs, those sorts of things, and of course, we're training with our counterparts around the world. Again, several dozen nations per year where we train with our counterparts, and that has a direct local impact on how they view the United States and the skills that they bring to the fight, if they're engaged in it.

In a country like Syria or, obviously, in Iraq, we're there in fairly large numbers, and we are conducting the full range of Special Operations activities. Most of our forces in Iraq are not engaged in direct action activities every day and night—most of them are training with their counterparts in the Iraqi armed forces.

There is a SOF Brigade, for example, within the Iraqi Army that has been raised, in a sense, by U.S. SOFs and we've seen them go from following us onto the targets, to leading us onto the targets.

From us being the largest number, with a few of them, to them being the largest number with a few of us. That is the kind of activity that we synchronize and coordinate.

Again, well beyond direct action into theater security cooperation activities, if they are directly involved in the global war on terror, then U.S. SOCOM has some responsibility for working with each of the combatant commands to coordinate, synchronize those activities for maximum effect.

Senator AKAKA. Admiral, in particular, how is this strategy being used with the sectarian grievances between the Kurds and the Sunnis in Iraq?

Admiral OLSON. Sir, the synchronizing global activities in the global war on terror does not apply directly to the sectarian violence. We are supporting the Iraqi armed forces. We are working with the Iraqi armed forces, and training with the Iraqi armed forces as they are directed by their operational commanders on target. So that aspect that you're addressing is not directly applicable here.

Senator AKAKA. Thank you very much.

Senator REED. Thank you very much, Senator Akaka.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Admiral Keating, I want to pick your brain a bit, but first I have a question I would like to ask Admiral Olson.

There have been a number of reports, Admiral Olson, in the media that individuals on Active Duty under your command use Dragon Skin body armor. The Marine Corps recently joined the Army in banning the use of Dragon Skin body armor. Can you confirm whether personnel under your command are wearing Dragon Skin body armor?

Admiral OLSON. Sir, I can't say absolutely whether or not they're wearing them. I'll tell you that Dragon Skin is not a U.S. SOCOM program, and if it's being worn, it's being worn without the authorization of SOCOM leadership.

We have a program, the Signal Processing, Evaluation, Alert and Reporting (SPEAR) program that develops and procures Special Operations peculiar body armor for all of our forces. We've bought close to 30,000 sets of SPEARs body armor and issued that to all of our force.

Senator WEBB. Right, so if there are individuals wearing Dragon Skin, it is not authorized, is that correct?

Admiral OLSON. I will take that for the record, sir, in terms of specifically whether or not we have prohibited it. It certainly is not a SOCOM program, we do not invest in Dragon Skin armor.

Senator WEBB. I understand that. The question is whether it's authorized if someone purchases it on their own. This is a point of contention among a lot of families with people who have sons and daughters in the Army and the Marine Corps, whether or not this is a type of body armor that is better than the traditionally-issued body armor, and whether or not people are allowed to wear it. But, I'd appreciate it if you could let us know, and please not on a 60-day for the record kind of deal. It should be a pretty easy thing to find out, and I'd appreciate it if we could get that information.

Admiral OLSON. Certainly.

[The information referred to follows:]

The only body armor authorized for use by Special Operations Forces (SOF) is the SPEAR body armor system procured by the U.S. Special Operations Command (USSOCOM).

The prohibition on use of non-SPEAR body armor pre-dates formal testing of "Dragon Skin" and was intended to prevent SOF operators from wearing body armor of unknown quality. The U.S. Army's formal evaluation of Pinnacle Armor SOV 3000 (Dragon Skin), conducted May 5–19, 2006, determined that this system failed to meet both Army Service and SOF standards.

A survey of USSOCOM's component commands conducted last week verified that no Special Operations unit is purchasing "Dragon Skin" body armor, and that no unit commander permits the wearing of privately purchased "Dragon Skin" body armor.

In our continuing quest to provide the highest quality protective equipment, we will conduct another full and open competition for ballistic plates. The contract will be a 5-year Indefinite Delivery Indefinite Quantity. The award is anticipated for 4th quarter fiscal year 2007. Pinnacle and other vendors will be able to compete for this new contract.

Senator WEBB. Admiral Keating, I'd like to talk to you a bit about national strategy in this region, not simply military strategy. We don't get many opportunities to discuss all the components as they fit together. I have a lot of time in this part of the world, first as an Active-Duty marine, as a military planner, as a journalist, as a business person, I've been over there as a Government person, I've been there as a guest of different governments, and very rarely with Americans, which has made it a very unique experience over the past 10 years or so to watch the emergence of China.

In fact, not just China—ironically, I was in Japan in 1998 when the Koreans shot the missile nearby, and I was in Japan again in 2002 when former Prime Minister Hashimoto announced here that they knew, the Japanese knew that Korea had gone over the line in terms of nuclear capabilities.

I have a real concern that with all of the focus that we have spent for a good bit of time on the Middle East that we have been ignoring clear danger signals that come from the strategic emergence of China for the past 20 years. I've been talking about the conscious strategy of the Chinese with respect to the Muslim world. It was hard to get people to even listen, say, 15 years ago on this.

We've spent a good bit of time talking about China's historic strategic interests in Korea and Northeast Asia, Taiwan—although Taiwan really is only one small part of the concerns we should be looking at, even militarily, in that part of the world. Half of East Asia is Muslim—Mindanao, Malaysia, Indonesia—and China pushed very hard for years in South Asia, and the strategic axis clearly in Southeast Asia, because it was directly in their interest, but in South Asia, also, partially because it destabilizes the United States.

They were partnered up, in many ways, with Libya, they enabled Pakistan to acquire nuclear weapons, or Chinese companies under a governmental system like that. They were partnered up with Iran when I was Secretary of the Navy in 1987, in terms of weapons systems.

We've given them a free pass, as we spent so much national energy in and around Iraq, for nearly 20 years now. I see them as, in terms of national strategy, when you look at the subtle combination of diplomacy, economic policy and military policy—I see them

having been enormously effective when we've been tied down, and some of this is pretty specific.

I think I mentioned to you when you were meeting with me before your confirmation hearing about the port facilities that are in Pakistan? The ones that I personally saw in Myanmar several years ago. An hour outside of Yangon there's a huge port facility that the Chinese have built that was basically empty at the time, but was giving them warm water access. I mentioned on a number of occasions the Shikoku Islands where we can look at Taiwan, but you can see they're constantly wanting to, or at least in our perception, is that they're wanting to push the envelope even beyond Taiwan and toward the Ryukyus, and I'm just really interested, and to the extent that you are monitoring this incremental but, I think, pretty palpable expansionism, and what your thoughts are in terms of national policy, what we should be doing about it.

Admiral KEATING. It is a concern of ours at PACOM, Senator. The growth that China is—they manifest this growth, and as we, at the PACOM move through our region, a mantra that we hear is "The United States proposes, China pays," for whatever facility upgrade, military, diplomatic, doesn't so much matter, they come along and start stroking checks, and that is not, of course, specific just to the PACOM.

With that in mind, that leads to a desire of ours at PACOM to integrate this national strategy, national strategic strategy, with our military strategy, and not spend all of our time just in China working with China, but to move throughout the region to consult with our embassies in larger and smaller countries.

Vietnam is an example, I just spoke to Ambassador Marine this morning, and he mentions the growth that Vietnam is demonstrating economically, and improvements in human rights.

All the while, they have a very wary eye to the North, and so it seems to me by working with, on bilateral and multilateral bases with countries throughout the region—not specifically to counter Chinese intentions, or even progress, but so as to keep those other countries apprized of our assessment, to engage with them, militarily, diplomatically, politically, economically, we provide an effective hedge—an increasingly effective hedge, against what may be actual Chinese expansionist policies or, more specifically, Chinese military intentions to move beyond, as you say, just the Taiwan Straits into a bluewater capacity.

So, we're not going to concentrate exclusively on China, we will spend time and effort throughout the region so as to develop stronger relations, enhance security, build military and diplomatic relationships, with an eye toward this hedge against Chinese expansionism.

Senator WEBB. But I would suggest to you that there are two levels of approach on this that could be effective—and I do agree with you, in terms of the danger of flagging this as overt expansionism, which it's not—it's a national strategy that we need to counter. I think your predecessor, Admiral Fallon, did a really fine job in terms of attempting to engage the Chinese, that's one piece of it. The second piece of it would be a really strong push in these so-called "second tier" countries that don't, historically, have the kind of connection that can now be developed. It's either going to be de-

veloped, or they're going to see the United States recede in the region, this is what I hear, and Vietnam is a good example.

Admiral KEATING. Right.

Senator WEBB. I was in Vietnam a year and a half ago, and one of the pieces of news in the Vietnamese press was that the Vietnamese, the South Koreans, and the Japanese have agreed to open visa arrangements, similar to what we have in the European Union, or when we go into Thailand. I would think that that is a subtle way that they are communicating with each other that they have a commonality of interests that is in some ways directed at what is happening to the north, and how it needs to be counterbalanced.

Admiral KEATING. Right, agreed.

Senator WEBB. Thank you for your testimony.

Senator REED. Thank you, Senator Webb.

Senator Warner, you have additional time, would you like to take it now?

Senator WARNER. Thank you. I just want to do one follow-on to my distinguished colleague's question. Admiral Keating, as I look at your portfolio, you probably have more diplomacy in your portfolio than most of our commanders abroad. I want to say, particularly, Senator McCain had hoped to be here this morning, given his heavy investment in this region over many, many years, and that of his fathers and forefathers. So, I'll just ask unanimous consent to put into the record his statement.

Senator REED. Without objection.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

I join Senator Levin in welcoming Admiral Keating, General Bell, and Admiral Olson, and in thanking them for their service to our country.

Admiral Keating and General Bell, the Pacific area of responsibility (AOR) presents enormous opportunities and challenges for the United States. Among those challenges, the most immediate is the situation on the Korean Peninsula. North Korea's nuclear and missile programs continue to pose a threat to its neighbors and to America's interests in East Asia. It remains to be seen whether the February 2007 agreement by the six parties will ultimately lead to a denuclearized Korean peninsula; and whether North Korea is truly committed to a complete accounting of its nuclear program, materials, and facilities; and to complete denuclearization with effective verification—the essence of any lasting agreement. Pyongyang has, regrettably, already missed the first milestone for inviting in International Atomic Energy Agency inspectors and sealing the Yongbyon reactor. We must proceed cautiously as we observe in the weeks ahead whether Pyongyang will take the initial steps toward disarmament, including shutting down the reactor. In the meantime, Pacific Command and United States Forces-Korea play a vital role in providing stability and deterrence in support of this diplomatic effort.

Admiral Keating and General Bell, we look forward to hearing your assessments of the situation on the Korean Peninsula, including any changes you have seen over the past year in North Korea's military posture, and your assessment of North Korea's nuclear program, ballistic missile and proliferation activities, and the readiness of our forces to respond to any possible developments on the Peninsula, both now and in the future.

Admiral Keating, Pacific Command (PACOM) plays a critical role in sustaining and expanding the U.S.-Japan strategic alliance, the cornerstone of our security umbrella in northeast Asia. PACOM and the Commander of U.S. Forces Japan must keep up the robust level of dialogue and ensure elements of our relationship, such as the Defense Policy Reform Initiative, remain on track. There are a number of ideas circulating about the ways in which we can strengthen our already robust bilateral ties with Japan, such as the recently released CSIS "Armitage II" report.

Admiral Keating, I look forward to your assessment of China's military modernization program and plans, to include China's continuing build-up of missiles across the Strait, and the impact of China's military modernization on U.S. interests in the region. I would also be interested in your assessment of the current state of China-Taiwan cross-Strait relations, which remains at the core of U.S. interests in the region. Beijing's regional and global aspirations are growing, and properly managing this relationship is vital.

In the Asia-Pacific region, the global war on terrorism is being waged in Singapore, Malaysia, Thailand, the Philippines, Indonesia, and other nations. I look forward to an update on the efforts of your command to counter the numerous terrorist and transnational threats in your AOR.

Fortunately, the United States does not face these challenges alone. One of the vital responsibilities of the PACOM commander is to work closely with our key allies in the region—Japan, South Korea, Australia, to name a few—to strengthen bilateral relations and to develop multilateral approaches and responses to the challenges and opportunities that we face in the U.S. PACOM.

Admiral Olson, this year marks an important milestone for United States Special Operations Command (SOCOM) because the command will celebrate its 20th anniversary. I, and all Americans, recognize the magnificent performance and rich heritage of SOCOM's members, past and present. We honor their contributions and sacrifices for the defense of our Nation and are conscious that now, more than ever before in that illustrious history, we are relying so heavily on Special Operations Forces.

U.S. SOCOM is simultaneously the lead combatant command for planning, synchronizing, and executing global operations against terrorist networks; conducting demanding, specialized, and sensitive missions in hostile areas; performing foreign training and security missions with partner nations; and undertaking a transformation of unprecedented scope.

This morning the committee will be interested in the readiness of SOCOM, your progress in transformation; the growth in size of SOCOM; the establishment of the Marine Corps SOCOM; your ability to attract, recruit, and train servicemembers at the quantity, and of the quality, required to sustain this growth; and the sustainment of language and cultural training in light of heightened operational tempo. In addition, in closed session, the committee will be interested in your assessment of efforts to locate the al Qaeda senior leaders.

We welcome our witnesses this morning and look forward to their testimony.

Senator WARNER. Thank you very much.

I think following on to my colleague's question on China, I think integrating China into the global community is a strategy we should also look at. That would involve, in my judgment, trying to explore a framework of more military-to-military dialogue, more transparency and coordination with China on a number of things.

Now, I think China was a very stable and major contribution to the Six-Party Talks. Admiral Fallon and I, and other members of the committee, and throughout his distinguished tenure he tried to push that. I hope that you'll continue and maybe increase the momentum.

This is such a fragile world in which we live now, and an incident can trigger unanticipated consequences. In the most intense part of the Cold War, I remember Senator Nunn, the chairman of this committee, and I worked on putting together a hotline of communications with the Soviet Union, and prior to that I had a modest hand in establishing the Incidents at Sea Talks, whereby given the friction between the intelligence-collecting elements of our surface fleets and some of our air units, we were coming perilously close to having an incident. Indeed, we did experience one with China, accidental though it may have been, it was a very difficult one to work our way out of.

Do you see a reciprocal interest in China to try and develop themselves somewhat along the line of the Super Power structure that the Soviet Union once had, and how that was a value to the

United States and the Soviet Union to avoid conflict during the intense Cold War period?

Admiral KEATING. Senator, we do. Since I've been in the Pacific, I have learned to my pleasant surprise that there is more ongoing than I would have thought. As an example, there are 90 different events that involve an exchange of officers or senior enlisted currently on the books for fiscal year 2007. I would not have guessed it, and that's obviously, almost two a week.

So, there is dialogue at all levels, and I think that is of profound importance. It's not just the old grey-haired guy who shows up in Beijing to spend 3 or 4 days in high-level conferences. We have soldiers, sailors, airmen, and marines at various levels who are developing the contacts with their counterparts in China that could go a long way to diffuse a situation that historically will develop.

In two predecessors removed from the Pacific Commander, from where I currently sit, when the incident occurred, we did not have phone numbers to call counterparts, something as fundamental as that. You raised the issue of a hotline, we're actively exploring that, we now have literally the phone numbers on military bases which we didn't have 5 years ago.

So, exchange programs, robust—we're going to improve them and enhance them—exercises, we have a very slow approach in terms of quality, we are going to increase that, we are going to be as aggressive as we can, Senator, and we will increase the visits that we conduct, and welcome them into our headquarters as well.

Senator WARNER. I would hope, for example, on this, it's one thing to have a pocketful of phone numbers, but we actually had a telephone right on the desk of the Secretary of State and I think it was Secretary of Defense, that phone went direct, instantaneously.

Admiral KEATING. We're working with them to develop that very capability.

Senator WARNER. I would hope so.

Then, again, the framework for the Incidents at Sea, was a very effective one.

Admiral KEATING. Right.

Senator WARNER. These are the sort of measures. We have to recognize China is emerging. Clearly, we are going to try and maintain a certain measure of superiority as it relates to the relationships of arms, I think we've covered that, but I believe that China will reciprocate if given the proper opportunity to do so.

Admiral KEATING. Yes, sir, I agree.

Senator WARNER. Now, address the current status of the Taiwan situation. We have the Taiwan Relations Act. But sometimes tempers flare over there, and in such a way that it could trigger unintentional consequences. I hope Taiwan recognizes what has been discussed here this morning, that the United States of America is heavily engaged, militarily, worldwide. We do not need another problem in that region. So, I hope they don't try and play the Taiwan Relations card to their advantage.

Could you give us the current assessment that you have on that situation?

Admiral KEATING. Yes, sir.

Senator, it's my assessment that I'm very confident that Taiwan, they understand our position, they understand how emphatically we emphasize to them that their actions should be defensive in nature, not offensive, and that we remain committed to helping them provide for their defense, but it is very much in their interest not to conduct themselves, either by speech or by action, in a way that could be misconstrued by China in an unfortunate way. As it happens, Taiwan is concluding a significant military exercise on their island right now, we have observers there, and I will be back at our headquarters tomorrow to take a full debriefing.

Senator WARNER. Fine, point well made.

My last question is regarding the normalization on the North Korean peninsula. Surprisingly, we simply have an armistice that's been in place since, what—1953, 1954?

General BELL. 1953, sir. Fifty-four years ago.

Senator WARNER. I've had some modest relationship with that part of the world, having served in the Marines during that war.

General BELL. Yes, sir, I know.

Senator WARNER. Isn't it time that we try and move towards a treaty to resolve such uncertainties that linger in connection with an armistice as the protocol in place, versus a treaty? Do you see an initiative following on to these Six-Party Talks to go to that level to bring about a cessation of tensions on the peninsula?

General BELL. Thank you, Senator Warner.

Certainly, 54 years is a long time, you're right. The good news is that containment and deterrence have worked very effectively to allow that area of the world to grow and prosper, and give North Korea an opportunity to join the free community of nations, and it has chosen not to do that. You're right, it still has a large army, and a dangerous army, postured along the DMZ, which could —with a little provocation and almost no warning—launch a strike into South Korea. It would not be successful, I will tell you that. But it could, because of the density of the population of South Korea, cause enormous damage.

Senator WARNER. Damage, not only to South Koreans, but U.S. interests and personnel.

General BELL. Big time. Yes, sir, indeed. So, it's in everybody's interest to solve this 54-year old problem, and certainly the armistice was never set up to be a permanent condition, it was always meant to be a forum to separate the warring parties, to allow neutral nations to observe and report on the now stood-down parties, and give the diplomats a chance to find a lasting peace. Whether that's reunification, or another regimen, that was the duties of a range of diplomats at those times, and we've not had success.

North Korea has been an intractable opponent.

Senator WARNER. Where we are now, and there's been a successful Six-Party Talks, it seems a logical follow-on might be that initiative, and I hope our country would take it.

General BELL. It could be, and I hope so.

Senator WARNER. Thank you.

Thank you, Mr. Chairman.

Senator REED. Thank you, Senator Warner.

Senator Bill Nelson.

Senator BILL NELSON. Admiral Keating, I want to ask you about the effect of the China anti-satellite (ASAT) test, but before I do, I just want to make an editorial comment. That what they have done with this test is put up thousands and thousands and thousands of pieces of debris, and the Air Force is tracking 1,700 pieces of large debris which—any one of which would be a catastrophic failure—large debris more than 3 centimeters—on any kind of spacecraft.

In addition, there are tens of thousands of pieces of debris that are greater than one centimeter up there as a result of this ASAT test. A piece of debris greater than 1 centimeter would do significant damage to any spacecraft, and would be lethal if hitting an extra-vehicular activity suit while an astronaut is out on an extra-vehicular activity, space-walk operation.

So, I'm going to take every opportunity that I can to call attention to this, and it just all the more makes me wonder, as a result of the New York Times article yesterday that discusses the debate that went on within the administration as to whether or not the U.S. should have warned China ahead of their launch of this ASAT test that they should not do it.

What's your view?

Admiral KEATING. The ASAT test was an unsatisfactory demonstration of technological capability, in my opinion, Senator. In my position at NORTHCOM I was certainly aware of the challenges attendant to the introduction of debris in space, you'd be more familiar with what it's like up there than anybody here, but our friends at Air Force Space Command assured me that these objects, albeit almost microscopic, are lethal.

The policy discussion as to some sort of declaration to China prior to the launch is one in which I would have engaged, and I would have recommended a very strong declaratory policy to China on the part of the United States Government against launching that technological demonstration. I would have recommended against China launching it, and expressing that in very strong terms to China.

Senator BILL NELSON. I wish whoever made that decision would have listened to you, and I agree with you. I think we at least ought have warned them, and particularly, when you start talking about tens of thousands of pieces of debris that can not only harm our assets, and including the international space station, but that can harm the assets of other nations that are up there.

A total of 10 percent increase in total debris in space, as a result of that one Chinese ASAT test. China ought to be held to account for it.

Admiral KEATING. I agree, sir.

Senator BILL NELSON. It was at an altitude that this stuff isn't going to degrade for years, at least a decade.

Let me ask you, if the administration had taken the advice of folks like you, and warned China ahead of time, do you think China would have not conducted the ASAT test?

Admiral KEATING. Senator, I don't know.

Senator BILL NELSON. I don't know, either. But, we'll never know, because nobody ever said it.

Well, let me ask you——

[Audience interruption.]

Senator REED. The committee will suspend—ma'am, can you please sit down so we can conduct the hearing. Thank you very much.

Senator Nelson.

Senator BILL NELSON. By the way, in the Strategic Subcommittee that Senator Sessions and I were leading the other day, I saw some ladies standing up in the back, and I insisted that some of the gentlemen in the audience give the ladies a seat. I was raised to think that if there's a chair that you don't have a lady stand up. Well, low and behold, one of the ladies was one of the ones that stood up and interrupted the session, of which I reminded her, I was the one that enabled her to have a seat.

So, anyway, this is America, and this is what we're here, to try to understand the cross-currents of all kinds of ideas, and develop Government policy.

Let me ask you, Admiral Keating, does the Chinese ASAT test, does it change your thinking in planning and strategy in the Pacific?

Admiral KEATING. It has not yet, Senator. Beyond my commitment to discuss it with appropriate officials when I visit China. As far as execution of plans and policy, we have not made any changes since I've been in the Pacific.

Senator BILL NELSON. General Cartwright had a planned visit to China to visit his counterpart, and it was cancelled as a result of the January ASAT test. Do you think that we ought to be rescheduling this trip? What about our military-to-military contacts with the Chinese? Should they continue, and should they be expanded?

Admiral KEATING. I believe they should continue, and I would endorse expansion, Senator.

Senator BILL NELSON. All right. I've asked you some tough questions, Admiral, and I want you to know I appreciate the candor of your remarks.

Admiral KEATING. Thank you, sir.

Senator BILL NELSON. You also are very candid with me in private, as well as public, and I want you to know I appreciate that.

Admiral Olson, we know the problem that we're going through regarding the wear and tear on our conventional forces as a result of Iraq and Afghanistan, and we have gone through that on this committee quite a bit of times. Can you share with the committee, with regard to your SOFs, the cycle of deployed time, the training time away from home, and the rest and reset time for the Special Forces?

Admiral OLSON. Yes, sir. Of course, many disciplines in SOFs, the data is different for all of them, but at the high end of our force, those Green Berets, SEALs, the aviation crews, those are typically at about a one-to-one ratio now. Sometimes a bit longer back than forward, but sometimes a bit longer forward than back.

That creates stress on the force in a number of ways, and many of the places where the forces are stationed in the United States don't accommodate quality training nearby, so there is a requirement to travel to train, and up to half of the working days in between deployments are spent away from home, training for the next deployment.

So, we understand that this is a long-term drain on the force. Our force has stuck with us so far, our re-enlistment rates are pretty good, better in some ways than we had anticipated. We are growing the force to provide more out there, to get to the places where we haven't been, which would put some more variety in the deployments than we've had in recent years.

Wear and tear on the equipment is another factor. Of course, we're deploying it at a more rapid rate as well, with a much larger percentage of our force overseas. So, I would say briefly that we are feeling the strain of back-to-back deployments, our training in between has been decreased. We have had to prioritize some training so low that it's dropped off the scale in some cases—some of the training that we used to consider important to us, but is not urgent now—and the long-term impact of all that is to be seen.

Senator BILL NELSON. Just to conclude with this, Mr. Chairman, with SOFs, it's not any appreciably different than through our regular forces?

Admiral OLSON. From the statistics I've seen, we're about on-par with the Army and the Marine Corps in general, sir.

Senator BILL NELSON. Thank you, Mr. Chairman. Thank you, Admiral.

Senator REED. Thank you, Senator Nelson.

Senator Bayh.

Senator BAYH. Thank you, Mr. Chairman.

Gentlemen, thank you for your service to our country, and for your presence here today.

Admiral Keating, I'd like to follow up on Senator Nelson's excellent questions about the satellite attack that the Chinese undertook. You had mentioned—and I didn't get your exact words, but you said this was either an unsatisfactory, an unpersuasive, technical demonstration—what did you mean by that?

Admiral KEATING. China's demonstration of this technological capability has led to what is, at least, an unfortunate, if not an unsatisfactory situation for, not just military space, but all those—as the Senator mentioned—as a medium.

Senator BAYH. You weren't meaning that they demonstrated a technical weakness on their part.

Admiral KEATING. No, sir. To the contrary.

Senator BAYH. Unlike the North Korean missile tests that didn't go so well, that demonstrated they had some problems, here—you're saying it created—it was an unsatisfactory situation created for everybody, as opposed to them having a technical problem.

Admiral KEATING. That's correct.

Senator BAYH. That's what I wanted to clear up.

Admiral KEATING. That's correct. That's what I meant, Senator.

Senator BAYH. Let me follow up with one last question, why did they do this?

Admiral KEATING. I'd be guessing, Senator, as to their—it is a demonstration of a capability that, if in a—that would be, could be used in a time of conflict to disable some systems, military systems that would be important to us and others.

Senator BAYH. They were sending us and the rest of the world a message that they had the ability to do this if they needed to.

Admiral KEATING. I would agree with that, sir.

Senator BAYH. There are published reports that indicate that they're also in the process of modernizing their nuclear arsenal, more mobile launchers, perhaps, multiple warhead vehicles, that sort of thing—why are they doing that?

Admiral KEATING. Senator, I don't know precisely why, again, I haven't been there. I could only offer an opinion that it is—it kind of goes to Senator Webb's point—they are looking to expand their influence throughout, not just their particular region of the world, but on a much more Pacific, if not global, theater, stage, and this capability that they may be developing would enhance, in their eyes, their——

Senator BAYH. Forgive me for interrupting, Admiral. Would it be a fair speculation on our part that enhancing their intercontinental nuclear capabilities is probably not aimed at, or intended to effect or send a message to other people in the region, but perhaps some other nation, such as our own?

Admiral KEATING. That would be a fair assessment, in my opinion, Senator.

Senator BAYH. Should we have any reaction to that? The modernization of their nuclear capabilities?

Admiral KEATING. At least on the PACOM level we have had, and we are continuing, to demonstrate to them—that's not the right word—to express to them our concern for military build-ups. We would prefer that they be more than less transparent, and it is our hope by engaging with them at all levels that they understand clearly we know what they're doing, we regard it with concern, and it would be very much in their interest to develop appropriate defensive systems, as opposed to some of those that they appear to be developing, that have a much more offensive nature to them.

Senator BAYH. China has had, at least, a history in the past of some tension with Russia, but that's abated in recent years.

Admiral KEATING. Sure.

Senator BAYH. So, to the extent that they're modernizing their nuclear capability, and much of that is capable of hitting or reaching the continental United States, I suppose there's a message to us in all of that, and we have to ask ourselves why they're doing this, and what the appropriate response is.

Admiral KEATING. Right.

Senator BAYH. It's a part of the ongoing, as Senator Webb was indicating, process of trying to incorporate China in the global community. That's why Senator Nelson's questions are exactly right at the time. We're asking them to be more responsible and integrate them into a global economic and security system. They take irresponsible steps, such as the one he asked you about, that's a somewhat troubling thing, and modernizing their nuclear arsenal can only be designed to—well, let's just say, that's another message they're sending, I think, we have to take into account.

Admiral KEATING. I agree.

Senator BAYH. Admiral Olson, I continue to hear in Afghanistan and some other places that I've been to from some of our intelligence people in the field about a shortage of Predator capabilities. Can you tell us about that? What are your needs? They're under the opinion that—this is a weapons system that's tracking bad

guys in real time, and at least according to people in the field, we don't have enough of them. That's pretty concerning, at least to me. What do you need?

Admiral OLSON. Sir, we found that in both direct action and force protection, overhead video coverage—full motion video—is very important. The quality of the operation depends——

Senator BAYH. Do you currently have everything you need?

Admiral OLSON. We don't, no, sir.

Senator BAYH. Tell us about that. We want to provide you with everything you need.

Admiral OLSON. Yes, sir.

Senator BAYH. Because this is a system that's tracking bad people who are trying to harm us—what do you need?

Admiral OLSON. We have a standard requirement for 30 orbits. An orbit is one system, overhead, all the time, 24-hours-a-day, 7-days-a-week. We have a standard requirement for 30 orbits, we are now at the order of about 12 orbits.

Senator BAYH. How many more Predators do you need to meet your requirements?

Admiral OLSON. It's not all Predators if we're talking Global Hawks.

Senator BAYH. In Global Hawks and things of that nature, and I've been told that to try to meet the demand in Iraq and Afghanistan and elsewhere, we have to perhaps reduce coverage some other places.

So, look, to meet our requirements in this important area, what do you need of us?

Admiral OLSON. First of all, let me say that we are programmed to receive a squadron of Predators in our program. That will provide six orbits. That's very helpful. Ultimately, we will need more beyond that, in terms of dozens more, or alternatives to Predators, and there are many. But we can—there's a rate at which we can absorb them, as well—train pilots to operate them, and train the maintainers and the ground crewman.

Senator BAYH. Are you making this a priority?

Admiral OLSON. Yes, sir, it's our number one acquisition priority.

Senator BAYH. All right. I would encourage you to request everything you need.

Admiral OLSON. Certainly.

Senator BAYH. Then some of us will take that very seriously, and try and make sure that you get it.

Admiral OLSON. Yes, sir, thank you.

Senator BAYH. Just a couple of other questions, Admiral Keating, from your submitted testimony, I deduced that you were somewhat skeptical about North Korea's willingness, ultimately, to give up entirely their nuclear capability. Is that a fair statement?

Admiral KEATING. Fair statement, sir.

Senator BAYH. How should we—and perhaps, General Bell, this may get into your territory a little bit, but at least the two of you—interpret South Korea's actions, where we're trying to increase pressure in a variety of ways on North Korea to do the right thing here, and yet the South Koreans seem to be pursuing a somewhat different policy of engagement, which at least in part has the effect of undermining our attempts to isolate the regime, bring pressure

to bear to take a different tact? So, we have allies pursuing different courses, and their conduct may undermine our attempts to try and get North Korea to be more responsible. Do either of you have an opinion about that?

Admiral KEATING. I do, Senator, and I'll be brief. When I visited South Korea with General Bell, he was with me in some calls, and I went by myself, I saw no manifestation of a split. So, I would say, a case could be made by some, I saw no evidence of it, Senator.

Senator BAYH. Aren't they continuing to provide some aid and assistance and economic ties to the North, while we're trying to cut off their financial assets through the Bank of Macao and reduce their counterfeiting and activities and that sort of thing? We're trying to increase the financial pressure on the North, and they're engaged in activities that are decreasing the financial pressure on the North, isn't that true?

Admiral KEATING. I think it is true, to an extent, Senator, and we just signed the Free Trade Agreement, the Free Trade Agreement is coming to Congress——

Senator BAYH. This may be an issue in some Senators' evaluation of that trade agreement.

Admiral KEATING. Yes, sir.

Senator BAYH. How cooperative are they being with us in an attempt to get North Korea to give up its nuclear capabilities?

Admiral OLSON. I saw no manifestation of that split while I was there, Senator. General Bell would—he lives there, he'd know better than I.

Senator BAYH. General, I'd be interested in your take, there are published articles that the South is behaving in a way that is, in some ways, inconsistent with our policy of bringing financial pressure to bear on the north.

General BELL. I'd like to address that directly. The ROK has an engagement policy with the North which we endorse, as a matter of national policy. However, when it runs afoul of the very issues that you're talking about, we raise these issues with the ROK.

I can tell you this—since the October nuclear weapons test—the ROK, in my opinion, and I think it's shared by the State Department here and other members of Government, has been extremely accommodating to the Six-Party Talk process, the ROK has ceased the provision of a range of trade mechanisms with the North. As of today, they are not providing North Korea with humanitarian aid or anything else.

I will tell you that only 2 days ago, they reached agreement with the North Koreans to provide them with a large quantity of rice, as they have done every year, in humanitarian sense, but they have tied giving them that rice to progress in the Six-Party Talk process, directly.

So, I'll be honest with you, Senator, I think for the last 6 months, our ally has behaved extraordinarily positively, certainly been in lock-step with the United States. I think that we've seen a very appropriate era in our relationship with South Korea, as a result of their decision that the nuclear test was over the line. That the efforts that they had made in the engagement strategy had not paid off to the extent that they had hoped.

So, I think we are in lock-step with not only the South Koreans, but the Japanese, certainly the Chinese have been very helpful in this, the Russians have been helpful, and the five parties that engage with the North Koreans—as long as we stay, as you so well said, firm and resolute—I believe that that will define the Six-Party Talks process in a way quite different than talks in the past.

Now, North Korea would like to split that group up, for sure, and they are trying. So, this is a time for our diplomats and military personnel and Government officials to remind each other—the five parties—that we have to stick together, we have to be resolute, and North Korea has to deliver on the requirements of the Six-Party Talks that they agreed to. So I am pleased right now with our ally's response, the South Koreans, and I am fairly confident that they are going to stay the course.

Senator BAYH. My time is expired, I would just say that I hope that their behavior over the last 6 months proves to be continuing rather than an aberration.

General BELL. Yes, sir.

Senator BAYH. It's been my impression from time to time that because of generational change, and understandable political pressures and that sort of thing, they have, perhaps, occasionally been in denial about some of the firmer, tougher steps that need to be taken if there's any prospect of getting the North to ultimately do what is everybody's best interest here.

General BELL. Yes, sir.

Senator BAYH. Thank you, Mr. Chairman.

Senator REED. Thank you, Senator Bayh.

Gentlemen, thank you for your testimony today, but most for your service to the Nation, thank you very much.

Admiral Olson, last year in the authorization act, both the House and the Senate expressed some concern about the reorganization of the Office of Under Secretary of Defense for Policy. Under title 10, the principle duty of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD–SOLIC) is to have oversight over SOCOM.

Because of this reorganization now the office has a vast span of responsibility—Strategic, U.S. Transportation Command (TRANSCOM), Joint Forces Command, all major budget programs. Were you and General Brown consulted in advance about this reorganization?

Admiral OLSON. Sir, we were not consulted in advance.

Senator REED. When you were told about the reorganization, what feedback did you provide the Department?

Admiral OLSON. Sir, General Brown and I sat together, General Brown on video teleconference and me in the same room as the briefer. General Brown's feedback was—he expressed concern in three areas—one was that the ASD–SOLIC and Integrated Capabilities under the new title, remain a member of the SOCOM Board of Directors, a voting member of what it is we invest our resources in. That was point one.

Point two is that the ASD retain oversight of Major Force Program (MFP)–11, the program that funds Special Operations activities, and three, the General expressed concern that the growth in

the scope of responsibilities under the ASD would—as you said—dilute the focus on Special Operations activities, in peculiar.

We have been assured that all three of those concerns are being addressed. Of course, the organization isn't in place, the new ASD isn't in place, but we're optimistic that they'll continue to work with us.

Senator REED. Again, Admiral, I thank you. That's a very responsive reply. It just seems to me, in terms of the organizational complexity, and the differences between strategic policy, and low intensity conflict, TRANSCOM, et cetera, that this is a monumental task, and I think the burden of proof will be on the agency. Can you keep us apprised from SOCOM's perspective, whether the dilution is so great that it affects your operations?

Admiral OLSON. Yes, sir.

Senator REED. Let me ask another question, Admiral Olson. The Joint Combined Exchange Training (JCET) is an important part of your operations, they provide an opportunity to train foreign forces, and they also give Special Operators cultural and language opportunities. There's been a troublesome trend, though—in 2005, 54 of 188 exercises were cancelled and in 2006, 32 out of 101 were cancelled. Is this a consequence of operational demand elsewhere, particularly, Iraq?

Admiral OLSON. It is a direct consequence, for the most part, sir. The JCETs that are scheduled, and then not conducted, are mostly because of non-availability of our forces to participate in the exercise because there's been a higher priority demand, typically in CENTCOM. Often, however, they are cancelled by the host nation because of a lack of availability of their forces, or some political issue.

Senator REED. We, many of my colleagues have asked, I think, a very important question about language skills and—just a quick follow-up for general knowledge—is it a requirement for SOCOM for all relevant personnel to have a language skill? Or is it individual decisions?

Admiral OLSON. It's all relevant personnel.

Senator REED. That's probably a misleading term.

Admiral OLSON. I don't mean to be more complex than it is. All of our Green Berets, for example, are relevant. Every one. Before he puts on his Green Beret for the first time, has to prove proficiency at some level, in some language.

Then they are regionally assigned in the expectation that that language skill will continue to develop over the course of their career. So, ensuring that they actually are able to stay in the regions where they're assigned is an issue.

The cut-back on JCETs has a direct impact on our ability to go to the places where we think we ought to be, and immerse our people in the cultures and the languages that we believe are important.

Senator REED. You point out Green Berets, but this affects other SOCOM operators to include marines, SEALs, et cetera.

Admiral OLSON. Yes, sir.

Senator REED. There's not a pervasive requirement, is that correct?

Admiral OLSON. There is a requirement in the MARSOC, the Marine Corps Command similar to the Green Berets for the segment of their force that does foreign military training. That's a significant portion of the MARSOC that is dedicated to foreign military training, on the order of what Green Berets do.

Navy SEALs do that, but it doesn't have the same priority for the SEALs as it does for the Green Berets, Rangers are similar.

Senator REED. Yes, sir.

Thank you very much, Admiral.

General Bell, have any of the Korean prepositioned stocks been used for Iraq or Afghanistan?

General BELL. Sir, none of the stocks in Korea proper have been used. I will tell you that there were some fills that we needed that were delayed, and some of our readiness was not too standard—that's been fixed. My predecessor was very serious about fixing that, obviously when I arrived I made that a high priority, the Army Materiel Command has done marvelous work, we have 100 percent of our combat equipment, our total fills for everything from compasses to whatever is at 86 percent—that's very high, and growing. I will tell you, I insisted on a test of that equipment, I walked all seven warehouses, and I said, "Okay, it looks terrific, but will it hunt?"

So, we just brought over a battalion from the United States, from the 11th Regiment out at Fort Irwin, California, they drew several hundred pieces of major combat equipment, took the stuff up to a training area and a range. I was extraordinarily pleased with the readiness of that equipment. In excess of 95 percent, all the crews raved about it, so it's a great success story.

I had some trepidation about pulling this stuff out, to make sure that what I had been told, and all the tests we had run in the warehouses would, in fact, perform in the field. Terrific success.

Now, having said that—I'll defer to Admiral Keating, but there was another preposition set, in the Pacific—not in Korea, APS–3, down in Guam—that's being used for Iraq. So, our ability to generate preposition sets of equipment is constrained in that regard.

But, what we've had in Korea proper is, it is maintained to standard, and it has demonstrated its readiness as late as—correction, sir—as recently as a month ago. I'm very pleased with it.

Senator REED. Thank you, General Bell. I will pick up the questioning with Admiral Keating, but let me ask you one more question regarding North Korea.

General BELL. Yes, sir.

Senator REED. That is, in your written statement, you state, "If the Six-Party Talks do not produce a lasting settlement, the North Koreans will likely conduct a second, additional nuclear test when they see it as serving their purposes."

General BELL. Yes, sir.

Senator REED. That's your assessment?

General BELL. It is, sir.

Senator REED. Can you elaborate, sir?

General BELL. I will. The North Koreans have a long-term strategy of trying to achieve something. Their "something" is security of their regime, and they are afraid that they will be attacked, or if they're not afraid they will be attacked, they want to demonstrate

to their own people, regime security. So, this is one of their central requirements.

Their second requirement is to prosecute their Military First policy. That is a national policy, it is a public policy. They take care of their military first with their economic power, and whatever's left, they allow the average citizen to partake in. That's why 30 percent of their Gross Domestic Product (GDP) is spent on their military, whereas a modern nation might be somewhere between 2 and 4 percent.

So, they're going to continue to try to seek security guarantees, along with economic assistance, to ensure that their Military First policy will continue to work—that's their strategy. If the Six-Party Talks process does not work, and they don't get what they want, then they may return—and I believe will return—to provocative acts.

There are a range of provocations they can choose from, and they've demonstrated that over the years. Anywhere from gunboat diplomacy in the Western Sea where the two nations—North Korea and South Korea—fish, to aerial intercepts, over the ROK before, all the way to demonstrating their current and latest provocative abilities, and that's missile tests, a Taepo-dong-2 test is certainly in the offing, if they choose. We believe they have at least another nuclear device that they could also test. Consequently, if indeed it's in their interest in achieving these things that they want, they will conduct a provocation. They've done that forever.

We have to be resolute in our containment of North Korea and our deterrence of North Korea, and the six parties—or the five parties to the Six-Party Talks process—have to hold hands. As long as we do that, we will continue to push and contain North Korea and have an opportunity to resolve this longstanding issue.

So, I'm still fairly optimistic, Senator, I'll be honest with you, more so now than at any time in the past.

Senator REED. If I can quickly follow-up because my time is expiring.

General BELL. Yes, sir.

Senator REED. Can you give me sort of a rough percentage of—if you were betting—what's the probability of success, and second, what's their bottom line? As succinctly as you can, sir.

General BELL. Yes, sir. I would say we have at least a 50/50 chance of this working, probably more than 50/50. I think that's a great testimony to the diplomats who've worked out a very good regimen here. So I remain cautiously optimistic.

As long as the nations in the region—particularly China—stick together, North Korea has few options, and therefore it becomes in their interest to find a way out. They can't, if you will, "take on" all the members of these concerned nations—China, Russia, Japan, South Korea, and the United States—they can't do it. Consequently, I think the results of the Six-Party Talks have more to do with those five nations, then it has to do with North Korea. As long as we stay resolute and focused and stay together on a common objective, I believe there is a decent chance of North Korea complying.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you very much, Senator Reed, and thank you for taking over when I had to be absent. As always, you are most accommodating, we appreciate it.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

Admiral Olson, since the defeat of Iraq's conventional army, our conventional ground forces have been fighting in an asymmetric environment, an environment that resembles what the Special Operations community is trained to fight in. Can you comment on how you believe our conventional forces have adapted to fighting in this environment, and would you comment on how you believe those lessons should be applied to ensure the conventional forces, and the Special Operations community continue to compliment one another in combat operations?

Admiral OLSON. Sir, I'd say upfront that I'm not an expert on how the conventional Army is doing all of their business in Iraq, but I'm aware of enough that it is very encouraging in terms of the Army's pursuit of language training, the way that they have broken into some smaller units, and placed them in some more remote places in order to do day-to-day interaction with Iraqi peoples and Iraqi civil as well as military leaders, so I think that that's encouraging.

I think they have a ways to go, this is more of a cultural trait within SOCOM than it is in the larger forces, and it requires a reprioritization of effort within all of the Services to get more tuned into an irregular warfare campaign. So, I'd say I'm optimistic that the Services are getting it, but they have a ways to go in order to apply at the scale and scope that is required.

Senator THUNE. I appreciate that answer.

General Bell, I serve on the Strategic Forces Subcommittee. One of the areas that we have focused on in that subcommittee is the issue of missile defense. One of the criticisms facing missile defense is that it is a relic of the Cold War in that a ballistic missile attack is an unlikely threat scenario that we face. You've already had a lot of discussion and interaction today on the whole issue of Korea, but as the commander of forces in Korea, I guess I'd like to know, what is your assessment of the North Korean missile program, and in an open session, can you discuss what capabilities the North Koreans possess, and what threat that poses to our forces in the Korean theater?

General BELL. I can. Senator, I think we only have to go back to last July 4, notwithstanding the failure of the Taepo-dong-2 missile test, which is an Intercontinental Ballistic Missile (ICBM), when you look at the other missiles they tested in that 24-hour period—and there were six of them—each one of these missiles performed appropriately, in accordance with the design parameters of that missile, in open session, and several of them were fired in a configuration that we had not seen before, but demonstrated some flexibility that the North Koreans have achieved, that was fairly modern.

So, what we had here was a demonstration of missiles that work. Now, we know that North Korea has around 800 various types of theater ballistic missiles operational today that are capable of striking both the ROK, South Korea, certainly capable of striking

Japan, and several missiles that potentially could strike as far south as Guam.

So these are serious regional concerns. They consist of what are known as KNO–2 missiles, these are relatively short-range, traditional SCUD missiles which are liquid-fueled, I think we're mostly familiar with, those are theater ballistic missiles. There's an upgrade to that called a No Dong missile that they have lots of, that shoots a bit farther than a SCUD, and they have a medium-range missile called a Musudan that can reach certainly out to Japan and potentially Guam.

These missiles are operational. These are not theoretical, technical potentials, they are operational and in the inventory. They sold these missiles to both Iran and Syria over the years, as late as 2005, so the North Koreans proliferate this technology and these missile capabilities to other nations of the world.

So, when you look at that, and you look at the successful test launches that they've done, I believe you can only conclude that that's a threat, that missile defense is a part of the defense against that threat, and the threat is not limited to short-range on the Korean Peninsula only but can reach out either by the longer-range Musudan or by selling these things.

So, I'm a proponent of both theater Ballistic Missile Defense apparatus, and quite frankly, medium-range and ICBM defense against these kinds of capabilities of, if you will, rogue nations, of which North Korea fits in that parameter.

Senator THUNE. Let me ask you, because in your testimony you recommend the continued development of the Theater High-Altitude Air Defense System, the Airborne Laser (ABL), and the Aegis Ballistic Missile Defense System. The Congressional Budget Office has recommended terminating the ABL as a viable budget option. I would like to hear from you why you recommend its continued development, and how does it enhance your ability to defend the Korean theater?

General BELL. Yes, sir. From a theater perspective, a small theater like Korea, the ABL is the only weapon I know of, short of a kinetic strike before the missile launches, and is designed to knockdown one of these missiles in its boost phase. So, if you're looking at a SCUD coming out of North Korea going to South Korea, the only thing—I say, the only thing—the capability we have today is Patriots. It, of course, intercepts its missile in its terminal stage, relatively near the ground. If that missile happened to be carrying a chemical warhead, this can be a wide-area threat by virtue of us intercepting it.

If we can intercept missiles in their boost phase, over enemy territory, then we preclude the opportunity for, if you will, fallout—that's not the right term—but the kinds of munitions that might be on board hitting the ground anyway over friendly territory. The ABL offers that type of capability, to intercept a missile while it's ignited in its boost phase. So that's why I'm a proponent of it. I realize that decisions have to be made, and priorities have to be set, but from a pure warfighting perspective, this is something, I think, that would be useful in my theater of operations.

Senator THUNE. Okay, I appreciate that very much. I had a chance to get out and see it, and some of the things you're doing

with it, it seems like it holds great promise. I am concerned that it could be sacrificed on the alter of budget cuts, when in fact, we face some of these threats, and for which it is a good counter. So, I appreciate your response to that question.

Thank you all very much for your service to our country, we're very grateful for it. I thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

Senator Sessions?

Senator SESSIONS. Thank you. Just one question, Admiral Olson. I know the Air Force has expressed an interest in becoming the executive agent for Unmanned Aerial Vehicles (UAVs), they'd like control over the training sustainability acquisition for systems that fly above 3,500 square feet. General David Deptula, USAF, head of the Air Force intelligence, recently went further and said that the Air Force should be given acquisition authority over all airborne intelligence, surveillance, and reconnaissance capabilities.

Now, I understand that Army, Navy, and Marines last week in the House expressed opposition to that. You depend on that, you just discussed it, my personal view for some years after early in the Iraq war effort was that our ground forces do not have as readily available to them in numbers and in capability, UAVs as they need, and in fact, it's a real problem for them. You indicated somewhat along that line—do you think, would you agree with this concern? Do you feel like we can do better in having UAVs that can help our combat soldiers who are in harm's way this very moment?

Admiral OLSON. Sir, I've seen the letter that proposes that, I agree with the concern, I do think that we can do better. There are many UAVs flying in the airspace in a fashion that could be coordinated better. Whether or not the Air Force solution is the right solution, we don't have enough detail yet on how it would actually be executed in the theater to determine whether or not it's the ideal solution, so our answer is we know it can be done better. We look forward to working with the Air Force and to hearing more about how they, precisely, would execute those responsibilities.

Senator SESSIONS. But you do have some concerns?

Admiral OLSON. Yes, sir.

Senator SESSIONS. My concern is that the Air Force does have responsibility, strategic responsibility that Admiral Keating knows, for intelligence, surveillance, strategic issues—I'm not sure their interest in history and ethic is as focused on the ground soldier as might be the case, and would be concerned, if we do anything that would diminish the ground soldier's needs, in fact, I think they ought to be enhanced for some time.

Admiral OLSON. That's precisely our concern, Senator. We consider that capability an extension of the ground force, not an extension of the air force.

Senator SESSIONS. Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Reed.

Senator REED. Admiral Keating, let me follow-up very briefly. Can you comment on the prepositioned stocks in Guam, how much they've been drawn down, and what's the plan to replenish them, and briefly the plans to increase submarines in Guam?

Admiral KEATING. Senator, I don't have the exact figure as to how much they were depleted, we'll get that to you.

[The information referred to follows:]

The Marine Corps Maritime Prepositioning Ships Squadrons (MPSRON) 2 and 3 had 100 percent draw down in 2003. MPSRON 3 was fully reset at the end of 2003. MPSRON 1 has been temporarily augmenting MPSRON 2 since third quarter of 2006; however, MPSRON 2 is scheduled to be at 100 percent by fourth quarter of 2009.

Air Force and Navy had no items drawn down.

In reference to submarines homeported in Guam, there are currently two submarines in place. Plans are underway which would raise number of submarines assigned to Guam to a total of three by July 2007.

Admiral KEATING. It's my understanding that the Army, in their budget through the Future Years Defense Program (FYDP), intends to replenish that afloat stock within the FYDP.

Senator REED. Five years?

Admiral KEATING. Five years. Maybe, 5 to 7 years, Senator. We would encourage Army to move that timeline left, if they can, recognizing their budget challenges, but that particular afloat stock would be important to—but not essential to—the execution of our war plans.

Senator REED. The submarines? Briefly, Admiral, in Guam? The plans to increase the number of submarines in Guam, the timeline?

Admiral KEATING. Two, with one third on the way right now, and that will be the number, Senator, and I think I'm okay in open source, there are provisions being made for other types of U.S. submarines that will do maintenance there, but will not be stationed there.

Senator REED. Thank you, sir.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.

Senator Warner?

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

To you, Admiral Olson—I just think it's remarkable how well the Army and the Navy have partnered to do this SOCOM. I remember with Senator Bill Cohen, and my good friend here, Senator Levin, setting up most of the structure by which this organization has flourished. Now the Marines have begun to be integrated and pull their share of the load.

Is that current transition of the Marines in working out satisfactorily?

Admiral OLSON. Yes, sir, it is.

Senator WARNER. We want to recognize—I always loved the phrase in the Navy ''the Silent Service'' and in a sense, you're sort of a silent service, but your forces have taken a very heavy hit in the conflicts in both Afghanistan and Iraq—taken those hits with extraordinary courage and hardship to the families. I remember vividly going down to one particular ceremony, accompanied by General Brown, and extraordinary courage manifested by the widows at that service, and it's just one of the untold stories that adds to the great contribution that SOF are playing in our overall security structure.

Have these heavy casualties resulted in some attenuation in your forces that you've not been able to replenish through normal acquisition of new people?

Admiral OLSON. Sir, obviously the casualties are unplanned losses, and so we've had to accommodate that within the force. Clearly the casualties that we have taken, that have not been returned to the battlefield, have been unplanned losses for us, and our manpower growth is designed to accommodate that. Obviously we are at a lower level now than we would like to be, partially because of those casualties that we've taken, sir.

Senator WARNER. Also, you have the competition that will always be present among the Services from which you draw your forces, namely the Army, Navy, Marine Corps, and the Air Force, and they're having—well, certainly the United States Army is being challenged—is that hindering your ability to fill out your ranks? The competition that they are trying to keep good people, and you're trying to access good people?

Admiral OLSON. Sir, all of the Services have been very forthcoming with their qualified Special Operations applicants and candidates. That has not been an issue recently. In fact, the Services have given some priority to enable us to recruit Special Operations warriors from the Services.

Senator WARNER. Have you noticed any—assuming there is some ability to track your resignations or persons leaving for whatever causes, the SOF Active-Duty Force, is it in keeping with the other retention rates of the other Services, or do you have a perturbation of some sort in yours?

Admiral OLSON. Sir, across the board, our retention rates are slightly higher than all of the Services.

Senator WARNER. That's encouraging.

The 2006 QDR mandated a 15 percent increase in the SOF. Are you able to begin to access sufficient numbers under that mandate, not only of people, but of equipment?

Admiral OLSON. Sir, we are on-track for the manpower growth in all of our accession processes and training pipelines. A couple not doing as well as others, but none—there's some cause for concern—for panic at this point. Programmatically, we are on-track with both the MILCON and the system procurement that it takes to support the growth. We were well-served by the QDR process in that regard, as it programmed additional people, it programmed the infrastructure and support that it takes for them.

Senator WARNER. Admiral Keating, to another party, your area of India—we value our relationships with Pakistan, China, Russia, and the like, and it's another one of those very delicate balancing acts. I do hope that we're strengthening our relationships with India, and can in some ways compete with Russia who is, I think, one of their main contributors for arms and so forth. Could you address that status?

Admiral KEATING. Yes, sir. I agree with your assessment of India's importance to us as an ally. We are discovering India's interest in our recognition of the Indian Ocean as something other than water through which Navy vessels hurtle as we go to the CENTCOM AOR. We just concluded a significant exercise with the Indian Navy, five to seven of their ships, and a number of our ships, submarines, and airplanes. The Indians accorded themselves very well in this exercise, Senator, so this is one example of the expansion of our military-to-military relationships with India, and as

you noted, I think they are considering more U.S. weapons systems in their acquisition and not relying exclusively on the former Soviet Union equipment.

So, we're encouraged by India's willingness to deal with us, to exercise with us, and to exchange again a broad array of officers for individual and group training. We are going to pursue this expansion with them aggressively.

Senator WARNER. The relationships are always tenuous between India and Pakistan. What are they like today and in the foreseeable future?

Admiral KEATING. I had a discussion within the past 24 hours, Senator, with a couple of senior officers from the CENTCOM, and we are entertaining ideas about blurring up this line between India and Pakistan, which is the PACOM–CENTCOM–AOR line of authority. We are going to intentionally pollinate across that line on a military basis, so as to become more aware of the issues in Pakistan and India. As I have been stationed in the CENTCOM AOR and have several good friends in Pakistan still, so we're going to work on understanding the differences, and help them decrease the tension, if you will. There are indications out of the State Department that the Kashmir issue may be moving forward in the eyes of India and Pakistan, towards resolution. So, we're encouraged.

Senator WARNER. By the way, I'd like to say, Mr. Chairman, that you and I have had quite a bit of time up here through the years, but this is a very impressive panel of professional witnesses. I've had the privilege of knowing all of them for a long time, and I thought your responses to in-depth questions were extremely well-done this morning, for all of you.

General Bell, there's been a lot of consideration about the extension of tours and we certainly look at this problem in Iraq right now, but again, just drawing on the modest experience that I had in 1951, 1952 in Korea in the Marines, I don't think global warming has done much to bring up the temperatures there. I say that with a little tongue-in-cheek, but it's a tough environment in which to live. I see that you have under consideration a plan in which, March 28, 2007, a letter to Senators Levin and McCain, you recommended that the normal tour length for all American forces stationed in Korea be extended to 3 years.

General BELL. Yes, sir.

Senator WARNER. Currently the 1-year unaccompanied tours are the norm in Korea, and that's the way we've been operating. Could you bring us up-to-date on where you are on that decision? Have you carefully evaluated the impact on families, the impact two ways on families—one, it's a tough climate to live in, and that affects the wives and the children and beginning to assess more of those now? Do you want to have a two-tier system, accompanied and unaccompanied? Accompanied is 3 years, and the other for a certain period of time. Does that bring about some tensions? I hope you've thought through it very carefully, because somehow we've gotten along reasonably well with this current policy, a lot of MILCON dollars would be involved, trying to provide adequate housing and other facilities for families, which we're obligated and should do, so give us your view on that.

General BELL. Thank you, Senator Warner, I appreciate the opportunity.

Korea has, in the last 15 years, has had a radical transformation, and I know you know this, sir, to a First World country. It's a place of great universities, great medical system now, thriving economy and everything that we hold as important for family members is resonant today in Korea. I'm sure you're right about the weather, I have to tell you, this is a warm winter in Korea, it was unbelievable, but yes, sir, we're going to have some more cold winters.

Here's my assessment of our small mission in Korea. We will have 25,000 Americans in Korea.

Senator WARNER. That's down from 50,000.

General BELL. Yes, sir, it is several years back, you're right.

Senator WARNER. Yes.

General BELL. We're at about 29,000, 28,000 right now, and by the end of 2008, we'll be down to this 25,000 number.

I spent 3 years in Europe as a NATO Commander, and as United States Army Europe Commander, and I had all of the families in Europe. All of them, fully accompanied. Off went our forces to war, and some of them were on their second rotation as I left Europe, we suffered a lot of casualties. To a person, the spouses told me, and sir, I'm talking about thousands of spouses, and young people, kids, because I went to all of the high schools, and many of the middle schools, that they would rather be with their soldier—and in this case it was soldiers, it wasn't, I wasn't dealing with the Air Force, Navy, et cetera—they'd rather be with their soldier than be separated. Because they know that for years, the United States military is going to be committed.

So, when I got to Korea, I took a good look at the situation there, and the fact that we retained 1-year rotational tours as the basis. I think it's time for us to seriously consider—and I'm raising this with the DOD, I've not brought it to Congress yet, formally—transitioning with our small force there, to fully-accompanied tours. The families want, we have about 3,000 authorized members now, family members to be there, spouses; so, it's about a 10 percent authorization. When you talk to these family members, there is no place in the world they would rather be than with their servicemember, in Korea, in this terrific environment, which has improved radically.

So, one, I believe that you'll find, sir, that the family members want to be with their servicemember, wherever they are on the face of this Earth.

Senator WARNER. That's a given.

General BELL. Yes.

Senator WARNER. We understand that, and I compliment you for looking at that, and attaching the heaviest of weight.

General BELL. Yes.

Senator WARNER. Certainly the concept of the family in our military has gone through a major transformation for the best.

General BELL. Yes, sir.

Senator WARNER. The decisions to stay in the military are made around the dinner table at night, you know that.

General BELL. I do, sir.

Senator WARNER. It's a marvelous thing, and fortunately so many more of our young people are now married, as opposed to the earlier generations.

But, what concerns me is the family. Europe is a relatively safe area in which to let your families remain while you deploy. Korea is quite different. The battleplan—if there is such a thing as a plan—but certainly we have the analysis of what would happen, it would happen in a matter of 24 hours, and it is horrific in proportions. The type of firepower that both sides could inflict are going to be brought on civilian, as well as family, as well as military—it's not, in any sense, a forward military position that has to take the brunt of this, the DMZ, and the proximity to Seoul——

General BELL. Sure.

Senator WARNER. —and the other areas. So, I think that family consideration, while it's important, is one you have to evaluate from the standpoint of the strategic risks of a confrontation happening.

General BELL. Senator, all I can respond—and you're certainly right—I'm not challenging you on this.

But, my son was born 12 miles from two Russian divisions, both equipped with nuclear weapons of the 100 Russian, Soviet, and East German divisions that the United States and our allies faced in the Cold War. If you go over to Korea today, and look at the readiness of the South Korean military—which is extraordinary—recognize that we're moving south, out from underneath that artillery, and look at the condition of the North Korean military—which is still lethal, but in my view, incapable of driving to Pusan as they certainly almost did in the Korean War, I believe we have an environment there that is at least equal to the kind of environment we had in the Cold War in Europe, if not more stable. That's my best assessment.

My belief is that the risk to the families—which is real—can be mitigated through our current, very sophisticated DOD Noncombatant Evacuation Program, which we rehearse twice a year, physically, and that the addition of about somewhere between 15,000 and 20,000 family members does not unordinarily complicate the problem I have today of about 180,000 noncombatant evacuees that I'm responsible for, along with the State Department.

I have to move all of the American citizens from the ROK, and sure there's about 100,000 of them that live there today, conducting business and enterprise in the ROK, so adding American servicemembers' families in a more sanctuary area, South of Seoul, in the year, if you will, 2007, and recognizing how many Americans live in that country, civilians, conducting business, I don't think is an undue risk, at all.

Now, I will admit, that this is not something I can execute tomorrow. I have to socialize this, I have to do a lot of studies, and I have to convince DOD that this is a proper and prudent thing to do, and then I have to seek resources. Although, we intend to use significant amounts of burden-sharing money from the host nation, the Koreans, like we've done in Japan, to finance a lot of this in the future, overtime.

So, I'd like to work it, I believe it has merit, your cautions are real——

Senator WARNER. I suggest you go ahead and work it, but in all deference of having been here on this committee now 29 years——

General BELL. Yes, sir.

Senator WARNER. —and went through a lot of the Cold War and the Soviet Union, there was a degree of reliance on the judgmental ability of the Soviet Union hierarchy——

General BELL. There was.

Senator WARNER. —to make decisions in what I would say, a reasonably rational and careful way. I do not find that to exist with regard to North Korea at this time.

General BELL. I understand, sir.

Senator WARNER. Thank you.

Chairman LEVIN. Thank you, Senator Warner.

I think there was a recent report that there was a shift in the North Korean budget to reduce its military budget, at least potentially, to other government sectors because of their nuclear capability. I don't know if you saw that report, is there anything to it, as far as you know?

General BELL. Sir, I've read—not just the report, but I've read the transcript—I'll use the word at their party congress which was just recently held several weeks ago—where the North Koreans announced that now that they were a mature nuclear country, that they could protect themselves from all the aggressors that are around them, and that they now had the opportunity to shift resources from, to shift resources into the commercial, private sector, or not private sector, but into the civilian sector.

They made no real claims about withdrawing funds from their military, and my assessment is that we'll watch this. My belief is that with a Military First policy, and 30 percent of their GDP going to their military every year first, and then onto the civilian sector, I would be very surprised if this rhetoric was followed up with action. It would be a welcomed advancement, this would be something that we could respond to in a positive way that could lessen tensions on the Peninsula, and if the DPRK has any sense at all, they'll execute immediately what they claim that they were going to do in this recent pronouncement. Because that's exactly what we've asked them to do for all of these years.

So, I've not seen anything, they've made no claims about withdrawing or moving their military off the DMZ, or smalling their military down, but I hope that their rhetoric is followed up with action.

Chairman LEVIN. Have we ever seen that kind of rhetoric before, do you know?

General BELL. Sir, I've seen it for years.

Chairman LEVIN. That same rhetoric, that they were going to shift from——

General BELL. Not out of the North Koreans, no, sir, I have not.

Chairman LEVIN. That would be new——

General BELL. They have—it would be.

Chairman LEVIN. That rhetoric would be new.

In your prepared testimony, General, you discuss that launch of Taepo-dong-2, and describe it as an ICBM. I think that previously the U.S. Intelligence Community indicated it did not know whether Taepo-dong-2 was a space-launched vehicle or an ICBM.

General BELL. Yes, sir.

Chairman LEVIN. Is it still unknown? Or is it basically accepted now that it is an ICBM?

General BELL. Sir, it is our belief in open session here that Taepo-dong-2 can be either. It can be a space-launched platform to put a satellite into orbit, it could be, and it can also be an offensive weapons system to attack a nation. It has a long-range potential that reaches the United States of America.

So, the answer is, it can do both, and that's our assessment.

Chairman LEVIN. Okay, thank you.

Admiral Olson, in the National Defense Authorization Bill for Fiscal Year 2005, we granted SOCOM a 2-year authority to provide support to indigenous forces fighting alongside of U.S. Special Operators, and you're seeking our authorization this year. Have you used that authority, and if so, to what effect?

Admiral OLSON. Sir, we've used the authority to great effect, the first year that it was implemented, we used some of it, the second year, more of it, and we're using most of it this year. It's a $25 million authority, without an appropriation, and we're seeking that that become a permanent authority for us.

Chairman LEVIN. Thank you.

Admiral, a DOD directive of September 2006 provides the Department's guidance on the handling of detainees. According to that directive, it is DOD policy that the minimum standards of Common Article III of the Geneva Conventions, and the detainee treatment standards contained in that directive shall apply to all detainees, without regard to their legal status.

The directive also provides that all persons under the control of DOD will receive the protections of the Geneva Convention on the treatment of prisoners of war, until their legal status is determined by competent authority, consistent with Article V of that Convention.

Are all of SOCOM's units and personnel in any status subject to and complying with that DOD directive on DOD's Detainee Program?

Admiral OLSON. Sir, detainee abuse is contrary to SOF standards, and we are in compliance with all laws, policy, and regulation.

Chairman LEVIN. So, the answer to that question, then, would be yes.

Admiral OLSON. Yes, sir.

Chairman LEVIN. Are all persons under the control of SOCOM personnel receiving the protections of the Geneva Conventions on prisoners of war until their legal status can be determined by competent authority?

Admiral OLSON. Yes, sir.

Chairman LEVIN. The DOD directive also provides that detainees shall be moved as soon as practicable from the point of capture back to detention locations, and will be assigned an internment serial number (ISN) "as soon as possible after coming under DOD control, normally within 14 days of capture." The directive also establishes DOD policy that the International Committee of the Red Cross (ICRC) shall be allowed to offer its services during an "armed conflict, however characterized, to which the United States is a

party." Are detainees that come into the control of SOCOM personnel being assigned an ISN "as soon as possible" and generally, within 14 days of capture?

Admiral OLSON. Yes, sir, that's true. There is a provision to extend beyond 14 days, given the proper permissions, and when appropriate, we seek those, but generally, it's a 14-day rule for us as well.

Chairman LEVIN. Does the ICRC have access to detainees who come under the control of SOCOM personnel and to facilities where such detainees are being held?

Admiral OLSON. Yes, sir.

[Additional information provided for the record follows:]

[Deleted.]

Chairman LEVIN. Senator Warner, do you have any more questions?

Senator WARNER. No, I think we should wrap up.

Chairman LEVIN. Yes, I was going to—we have a vote on—Senator Warner pointed out this has been a very constructive, very positive, very effective, and a very informative panel. We are grateful for your appearance, for your testimony, for your service, and unless Senator Warner has a closing comment?

Senator WARNER. No, thank you, Mr. Chairman. I thank you for your very fair hand in managing this important hearing, as always.

Chairman LEVIN. Thank you so much. We'll stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

REORGANIZATION OF THE DOD POLICY OFFICE

1. Senator LEVIN. Vice Admiral Olson, who has been conducting oversight of the Major Force Program (MFP)–11 account over the last several months?

Admiral OLSON. For the last several months, during the reorganization of the Office of the Under Secretary of Defense for Policy, the Deputy Assistant Secretary of Defense for Force Transformation Resources has exercised direct oversight of MFP–11. Title 10 language places responsibility for oversight of MFP–11 with the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, recently renamed Assistant Secretary of Defense for Special Operations, Low Intensity Conflict, and Interdependent Capabilities. This position is now vacant.

LANGUAGE INCENTIVES

2. Senator LEVIN. Vice Admiral Olson, I understand that the Army and Air Force do not offer foreign language incentive pay until the individual reaches Level 2 proficiency. This would appear to work against encouraging special operators and conventional forces to start learning a language. Are you working with the Services to ensure that proficiency incentives are available for personnel from the very beginning, when they reach Level 1 proficiency?

Admiral OLSON. I agree that foreign language incentive pay to personnel whose language proficiency is Level 1 is important to increasing our capability. Special Operations personnel generally attend courses that target Level 1 proficiency and will train with a regional focus so that subsequent training and assignments will enhance the individual's capability over a career within the United States Special Operations Command (SOCOM). We approach improving foreign language incentive pay on three tracks: 1) the Under Secretary of Defense for Personnel and Readiness language transformation team; 2) Service, Defense Agency, and combatant command representatives on the Defense Language Steering Committee; and 3) one-on-one with specific Service Senior Language Authorities.

The Office of the Under Secretary of Defense for Personnel and Readiness, through its language transformation efforts, was successful in obtaining legislation authorizing payment of foreign language incentive pay at Proficiency Level 1.

Our Senior Language Authority works with the Service Senior Language Authorities on the Defense Language Steering Committee. In April, he sent a memorandum to the U.S. Army requesting assistance in starting foreign language incentive pay for Army Special Operations Forces (SOFs) beginning at proficiency Level 1.

LANGUAGE TESTING-RETENTION

3. Senator LEVIN. Vice Admiral Olson, unlike intelligence analysts, special operators who are interacting with foreign militaries in the field need to attain oral foreign language proficiency. Does SOCOM test oral language proficiency?

Admiral OLSON. Conversing is indeed the key foreign language skill for special operators. Language testing is a Department of Defense (DOD) and Service common responsibility and as such, we rely on them for this metric. The recognized test for speaking within the various Defense Language Proficiency Tests is the Oral Proficiency Interview (OPI).

The OPI measures speaking, whereas other Defense Language Proficiency Tests measure listening and reading separately. The OPI requires two certified examiners who are native fluent. It is therefore expensive, requires intense coordination, and is difficult to administer in bulk when compared to the listen/read tests.

The result is that our instructors focus on read/listen skills to demonstrate their effectiveness and our students focus on read/listen skills to obtain foreign language incentive pay while our key requirement is for speaking.

4. Senator LEVIN. Vice Admiral Olson, does the Defense Language Institute (DLI) support SOCOM's testing, including oral language testing? If not, why not?

Admiral OLSON. The DLI supports limited speaking tests or OPI. DLI lacks the capacity to administer this test on a scale that meets U.S. SOCOM's needs. Increased operational tempo and time zone differences present test scheduling challenges. Also, our personnel must still take the read/listen Defense Language Proficiency Test in order to qualify for foreign language incentive pay.

We are concerned by the trends in read/listen Defense Language Proficiency Tests that are increasingly constructed to serve the users whose military tasks center on listening at proficiency Level 2 and higher. SOFs language tasks are most often performed in face-to-face conversations. The listening component of these newer read/listen tests is becoming less relevant to our requirements.

SOCOM has articulated its needs to the Services and the DOD. The DLI has supported us within its constraints.

5. Senator LEVIN. Vice Admiral Olson, I understand that when Army and Navy personnel get assigned to SOCOM they become "SOF for life" so that any investment in language or other training is retained with these individuals by the command. However, the Navy personnel do not necessarily focus exclusively on one region for their careers. The Marine Corps and Air Force do not have permanent SOF personnel. What is the impact of this difference among the Services, and what would be the advantage of having Marine Corps and Air Force personnel who are "SOF for life?"

Admiral OLSON. It is clear that the niche skill sets of language expertise and cultural familiarity are enhanced by multiple assignments in units focused on a specific region. Although "SOF for life" is not an official program or a term that directly applies to regionalization, it is true that our Army and Navy forces spend a higher percentage of their careers in SOF units. Army SOF is particularly well-organized to ensure that its enlisted force gains regional expertise through repetitive assignments.

Our new Marine Corps' Marine Special Operations Advisory Groups require regionalization and are maturing on the Army model.

Regionalization is less important to our Air Force units, except for one squadron that specializes in training foreign forces.

"SOF for life," as a concept for ensuring repetitive assignments in Special Operations units, irrespective of regional orientation, is inherently desirable. The advantage is recoupment on the investment in SOF training and SOF operational experience.

MARINE CORPS SPECIAL OPERATIONS COMMAND—TRAINING

6. Senator LEVIN. Vice Admiral Olson, on March 4, a Marine Corps Special Operations company appears to have used excessive force after a suicide bombing in Afghanistan. I understand the incident is being investigated. But given the testimony

last week by General Scales that "What's important in counterinsurgency are skills, not structure—the ability to speak the language, the ability to commune with alien cultures . . .," I wonder whether all of the Marine Special Operators—even the reconnaissance companies conducting direct action mission—are being given sufficient training to operate effectively in Afghanistan and elsewhere. Are Marine Special Operators training to the same level as their counterparts in the Army SOCOM?

Admiral OLSON. Marine Corps Forces Special Operations Command (MARSOC) units do not yet have training or experience equivalent to their counterparts in the U.S. Army Special Operations Command (USASOC). MARSOC recruited its initial personnel from across the Marine Corps and conducted a 6-month course, followed by 6 months of unit training, to prepare them for deployment. They were certified as operationally ready after a series of evaluated exercises. Individually, they were very highly-qualified marines.

As of May 1, 2007, additional assessment and selection criteria have been imposed. The growing interaction with USASOC will ensure a higher level of training by all deploying MARSOC units in the future.

It is SOCOM's intent that all assigned units be equally capable of performing their specific mission sets.

7. Senator LEVIN. Vice Admiral Olson, how long will the average marine remain a Special Operations Marine before he is transferred back to the conventional Marine Corps?

Admiral OLSON. Headquarters, U.S. Marine Corps has established a minimum 48-month assignment to the MARSOC for designated SOF operators. The goal is to eventually reach a "closed-loop" for Marine SOF operators, which will ensure their continued assignment within the SOF community. Non-operators are assigned based on normal U.S. Marine Corps assignment policies of a minimum of 36 months.

ADVANCED SEAL DELIVERY SYSTEM

8. Senator LEVIN. Vice Admiral Olson, to date, about $885 million has been spent on developing the Advanced SEAL Delivery System (ASDS). The fiscal year 2008 request for ASDS is $10.6 million for procurement and $20.3 million for research and development. Do you think the command can afford to have more than one ASDS? How long will it take for you to ensure that we have an operational ASDS?

Admiral OLSON. Funds were realigned to restructure the ASDS program and forego the procurement of additional platforms in favor of pursuing reliability improvements to ASDS–1. We are conducting an assessment of alternative material solutions to fulfill remaining requirements. The affordability question cannot be answered until this assessment has been completed.

The ASDS Reliability Improvement Program was initiated in fiscal year 2006 to improve the operational reliability of the existing ASDS vehicle (ASDS–1). The ASDS Reliability Improvement Program is on schedule. This ongoing reliability effort represents the major portion of the funding shown in the fiscal year 2007 and fiscal year 2008 budget exhibits. As a result of this effort, ASDS–1 has demonstrated significantly improved reliability within the past year during both independent and mated underway operations. We expect ASDS–1 to become fully operational and ready for deployment to meet assigned missions in fiscal year 2008.

Although the materiel solution for follow-on craft is still to be determined, the objective inventory for ASDS-like submersibles remains six.

TRAINING AND EQUIPPING INDIGENOUS FORCES FIGHTING WITH SOF

9. Senator LEVIN. Vice Admiral Olson, in the National Defense Authorization Bill for Fiscal Year 2005, title XII, section 1208, we granted SOCOM a 2-year authority to train and equip indigenous forces fighting alongside U.S. Special Operators. How have you used this authority, and to what effect? If we gave you this authority again where would you use it?

Admiral OLSON. We have used section 1208 authority to support operations in each of the geographic combatant commands, although the majority of its use has been in the U.S. Central Command (CENTCOM) area of operations. In all locations, the support received from foreign forces, irregular forces, groups, and individuals has achieved two critical objectives: 1) access into denied hostile areas and terrorist safe havens, and 2) operational information about tribes, terrain, and terrorists that we could not gather through our own reconnaissance and surveillance activities. In the CENTCOM area of operations, section 1208 authority has been key to finding and fixing terrorist individuals and infrastructures. If this authority is extended be-

yond fiscal year 2007, we will continue to use it globally to prepare the environment to defeat terrorism. We consider section 1208 very important to our ability to succeed in the global war on terror.

A streamlined approval process for the use of section 1208 authority is key to its flexibility.

SPECIAL OPERATIONS FORCES—CIVIL AFFAIRS

10. Senator LEVIN. Vice Admiral Olson, it is my understanding that as a result of the Quadrennial Defense Review (QDR), SOCOM's Reserve Civil Affairs (CA) and Psychological Operations components have been moved from under SOCOM administrative control to Army administrative control, under the command of regular Army units. Some operators have told committee staff that the conventional Army officers commanding these CA components may not understand their special capabilities. This could have a negative impact on Reserve CA professional advancement, as conventional officers would write their fitness reports, and instead of taking advantage of their unique skills, might use them for conventional duties. In addition, there is fear that the synergy between the "kinetic" or "direct action" forces and the "non-kinetic, indirect" forces will be broken and the failure to couple these forces in missions will have a negative impact on combating terrorism efforts. Do you share these concerns, and what can be done to prevent the potential negative impacts I mentioned?

Admiral OLSON. [Deleted.]

SUPPORT TO AFGHANISTAN

11. Senator LEVIN. Admiral Keating, in your written statement you mention the support Japan and Korea are providing to our efforts in Afghanistan. You were just in Japan and Korea, and are traveling soon to China. Have you discussed the possibility of making new contributions to Provincial Reconstruction Teams (PRTs) in Afghanistan with Japan and Korea?

Admiral KEATING. In my personal discussions, I have encouraged Japan to continue to increase multilateral cooperation efforts such as its oiler support in the Indian Ocean and its emphasis on peace cooperation activities by the Japan Self-Defense Force. While not specifically discussed, Japan Self-Defense Forces offer critical skillsets (e.g. medical, engineering, et cetera) that could greater benefit the international community and not conflict with their legal/constitutional restrictions.

Led by the Office of the Secretary of Defense on Policy (OSD–P), we are talking with the Republic of Korea (ROK) government to determine future roles for the ROK in Afghanistan. However, as part of the decision to support the 1-year deployment extension in 2006, the National Assembly set December 2007 as the redeployment date for ROK forces from Afghanistan. Discussions continue, but political challenges make it unlikely for ROK forces to deploy past 2007.

12. Senator LEVIN. Admiral Keating, if the governments of Japan, Korea, and China were asked by the administration and the Afghan government to contribute personnel and other resources to PRTs in Afghanistan, how would you expect them to respond? Would they be likely to contribute?

Admiral KEATING. Japan views its contributions in Afghanistan as a substantial part of its ongoing global efforts. New initiatives would likely require a tradeoff (e.g. exchange Indian Ocean oiler support for PRT efforts in country). Japan would respond more favorably to United Nations (U.N.) requests/missions.

The United States Government is currently discussing extending Korea's mission in Afghanistan with the ROK government. However, as part of the decision to support the 1-year deployment extension in 2006, the National Assembly set December 2007 as the redeployment date for ROK forces from Afghanistan. Discussions continue, but political challenges make it unlikely for ROK forces to deploy past 2007.

I would anticipate China to emphasize its current contributions in terms of financing projects in Afghanistan, but not to offer further assistance. Additionally, senior People's Liberation Army officials have stated they would not get involved without a U.N. mandate.

INDIA—AFGHANISTAN

13. Senator LEVIN. Admiral Keating, what relationships do you believe exist between the armed groups conducting terrorist attacks in India, and the armed groups operating in Pakistan and Afghanistan?

Admiral KEATING. There are reported organizational relationships between armed groups conducting attacks in India and Afghanistan, specifically among Pakistan-based Lashkar-e-Tayyiba, al Qaeda, and the Taliban. The relationships between groups conducting attacks in India and in Pakistan, however, are not assessed to have organizational ties but rather a relationship based on links between individuals. Al Qaeda operatives remain a common denominator between these disparate groups.

14. Senator LEVIN. Admiral Keating, what action, if any, have you proposed that India take to undertake substantial counterterrorism intelligence-sharing with Pakistan and Afghanistan? Is there a role for Pacific Command (PACOM) or U.S. forces in fostering such intelligence-sharing?

Admiral KEATING. [Deleted.]

15. Senator LEVIN. Admiral Keating, what, if anything, is the U.S. military doing to support the efforts of the Indian military to manage cross-border terrorism?

Admiral KEATING. [Deleted.]

INDIA—INTERNATIONAL PEACEKEEPING COOPERATION

16. Senator LEVIN. Admiral Keating, in 2004, President Bush announced a Global Peace Operations Initiative (GPOI) at the G–8 summit in Sea Island, Georgia. Leaving aside whether G–8 members other than the United States are contributing sufficient resources to the initiative, we do not appear to be reaching out to countries such as India, that have significant peacekeeping experience, participation levels, and potential ability to contribute resources, in order to make them partners in this effort. Do you know whether India has been asked to participate in GPOI? If they were, what was the response? If they weren't, do you know why?

Admiral KEATING. India received a demarche, coordinated with PACOM in October 2006, conveying U.S. interest in a partnership with India on the GPOI.

Indian military officials have expressed interest in participating in future GPOI courses and are forwarding their requests to the Government of India (GOI) for approval. By September 2007, PACOM expects to receive confirmation from the GOI to co-host a January 2008 Senior Mission Leader course with PACOM and the U.N.'s Department of Peacekeeping Operations. Additionally, GOI approval is pending for participation in several upcoming GPOI courses occurring in the region over the next 3 months.

THAILAND

17. Senator LEVIN. Admiral Keating, your written statement asserts that you are continuing to seek authority from this committee to equip counterdrug forces in various countries including Thailand. However, in the aftermath of the September 2006 military coup, much of our assistance to Thailand was suspended, including some of the money authorized by this committee. Also, last week, Major General Fridovich, the Commander of SOFs in the Pacific, stated that if the Thai government asks the U.S. military to help them fight terrorists in southern Thailand, we would take the opportunity. Do you believe that providing additional funding or training to Thailand right now would send the right message to the Thai military leaders, at a time when it is far from clear whether Thailand will actually hold elections at the end of this year, as the coup leaders have promised?

Admiral KEATING. Section 508 of the Foreign Operations Appropriations Act mandated the suspension of security assistance to Thailand following the September 2006 coup. However, Combating Terrorism Fellowship Program funding is still being applied in Thailand in fiscal year 2007. I believe the interagency decision to continue this program was the right one because it furthers U.S. counterterrorism goals in Southeast Asia. The amount of funding and activity is not projected to increase in fiscal year 2008, and all interaction will follow normal coordination procedures with the U.S. country team in Thailand.

18. Senator LEVIN. Admiral Keating, what will be the potential impact, both political and military, if we do not extend counterdrug support to Thailand?

Admiral KEATING. Because the largest percentage of counterdrug support is provided to Thai law enforcement agencies, any lessening of support will have minimal direct impact on the Thai military.

However, the DOD counterdrug support has important impact as part of the larger interagency and international effort. Training, infrastructure, and information fu-

sion are parts of the DOD support plan and these threads, although borne out of counterdrug programs, do support efforts to reduce other transnational threats. Additionally, U.S. law enforcement agencies in Thailand benefit from the DOD and DOS counterdrug support programs.

19. Senator LEVIN. Admiral Keating, do we plan to provide training to the Thai military, as described by General Fridovich?

Admiral KEATING. [Deleted.]

NORTH KOREA—NUCLEAR TESTS

20. Senator LEVIN. General Bell, in your written statement, you assert that, "If the Six-Party Talks do not produce a lasting settlement, the North Koreans will likely conduct a second and potentially additional nuclear tests when they see it as serving their purposes." Can you elaborate on this?

General BELL. North Korea has a history of using both provocation and engagement to seek achievement of its policy objectives. Its objectives include security/non-aggression guarantees from the United States and economic support from the world community. Pyongyang intended for the October 2006 nuclear test to demonstrate a nuclear capability, thereby boosting North Korean prestige and enhancing its bargaining position relative to the U.S. and the international community. The test also served to refocus international attention on North Korea.

If North Korea perceives it is not making progress in international negotiations, especially with the U.S., or that it is unlikely to achieve its desired objectives, I anticipate Pyongyang would once again resort to this type of provocative action. They may hope that such a test would increase pressure on the U.S. and the international community to accommodate North Korean demands for desired concessions in pursuit of their policy objectives.

21. Senator LEVIN. General Bell, why do you believe North Korea would test again if the talks do not result in "lasting settlement" and when do you believe that Pyongyang would see a test as "serving their purposes?"

General BELL. If North Korea perceives it is not making progress in international negotiations, especially with the United States, or that it is unlikely to achieve its desired objectives of security and non-aggression guarantees from the United States, Pyongyang may once again resort to this type of provocative action to increase pressure on the United States. and the international community to accommodate its demands for desired concessions. This is particularly true if Pyongyang views these additional nuclear tests as carrying only low to moderate political risk.

Based on Pyongyang's public rhetoric since the October 2006 nuclear test, North Korea attempts to place itself as a nuclear power on an equal strategic footing with the United States. The lack of any substantial, coordinated international sanctions against North Korea in response to the test may have further emboldened Pyongyang in its negotiations.

22. Senator LEVIN. General Bell, do you have any reason to believe that North Korea might conduct another nuclear or missile test? Do you think their last nuclear test was a success?

General BELL. Although the October 2006 nuclear test was only successful as very low yield, it significantly raised tensions and concerns over the potential for additional tests, and North Korean nuclear proliferation.

As long as North Korea maintains its nuclear and missile programs, it would be logical for Pyongyang to continue to conduct additional tests. However, I do not anticipate North Korea will conduct such tests while actively engaged in dialogue with the international community. If the Six-Party Talks process fails, the probability of North Korea conducting a second nuclear test or additional missile tests will increase substantially.

NORTH KOREA—CONVENTIONAL CAPABILITIES

23. Senator LEVIN. General Bell, what is your assessment of North Korea's conventional capabilities? Is the conventional threat posed by North Korea greater, less, or unchanged in comparison to the threat posed last year?

General BELL. The DPRK maintains a massive, offensively postured conventional force that far exceeds the requirements to defend its country. It remains a major threat to stability and security in Northeast Asia and the world.

My assessment is that due to the age and questionable readiness of North Korea's conventional military equipment, as well as the substantial modern readiness of the ROK-U.S. Alliance, I do not believe that North Korea can execute sustained operations in depth. However, they remain capable of a no-notice and highly lethal assault across the front with limited objectives. North Korea continues to envision a short, violent assault to overwhelm Combined Forces Command defenses with the intent of gaining territorial advantage before additional U.S. or UNC forces arrive.

Compared to 2006, the conventional military threat remains unchanged. North Korea concluded its Winter Training Cycle which lasted from December 2006 through April 2007. This is the primary period that North Korea's million-man army trains. The level and intensity of training was adequate for units to sustain basic proficiency.

24. Senator LEVIN. General Bell, in the aftermath of the October 2006 nuclear test, have you seen any decrease in financial and other support to conventional forces by the North Korean regime?

General BELL. Since the October 2006 nuclear test, there has not been any reporting to suggest a change in North Korea's financial or resource support structure for its military.

25. Senator LEVIN. General Bell, has there been any rhetoric coming from Pyongyang that would indicate a potential shift of the North Korean budget from the military to other government sectors?

General BELL. While North Korean rhetoric during 2007 has frequently focused on the regime's intent to improve the quality of life for North Koreans, it has not explicitly stated the intent to do so at the expense of the military. There is no intelligence to indicate any reduction or reallocation of resources from the military to the civil sector has occurred. If any shift should take place, it will be incremental in nature, making it difficult to detect in the short-term.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

CHINA

26. Senator AKAKA. Admiral Keating, during the hearing, there was a great deal of discussion regarding the aggressive military buildup in China, and on China's modernization of their nuclear program. Is China's aggressive buildup and nuclear modernization in response to any actions on the part of the United States, or on the part of any other nations in the region, such as Japan, Russia, or Korea? For instance, could part of China's nuclear modernization be driven by our impending deployment of antiballistic missile systems?

Admiral KEATING. I do not have any direct insight into Chinese rationale for its nuclear modernization efforts. In my opinion, however, I think China views its nuclear program as an important capability and significant component of its influence regionally and globally, independent of the actions by others, to include the deployment of U.S. missile defenses.

27. Senator AKAKA. Admiral Keating, how do you believe we should respond if China continues this rapid expansion/modernization into the foreseeable future?

Admiral KEATING. I believe we should continue to monitor military capabilities while at the same time pursuing greater insight into People's Republic of China intentions. U.S. PACOM maintains a two-prong approach towards China—encouraging transparency while maintaining readiness.

28. Senator AKAKA. Admiral Keating, during the hearing, it was discussed that the U.S. military may have known China was planning on conducting a test to try to destroy a satellite with a missile before they conducted the test. During the hearing, you said that you were not aware in advance that this test was going to be conducted. Did Admiral Fallon as the Commander of PACOM know of this test in advance? If so, should you, as the Commander of United States Northern Command (NORTHCOM), have been notified in advance?

Admiral KEATING. I have not discussed Admiral Fallon's knowledge of the antisatellite (ASAT) test with him. In my role as NORTHCOM commander, I was satisfied with the intelligence I received concerning the ASAT test.

29. Senator AKAKA. Admiral Keating, in your statement, you highlight the successes occurring in the PACOM area of responsibility (AOR). Are there any areas in your AOR that you are most concerned about in the fight against terror?

Admiral KEATING. The Sulu and Celebes seas between Malaysia, Indonesia, and the Philippines are an area of concern. This region remains relatively unmonitored and uncontrolled and is a sanctuary for transit and illicit activities, which sustain terrorist activity. Building these littoral states' military and law enforcement maritime capabilities to combat transnational threat and limit terrorist mobility in Southeast Asia is a proven method to reducing terrorist activities. Authorities such as "Train and Equip" assist us in these efforts.

Additionally, transnational, violent extremists have the ability to leverage the insurgency in southern Thailand and portions of Bangladesh. These areas provide terrorists with training and operational opportunities. The Royal Thai Government and Government of Bangladesh are working to counteract terrorists and reestablish secure environments. PACOM continues to leverage opportunities to work with these countries' armed forces to build their capacity to better combat these problems and develop a secure environment.

30. Senator AKAKA. Admiral Keating, in your statement, you highlight the successes in building regional capabilities to combat weapons of mass destruction (WMD). You state that nine nations in the AOR have endorsed President Bush's Proliferation Security Initiative. Notably missing from the list endorsing the initiative are China and Russia. Are there plans to engage these countries in this initiative? If so, what is the status of their participation? If not, why not?

Admiral KEATING. Under the Unified Command Plan, Russia is in the European Command AOR and U.S. PACOM therefore did not report on Russia's involvement in the Proliferation Security Initiative (PSI). However, Russia has endorsed the PSI Statement of Interdiction Principles and actively participates in the PSI Operational Experts Group, a group of 20 states that meet periodically to advance PSI concepts on behalf of all PSI nations.

The U.S. Government continues to engage China on PSI in various multinational and bilateral events and will continue to explore opportunities to cooperate on nonproliferation issues. The PSI community has invited China to attend PSI outreach events, such as the New Zealand-hosted Asia and Pacific Islands outreach in March 2007, the Japan-hosted Asian Senior-Level Talks on Non-proliferation in January 2007, and the Australia-hosted PSI exercise Pacific Protector 06. To date, China has declined to attend these events or to endorse PSI.

OPERATIONS ON THE KOREAN PENINSULA

31. Senator AKAKA. General Bell, in your prepared statement, you discuss the transition of wartime operational control of the South Korean forces to the ROK in 2012. How will this transition affect the U.S. force structure in Korea, and what levels of ground forces will we need to sustain an adequate presence in Korea following the transition?

General BELL. Transition of operational control from Combined Forces Command to the ROK is made possible because their military is capable, professional, and modern. Their ground forces are particularly robust, with 48 divisions standing ready to defend the ROK. The areas where they need assistance correspond to areas where the United States is particularly strong, air and naval power. As such, U.S. force structure in Korea already closely matches what will be required in the future, with a small ground component that provides security, helps enable the evacuation of our noncombatants, and facilitates the introduction of additional U.S. forces should they be required. Our air and naval presence provides a deterrent force against aggression but can be rapidly expanded should that deterrence fail. Accordingly, at this time, I do not foresee changes in the levels of U.S. forces that will be assigned in Korea after OPCON transition.

32. Senator AKAKA. General Bell, China and Russia have expressed doubts toward the U.S. claim that North Korea has a secret highly-enriched uranium (HEU) program that could be used to provide weapons grade material even if North Korea stops production of plutonium. What is our level of confidence in our assertion that the North Koreans have a secret HEU program, and why are we not able to convince China and Russia that the program exists?

General BELL. I assess with high confidence that North Korea has pursued a uranium enrichment capability, and I have moderate confidence that this effort con-

tinues. However, the degree of progress towards producing enriched uranium remains unknown.

China and Russia have not made public their assessments of North Korea's efforts to acquire a uranium enrichment capability, therefore, it is difficult to assess their conclusions.

33. Senator AKAKA. General Bell, in your statement, you indicated that due to the threat from North Korea, the United States has recently reaffirmed our commitment to continue to extend to the ROK the security of our nuclear umbrella. How is this commitment affected by the transition of wartime operational command of South Korean forces to the ROK?

General BELL. Our commitment to the defense of the ROK is founded upon our Mutual Defense Treaty of 1954. Forged in the shared experience of the Korean War, this commitment has only grown stronger in the years since, as our nations' ties have expanded many times over to include economic, educational, cultural, and military linkages. The transition of wartime operational control to the ROK is another example of the growth of both of our nations, but it does not signify a lessening of commitment. It also does not signify a lessening of the threat to peace on the Korean Peninsula. As such, my opinion is that transition of wartime operational control does not affect our commitment to extend the security of our nuclear umbrella to the ROK.

34. Senator AKAKA. Vice Admiral Olson and General Bell, in your statement, you indicate that North Korea maintains the largest SOF in the world. What is your assessment of the capabilities of the North Korean SOFs?

Admiral OLSON. [Deleted.]

General BELL. Current estimates of the North Korean SOF are over 80,000 personnel. SOF personnel are chosen for political reliability and loyalty. North Korean SOF are trained to conduct reconnaissance, light infantry, and sniper missions and are found at the strategic, operational, and tactical levels. North Korea's SOF has significant capability to infiltrate the ROK and can conduct asymmetric attacks against a variety of targets.

35. Senator AKAKA. Vice Admiral Olson and General Bell, in your opinion, do they have a significant capability to operate outside the Korean Peninsula?

Admiral OLSON. [Deleted.]

General BELL. The vast majority of North Korean SOFs will operate within the Korean Theater of Operations (KTO); they have only a limited capability to operate outside of the KTO.

SPECIAL OPERATIONS COMMAND

36. Senator AKAKA. Vice Admiral Olson, as indicated in the SOCOM posture statement, SOCOM is the lead combatant command for planning and synchronizing, and when directed, executing global operations against terrorist networks in coordination with other combatant commanders. The posture statement states that DOD's global war on terror campaign focuses on two essential approaches, direct and indirect. One of the indirect pieces of DOD's integrated approach to the global war on terror described in your posture statement is that actions are being taken to attack the roots of terrorism and eliminate its further growth. In SOCOM's role as the lead combatant command for planning and synchronizing DOD operations against terrorist networks, please tell me who has the lead for activities aimed at attacking the roots of terrorism and eliminating its further growth?

Admiral OLSON. The U.S. SOCOM 2007 Posture Statement contains a Threat Model that describes how violent extremist organizations operate and the numerous "roots" of terrorism that impact the populace from which such extremists seek support. Addressing these roots requires a whole government approach wherein the DOD supports interagency actions.

Within the DOD, SOCOM has the lead for planning and synchronizing this overall effort. In the broader context of our Nation's efforts, the Department of State has the lead for international development and partner nation initiatives, which in many instances are directly relevant to this effort. While there is no agency lead, there are extensive interagency coordination efforts underway to combat the terrorist threat and the commitment to further strengthen these efforts.

37. Senator AKAKA. Vice Admiral Olson, what is your assessment on the effectiveness of this part of the integrated strategy so far?

Admiral OLSON. The synchronization efforts led by U.S. SOCOM within the DOD are progressing satisfactorily. Interagency coordination is improving with time and experience, and is better than it has ever been. It could be further enhanced by clarification of responsibilities and authorities with respect to roles and missions.

38. Senator AKAKA. Vice Admiral Olson, how is this strategy being implemented in countries like Syria and Iran?

Admiral OLSON. The U.S. SOCOM has the lead for planning and synchronizing the global strategy and campaign. The Geographic Combatant Commanders have the lead for execution of this strategy in their areas. Accordingly, I defer Commander, U.S. CENTCOM, to answer specific questions about Syria and Iran.

39. Senator AKAKA. Vice Admiral Olson, how is this strategy used to deal with historical sectarian grievances, such as those between the Kurds, Shiites, and Sunnis?

Admiral OLSON. The global strategy deals with historical sectarian grievances by generally addressing the core motivations and underlying conditions of entire populations in order to separate them from all violent extremism.

40. Senator AKAKA. Vice Admiral Olson, DOD is increasing the end strength of the SOFs as directed in the QDR. The Army has already had to change its recruitment standards in order to meet its recruiting needs. For instance, they now accept new recruits up to the age of 42. Have the SOFs in any of the Services, Reserve, or National Guard had to change any part of their standards in order to meet recruitment targets? If so, what are those changes?

Admiral OLSON. No, we have not changed our recruiting standards to meet recruitment targets. We take a more holistic approach to end strength by focusing on retention. If we can retain our current forces at higher rates, there will be less need to recruit. Toward this end, we use personnel management tools such as the Critical Skills Retention Bonus, Special Duty Assignment Pay, and Assignment Incentive Pay.

41. Senator AKAKA. Vice Admiral Olson, will SOCOM be able to recruit to its increased end strength numbers without changing its standards for new personnel?

Admiral OLSON. Yes. We are confident that the U.S. SOCOM will meet its end strength numbers for personnel without changing its standards.

SOCOM has invested in its training infrastructure in order to increase throughput capacity. Each of the Services has highlighted SOFs recruiting and facilitated intra-service transfers to SOF. Improved screening processes are ensuring higher quality candidates. The early reports are positive, with all of our SOF Service components indicating record personnel production numbers.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

SPECIAL OPERATIONS COMMAND MISSIONS AT CANNON AIR FORCE BASE, NEW MEXICO

42. Senator MCCAIN. Vice Admiral Olson, in May 2005 after 2 years of thorough analysis and review, the Secretary of Defense forwarded his recommendations for base closures and realignments to the 2005 Defense Base Realignment and Closure (BRAC) Commission. One of those recommendations was to close Cannon Air Force Base, New Mexico, which would have saved the Air Force over $206 million annually and over $2.6 billion over the next 20 years. The commission responded by agreeing to close Cannon by 2009 if the Secretary of Defense could not find "other newly-identified" missions to replace the F–16s currently operating out of Cannon Air Force Base. The Secretary of Defense announced in 2006 that Air Force Special Operations Command (AFSOC) units would be assigned to Cannon Air Force Base to establish a western base of operations for various types of aircraft supporting special operations including C–130 gunships, MV–22s, unmanned aerial vehicles, and rotary wing aircraft. My concern is that at a time when we are transforming bases such as Fort Bragg and Eglin Air Force Base into joint, combined arms special operations locations, we have missed a prime opportunity to establish a western hub that offers a wide range of joint basing and training possibilities for special operations. In your view from a joint operations and training perspective, is Cannon Air Force Base the best location in the United States to station AFSOC assets? If so, why? If not, why not?

Admiral OLSON. [Deleted.]

43. Senator MCCAIN. Vice Admiral Olson, will Melrose Range near Cannon Air Force Base provide the capability to conduct the full range of special operations training? If not, what are its limitations?

Admiral OLSON. [Deleted.]

44. Senator MCCAIN. Vice Admiral Olson, was the Commander of SOCOM involved in the DOD's assessment of alternative locations for AFSOC's western hub?

Admiral OLSON. [Deleted.]

45. Senator MCCAIN. Vice Admiral Olson, SOCOM currently proposes to spend over $217 million at Cannon Air Force Base for facilities and infrastructure to support AFSOC units. Were these costs known by SOCOM at the time the Secretary of Defense announced the stationing of AFSOC assets at Cannon Air Force Base?

Admiral OLSON. [Deleted.]

46. Senator MCCAIN. Vice Admiral Olson, has SOCOM accomplished any type of analysis of alternatives to determine whether another location might have resulted in a lower cost for AFSOC facilities?

Admiral OLSON. [Deleted.]

FAMILY HOUSING FOR U.S. MILITARY FORCES IN KOREA

47. Senator MCCAIN. General Bell, in your statement, you advocate for proposed legislation in the National Defense Authorization Act for Fiscal Year 2008 that would amend existing law to increase the amount the Secretary of the Army can pay to lease a house for a military family stationed in the ROK. The proposed legislation would permit the Secretary to pay up to $51,824 per year per house, or $4,319 per month per house for 2,800 units. This is about 40 percent more than is currently permitted by law. The Congressional Budget Office recently determined that this provision, if adopted, would have a budget impact equal to $530 million in potential additional expenses. These houses will actually be large high-rise complexes built on land owned by the Federal Government at a time of a favorable bid climate in Korea. This is a very expensive proposal. Has the Government estimate driving the legislation been validated by any actual contracting action which would allow the market to competitively bid on the lease cost? If not, why not?

General BELL. Yes, U.S. Government estimates and market analyses constitute foundational elements of the contracting process for our build to lease (BTL) program. The Korean marketplace has validated our process as evidenced by successful delivery of a 144 unit senior leader quarters (SLQ) facility at K–16 Airbase, which employed the competitive bidding process to ensure cost effective contracting for leased housing. (BTL projects for senior leader quarters are not subject to the legislative caps which currently restrict our ability to pursue our family housing BTL requirements in Korea.) Purchasing power for $35,000 leases used for BTL compares favorably to that of other overseas leases when adjusted for inflation and official exchange rate (OER) changes. As an example, in fiscal year 2007 Korea's $35,000 lease delivers purchasing power and allows the U.S. Government to pay up to $51,824, after applying the adjustments for inflation and OER fluctuation in the NDAA for Fiscal Year 2008 legislative proposal, if approved. In comparison, a $25,000 lease in Europe, considering the same factors, today results in purchasing power of up to $56,328 in Germany and $56,701 in Belgium. As such, a $35,000 lease in Korea is comparatively less costly than a $25,000 lease in Europe, given currency fluctuation and inflation rate changes. Therefore, we would posit that leases are not more expensive in Korea than the United States is willing to pay in other overseas markets. These figures are derived from the lease cap methodology confirmed by the Office of Installations and Housing of the Assistant Secretary of the Army for Installations and Environment. Further, these figures remain consistent in fiscal year 2008, showing a favorable comparison of Korea's BTL program requirements and authorizations with other existing overseas leasing programs.

48. Senator MCCAIN. General Bell, do you currently have the authority to solicit the public sector for proposals for a build-to-lease venture for 2,800 units in Korea?

General BELL. Yes, the Secretary of the Army has authority to lease a total number of 2,800 family housing units in Korea at the existing lease cap of $35,000 as a result of several legislative enactments between the fiscal year 2003 Authorization and fiscal year 2007 Authorization to support U.S. commitments to the Yongsan Relocation Plan and the U.S.-ROK Alliance. However, the $35,000 lease cap is inadequate to attract Korean developers and contractors to build family housing to DOD

standards based on market analyses and cost estimates produced by private sector industry specialists and Army Corps of Engineers experts. Without the NDAA for Fiscal Year 2008 legislative proposal, the lease cap after inflation and currency adjustments is insufficient to amortize construction costs, utilities, maintenance, and operations while providing a reasonable return on investment to private firms. The bottom line is that given the current inflexible lease caps, all the experts tell us conclusively that no private firm will consider constructing family housing for our servicemembers to the standards required by DOD.

49. Senator MCCAIN. General Bell, you state that "the Army is pursuing a range of build-to-lease family and senior officer/noncommissioned officers quarters to be sited at the Camp Humphreys facility. Army forces cannot displace to Camp Humphreys until these units are completed." What is your plan to complete these units if the legislation is not provided?

General BELL. Much like in Europe where Congress has supported the effort, DOD, Department of the Army, and U.S. Forces Korea have determined that BTL is the most viable solution for our overseas family housing requirements. Leasing homes instead of using military construction (MILCON) has worked well for our military in both Europe and Korea. Amortizing future Korea BTL projects over a 15-year window is favorable to the upfront cost of MILCON. If not supported by Congress, our only option to meet U.S.-ROK bilateral agreement timelines and deliver U.S. standard family housing for military servicemembers and their families will be MILCON. In the current MILCON environment with BRAC, global basing, and grow-the-force initiatives, we doubt we would favorably compete for overseas MILCON. Additionally and as part of U.S.-ROK Alliance agreements to downsize and transform the U.S. military effort to a supporting role positioned in sanctuary locations south of Seoul by 2012, we would have to ask Congress to fund up to $1.5 billion of MILCON in the next 4 years. This level of MILCON front loading seems a poor second choice to the 15-year lease program. The Korean National Assembly has already approved to cost share nearly $5 billion for our relocation efforts, while annually providing additional burden-sharing support amounting to approximately $770 million this year alone.

RELOCATION OF MARINE CORPS UNITS TO GUAM

50. Senator MCCAIN. Admiral Keating, over 8,000 U.S. marines are planned to be relocated from the island of Okinawa to Guam within the next 6 years. This move is estimated to cost the United States over $4.3 billion just to provide facilities and infrastructure on Guam for our marines and their families. The Japanese Government will also share the costs of over $6 billion for additional facilities and housing. In the end, we will have a split Pacific Marine Force with part of the 2 MEF in Okinawa and part in Guam. My concern is that these costs may not cover the plans for strategic mobility requirements, including the ports, roads, and airfield infrastructure needed to get the marines off the island and to their destination in their planned time periods. Has PACOM developed a plan with Transportation Command (TRANSCOM) to be able to move the forces off Guam during contingencies?

Admiral KEATING. The $10.3 billion agreement between the Government of Japan and the United States funds infrastructure costs necessary to support the deployment of marines from Guam. PACOM is working with TRANSCOM to modify detailed transportation requirements and identify shortfalls for future marine contingency movements. Depending on the contingency location, the marines may not require additional airlift as the southern major air bridge goes through Guam.

51. Senator MCCAIN. Admiral Keating, if so, what additional movement hardware, infrastructure, and facilities will be required to move the marines and have the costs for these resources been included in the relocation budget?

Admiral KEATING. The $10.3 billion estimate to support the movement of marines from Okinawa to Guam includes projects for unit facilities, infrastructure, and housing. Ancillary costs such as relocation of Marine personnel, facility furnishings, development of training facilities in Guam and the Commonwealth of the Northern Marianas Islands, and operational deployments are not included in the estimate.

52. Senator MCCAIN. Admiral Keating, has PACOM reviewed the available training ranges around Guam to ensure marines will have adequate amphibious assault and combined arms practice areas?

Admiral KEATING. Yes. PACOM and each of the Service components have determined training requirements needed in Guam and the Commonwealth of the North-

ern Marianas, to include amphibious assault and combined arms practice areas. Additional land and training facilities are necessary to meet Marine training requirements. The Joint Guam Program Office is incorporating these training requirements into the infrastructure and environmental planning process for Guam. Though planning efforts are ongoing, meeting these training needs appears feasible.

53. Senator MCCAIN. Admiral Keating, as opposed to sinking over $10 billion for infrastructure on the island of Guam, was there any consideration given within PACOM to relocating 8,000 marines back to established bases in California with Twentynine Palms available for training and developed ports of debarkation?

Admiral KEATING. We reviewed a number of options, including relocation to California. We determined that in order to maintain the right balance of capabilities and ensure deterrence, the marines should remain forward based in the Western Pacific region. Guam offered optimal position for flexible deployment of those forces for regional and global contingencies, with significantly improved response times as compared to the west coast. Moreover, we are relocating the marines from Okinawa to Guam in the context of U.S.-Japan Alliance transformation and alliance capabilities. Japan's agreement to finance over $6 billion of Guam's development costs reflects the continued relevance of these marines in the region, consistent with U.S. treaty commitments to Japan.

[Whereupon, at 12:14 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, MAY 3, 2007

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

UNITED STATES CENTRAL COMMAND

The committee met, pursuant to notice, at 9:35 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Bill Nelson, E. Benjamin Nelson, Clinton, Pryor, Webb, Inhofe, Sessions, Collins, Thune, and Martinez.

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

Majority staff members present: Daniel J. Cox, Jr., professional staff member; and Michael J. Noblet, research assistant.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Lynn F. Rusten, professional staff member; Sean G. Stackley, professional staff member; and Dana W. White, professional staff member.

Staff assistants present: David G. Collins, Kevin A. Cronin, Jessica L. Kingston, and Benjamin L. Rubin.

Committee members' assistants present: Sharon L. Waxman and Jay Maroney, assistants to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Christopher Caple, assistant to Senator Bill Nelson; Jon Davey, assistant to Senator Bayh; Andrew Shapiro, assistant to Senator Clinton; Gordon I. Peterson, assistant to Senator Webb; Jeremy Shull, assistant to Senator Inhofe; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Stuart C. Mallory, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Today we welcome Admiral William Fallon, Commander of the United States Central Command (CENTCOM), in his first appearance before this committee since his confirmation hearing earlier this year. Admiral Fallon's command is responsible for U.S. security interests in 25 nations that stretch from the Horn

of Africa (HOA) to the Arabian Gulf region into Central Asia. He commands the bulk of U.S. troops in combat today and he is responsible for an area with a host of security challenges which may at any time erupt into violence, requiring further military response.

However, Admiral Fallon is a diplomat as well as a military man. We rely on his judgment and his diplomatic skills to help us deter and prevent conflict almost as much as we do his military skills when a military response is appropriate. Today we will be seeking his counsel on a host of troubling issues in his area of responsibility (AOR), predominantly but not entirely Iraq.

In Iraq, Prime Minister Maliki has said: "The crisis is political and the ones who can stop the cycle of bloodletting of innocents are the Iraqi politicians."

The Iraqis are not meeting the benchmarks that they have set for themselves. The Iraqi Assembly Committee considering amendments to the Iraqi constitution appears to be as far from completing its work as it has always been. Meanwhile, the Assembly is apparently planning to go on a 2-month recess at the end of June. Incredibly, Hasan Suneid, an adviser to Prime Minister Maliki, was quoted in the paper the other day as saying that "Time is irrelevant." Well, time is plenty relevant to us, our troops, and their families.

Iraqi military units were promised extra pay and a short 3-month Baghdad deployment to gain their acquiescence for the mission, while American Army units are being extended for 15-month tours. Prime Minister Maliki also promised there would be no political interference with the operations, but there are recent disturbing press reports of a department, in the Prime Minister's office, the office of the commander in chief, "playing a major role in the arrest and removal of senior Iraqi army and national police officers, some of whom had apparently worked too aggressively to combat violent Shiite militias."

The report in the Washington Post quoted U.S. Brigadier General Dana Pittard, commanding general of the Iraq Assistance Group, which provides the military transition teams advising Iraqi units, as saying that "Their only crimes or offenses were that they were successful," meaning successful against the Mahdi Army. Then he goes on to say—and this is our general—"I am tired of seeing good Iraqi officers having to look over their shoulders when they are trying to do the right thing."

So Baghdad is burning while the Iraqi politicians avoid responsibility for their country's future. Our soldiers risk their lives while Iraqi politicians refuse to take political risks. We cannot have the lives of American servicemembers held hostage to Iraqi political intrigue or intransigence. We need to pressure them to make the necessary compromises.

The situation in Afghanistan poses another major challenge to the CENTCOM commander. As the Director of National Intelligence, Michael McConnell, told this committee in February, this will be "a pivotal year" for Afghanistan. Some of the trends in 2006 were disturbing. A recent State Department report on terrorism states that in 2006 the Taliban-led insurgency remained a "capable and resilient threat to stability." Overall, attacks on coalition forces are up threefold. The use of improvised explosive devices (IEDs) in

suicide bombings increased, with militants launching approximately 130 suicide attacks.

Military officials have reported that attacks along the Afghanistan-Pakistan border have increased twofold following Pakistan's signing of a peace agreement in September with pro-Taliban militants in the Federally-Administered Tribal Areas (FATA). Last year witnessed the growth of narcotics trade in Afghanistan. Retired General Jim Jones, former Commander of the U.S. European Command (EUCOM), said that narcotics were the number one problem in Afghanistan because they provide a funding source for the insurgency and contribute to public corruption. A November report by the United Nations and World Bank concluded that international efforts to combat the growth of the narcotics trade have failed.

In response to these trends, U.S. troop commitments in Afghanistan were increased in January and the Department of Defense (DOD) has announced its intention to maintain those troop levels into next year. In February, the President outlined an Afghanistan strategy which includes additional assistance for training the Afghanistan security forces and the administration has pressed our North Atlantic Treaty Organization (NATO) and other coalition partners for additional commitments of troops and equipment.

While I remain concerned about national restrictions that some of our NATO allies have placed on the use of troops, other coalition partners, including the British, the Canadians, the Dutch, the Danes, and the Afghan National Army (ANA) itself, are in the fight alongside U.S. troops.

The challenges facing U.S. CENTCOM also include a broader terrorism threat throughout its AOR. In a speech to the U.N. General Assembly in September, Afghanistan President Karzai said that we must look beyond Afghanistan to the sources of terrorism, we must destroy terrorist sanctuaries beyond Afghanistan, dismantle the elaborate networks in the region that recruit, indoctrinate, train, finance, arm, and deploy terrorists.

Another source of instability throughout the region is Iran. Iran's clandestine nuclear activities and its support for terrorist organizations pose a threat to peace in the region and beyond. I am deeply concerned by reports that Iranian IED technology has been found in the hands of insurgency groups in Iraq who are attacking American soldiers. The Iraq war has led to the strengthening of Iran. The conference beginning today in Sharm el-Sheikh, Egypt, presents an opportunity to confront Iran diplomatically in the hopes of improving stability in Iraq and in the region.

We look forward to discussing these and many other critical issues with Admiral Fallon and we again thank him for his service to this Nation and for the way in which he and his troops have shown such steadfastness and courage. Thank you.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

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today, and he is responsible for an area with a host of security challenges which may at any time erupt into violence requiring further military response. However, Admiral Fallon must be a diplomat as well as a military man. We rely on his judgment, and on his diplomatic skills to help us deter and prevent conflict, almost as much as we do his military skills when a military response is appropriate. Today we will be seeking his counsel on a host of troubling issues in his area of responsibility—predominately, but not entirely, Iraq.

In Iraq, the Prime Minister has said, "The crisis is political, and the ones who can stop the cycle of aggravation and bloodletting of innocents are the politicians." The Iraqis are not meeting the benchmarks they have set for themselves. The Iraqi Assembly's committee considering amendments to the Iraqi Constitution appears to be as far from completing its work as it has always been. Meanwhile, the Assembly is apparently planning to go on a 2-month recess at the end of June. Incredibly, Hasan Suneid, an adviser to Prime Minister Maliki, was quoted in the paper the other day as saying that "time is irrelevant." Well time is plenty relevant to us, our troops, and their families.

Iraqi military units were promised extra pay and a short 3-month Baghdad deployment to gain their acquiescence for the mission, while American Army units are being extended for 15-month tours. Prime Minister Maliki also promised there would be no political interference with the operation, but there are recent disturbing press reports of a department of the Prime Minister's office, the Office of the Commander in Chief, "playing a major role in the arrest and removal of senior Iraqi army and national police officers, some of whom had apparently worked too aggressively to combat violent Shiite militias." The report, in the Washington Post, quoted U.S. Brigadier General Dana Pittard, commanding general of the Iraq Assistance Group which provides the military transition teams advising Iraqi units, as saying, "their only crimes or offenses were they were successful"—meaning successful against the Mahdi Army. He goes on to say, "I'm tired of seeing good Iraqi officers having to look over their shoulders when they're trying to do the right thing."

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In addition, last year witnessed the growth of the narcotics trade in Afghanistan. Retired General Jim Jones, former Commander of U.S. European Command, said that narcotics were the number one problem in Afghanistan, providing a funding source for the insurgency and contributing to public corruption. A November report by the United Nations and World Bank concluded that international efforts to combat the growth of the narcotics trade have failed.

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> "We must look beyond Afghanistan to the sources of terrorism. We must destroy terrorist sanctuaries beyond Afghanistan, dismantle the elaborate networks in the region that recruit, indoctrinate, train, finance, arm, and deploy terrorists."

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I look forward to discussing these critical issues with Admiral Fallon.

Chairman LEVIN. Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman.

Senator McCain cannot be here today, so I will submit his statement for the record.

Chairman LEVIN. It will be made part of the record.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

Mr Chairman, thank you, and thank you for holding this hearing.

Admiral Fallon, welcome back to this committee. We are all grateful for your continued service and for taking on this new challenge. I would also like to take a moment to thank all of the soldiers, sailors, airmen, marines, members of the Coast Guard, and civilians who are under your command. They are performing with the utmost courage and professionalism. We honor their sacrifices and those of their families. You all have our deepest gratitude.

Last week, General Petraeus provided a candid and forthright report on the situation in Iraq. He described the operational environment in Iraq as "exceedingly challenging" and the "most complex" he had ever seen. He also reported on some notable successes in the past 2 months under the new political-military strategy.

These include killing a key insurgent leader in eastern Anbar province; detaining a number of key network leaders; discovering how various elements of al Qaeda Iraq operate; disrupting a car bomb network that had killed 650 citizens of Baghdad; destroying several significant car bomb factories; and, on Tuesday, the possible death of Abu Ayyub al-Masri, the latest leader of al Qaeda in Iraq. General Petraeus also told of progress in Ramadi, which we all remember in 2006 was a stronghold of terror.

Despite these accomplishments, however, he emphasized as well the many challenges in Iraq. General Petraeus left no doubt that al Qaeda must be stopped for Iraq to succeed, and said that we should continue to consider al Qaeda in Iraq a formidable foe. According to the general, the enemy is resilient and still possesses the capability to produce more horrific attacks, but that al Qaeda's ideology and methods have increasingly alienated many Iraqis. He confirmed reports that Sunni Arabs in Anbar province and other areas are turning against al Qaeda and are joining the Iraqi security forces.

These are the first signs of progress under the new military strategy. It is important to remember that General Petraeus has only been executing this new plan for little more than 2 months—with only three of the five brigades the plan requires. While there are no guarantees of success, there are, for this first time in a long while, reasons to be cautiously optimistic. We all certainly hope these early signs translate into broader trends.

Neither a purely military solution nor a retreat will lead to victory in Iraq. There must be a political agreement among Iraqis that allows all groups to participate in the building of their nation, to share in its resources, and to live in peace with each other. As Americans and Iraqis sacrifice to provide that security, Iraq's leaders must do the hard work of political reconciliation. We can help them get there, but we cannot assume their responsibilities. Unless they accept their obligations to all Iraqis, we will all fail, and America, Iraq, and the world will have to live with the consequences.

With regards to Afghanistan, we've made formidable progress but there is still a great deal to do. I look forward to hearing your assessment of Afghanistan's political stability, the Afghan army and national police, reconstruction efforts, and counternarcotics activities. I am also concerned about the participation of our NATO allies. The call for additional troop contributions has not been answered enthusiastically by most NATO partners, and national caveats continue to restrict the actions of troops from a number of allied countries. Given these facts, I'd like to hear your views on the performance of our NATO partners and how we can encourage them to do better.

We cannot discuss Afghanistan without talking about Pakistan. There seems to be great disagreement about the degree of effort Islamabad is making to prevent cross-border infiltration of fighters into Afghanistan and to disrupt Taliban command and control on the frontier provinces. I was encouraged by Islamabad's recent efforts on my trip to Pakistan last month, but the agreements the government has signed with rebels in the tribal areas are reason for concern. I'd like to hear your assessment on the degree to which Islamabad is being helpful or negligent in our Afghan efforts, the effect of the agreements with rebels on violence in the border region, and how successful Pakistan has been in interrupting Taliban fighters' entry into Afghanistan.

Admiral Fallon, I don't need to tell you that the United States faces many of its toughest challenges and threats in your region of responsibility. What we do in Afghanistan and Iraq will have far-reaching consequences for America and the world. While the committee looks forward to your testimony on the conflicts in Iraq and Afghanistan, we also look forward to your testimony on other strategic challenges in the Central Command area of operations. These include: preventing Iran from going nuclear; the role of Syria and Iran in supporting insurgents in Iraq; an assessment of our cooperation with Pakistan, Egypt, Saudi Arabia and others; protecting Israel's security; the struggle for Lebanon's independence; and quelling violence and genocide on the Horn of Africa.

I defy any honest observer who believes any of these formidable challenges would be easier to confront if the United States accepted defeat in Iraq. However the war in Iraq ends, it will have a profound influence on the future of the Middle East, global stability, and America's security, which will remain tied to that dangerous part of the world. I still believe that the war is part of a broader struggle in the Arab and Muslim world, between violent extremists and the forces of modernity and moderation. I believe it is our responsibility—as we have done so many other times in our Nation's brief history—to rally to the side of freedom-loving people. We don't do it because it is easy. We do it precisely because it is hard—hard, but so incredibly important for the security of the region and of our country.

Again, I would like to say how much we appreciate the enormity of the challenges that you, and all members of your command, face each and every day. You have our utmost respect and admiration and I look forward to your remarks of our guest today.

Mr. Chairman, thank you.

Senator INHOFE. Admiral Fallon, you have been a familiar face to the Senate for a long time, although fairly new in this position. But I can remember many things you were involved in. Back when I lost the Battle of Vieques, we had the Fallon-Pace Report. I have enjoyed working with you over the years.

I have had occasion to be in the AOR 13 or 14 times, and most recently down in Djibouti and the HOA, where there are some problems that you have not really had time to have been there long enough to start addressing. I had the opportunity of being with General Jones during his last trip to Afghanistan.

I cannot help but think, and you might be giving some thought to this, as to some of the successes there. I can recall when the ANA took over their own training and the pride that they had in some of their capabilities. I am not sure but that would not be a good model for some of the things that we are doing in Iraq.

But today I think primarily we are going to be focusing on Iraq. There are many fronts in this war, but Iraq is what we are going to be talking about. Now, it has been over 3 months since President Bush announced the troop surge. Everyone, including the media, has been trying every angle to get an early read on the progress.

General Petraeus' visit last week was a very enlightening one. He was here and he had a chance to give classified briefings to all of us and also some press conferences. He described the situation there as exceedingly challenging, as we all know, and very complex. But he also went over a number of what he referred to as suc-

cesses, and in question time I will be asking if you agree with some of the things that he said. So I will just outline them now.

He talked about "Anbar has gone or certainly"—I am quoting—"over the last 6 months from being assessed as being lost to a situation that now is quite heartening." He went on to describe that as "somewhat breath-taking," some of the progress that has been made there.

He said we have also done the same thing in Ramadi, quoting him, "has been crucial as we have literally reclaimed the city with our Iraqi partners right by our side and sometimes in advance of us." We are ahead with respect to the reduction of sectarian murders in Baghdad, down about one-third. He stated: "We have learned a great deal more about the Iranian involvement, a very nefarious involvement, involving funding, training on Iranian soil, advice, and the provisions of a lot of arms and ammunition, including these explosively formed projectiles (EFPs) that have been so lethal against some of our armed vehicles."

He also mentioned that we have eliminated the security emir from al Qaeda in Iraq in eastern Anbar Province and several other things.

Now, since General Petraeus' visit we feel—and I do not know what the most recent information is as far as al-Masri is concerned, but most people believe that he has been killed and was killed by the Sunnis, which is a very significant thing.

While these accomplishments are remarkable, I believe, we still have so far to go and we are just deeply entrenched in a very, very difficult situation. To quote General Petraeus, he said: "The situation in Iraq is, in sum, exceedingly complex and very tough. Success will take continued commitment, perseverance, and sacrifice." I believe that is the case and I think we have the right people looking after this to make sure that does happen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much. Thank you, Senator Inhofe.

Admiral Fallon, again, welcome and please proceed.

STATEMENT OF ADM WILLIAM J. FALLON, USN, COMMANDER, UNITED STATES CENTRAL COMMAND

Admiral FALLON. Mr. Chairman, Senator Inhofe, distinguished members of the committee: It is a great honor to be here representing the men and women of CENTCOM today. Senator Levin, you certainly outlined the challenges that we face in this region, quite an extensive list of places and issues that beg for resolution.

Senator Inhofe highlighted General Petraeus' meeting with you last week and his public comments. I believe that General Petraeus painted a very accurate picture, one in which I concur, as to the reality of life on the ground in Iraq.

I would highlight the issue of the complexity of the situation. It is daunting from that aspect. But we are blessed to have men like General Petraeus, Ambassador Crocker, and thousands of other Americans and allies, coalition supporters, that are working this problem very hard.

I would be remiss if I did not begin my comments by telling you how remarkably wonderful our men and women in uniform are

serving day in and day out in Iraq, in Afghanistan, in other areas in this region. I have spent 4 of the first 6 weeks on the job out in the region, visiting our people, but more importantly trying to make sure I have the best understanding possible to baseline my ability to assess where we really are and the extent to which we can progress in these challenges.

Since I have been in the command, I have drawn the attention of the staff and our subordinate commanders to five areas in which we are focusing. Clearly, Iraq is one, Afghanistan another, working to degrade these violent extremist networks that have proliferated throughout the world, but have their sustenance and basic support in the central region, working hard to get to know the leaders of the region, to solicit their advice. They live there, they have been there. They understand this better than we.

I have been heartened by the openness of leaders from each of the countries to sit down with me and talk and explain their view of things and their suggestions that they may have to help us in Iraq and other places.

I believe that success in Iraq is dependent on two primary things: first; internal, that stability and security in this country are essential. But it is not going to be possible unless we also have support externally from the neighborhood. This place does not exist by itself in another galaxy and the influence of the neighbors, certainly very unhelpful from two of them in the recent past, but the willingness of others to come and assist Iraq is critical. I am happy that as we are here today there are two successive conferences going on in Egypt at Sharm el-Sheikh, the compact meeting, and then the Iraq neighbors conference, expanded Iraq neighbors conference, with many representatives, key representatives, including Secretary Rice from the United States, to sit down and try to help the Iraqi government move ahead.

The last area that I have focused on is attending to the readiness and training of our own forces and their ability to not only continue to sustain operations in Iraq and Afghanistan, but to be prepared for any future contingencies or crises that may arise.

Mr. Chairman, I have a written statement that I would like to have entered for the record, and turn it over to you for your questions. Thank you very much.

[The prepared statement of Admiral Fallon follows:]

PREPARED STATEMENT BY ADM WILLIAM J. FALLON, USN

I. INTRODUCTION

Mr. Chairman and members of the committee: On behalf of the men and women of the United States Central Command (CENTCOM), I thank you for this opportunity to testify on the posture of our command, and to provide an assessment of security and stability in our area of responsibility (AOR).

CENTCOM is in its sixth consecutive year of combat operations and our region continues to be challenged with insecurity complicated by violent extremism. Operations in Iraq are focused on providing security for the population while increasing the capacity of the Government and Iraqi security forces (ISFs) to defend and secure their people. In Afghanistan, efforts continue to assist the young representative government with mentoring, training, and governance, as well as counter terrorist and security support. Pursuing stability and security in the region requires the focused, coordinated application of military power and a robust interagency effort. By helping people manage social, political, and economic change, we can further the interests of peace and representative government.

In my first 6 weeks as CENTCOM Commander, I have traveled to many countries and met face-to-face with leaders to discuss the situation in the region and to enlist support for our efforts. A number of impressions frame my overall assessment, which is one of guarded optimism.

Our top priority is achieving stability and security in Iraq. The ongoing sectarian violence threatens Iraq as well as the region, and inhibits essential economic progress. Both security and economic opportunity are necessary to convince the Iraqi people that a better life is possible. The Iraqi leaders in Baghdad understand that their ability to provide confidence to the population is key to success in stabilizing the country, and that they must make decisions on governance that are representative of the whole population. Though sectarian interests are working overtime to try to divide them, large numbers of Iraqi people are indicating they are tired of the violence and willing to cooperate with Iraqi and coalition security forces.

In Afghanistan, I believe that the foundation of security and governance is in place. The vast majority of people are in favor of representative government and prosperity, not Taliban brutality, and they are standing up and fighting for their country's future. Capacity of the Afghan Security Forces, particularly the Afghan National Army (ANA), is growing and the ANA is eager and well led. However, many parts of the country have never known centralized governance, lack basic social services and infrastructure, and desperately require expanded capacity to meet the needs of a populace under pressure from the Taliban.

Though Iraq and Afghanistan need their neighbors to help them, Iran and Syria have not cooperated with efforts to combat terrorism and promote reconciliation. Their policies and actions threaten the internal security of their neighbors and the collective stability of the region.

The Iranian regime provides material support to violent extremists in Iraq, Afghanistan, Lebanon, and Palestine. It supplies Shi'a militia groups in Iraq with training, funding, and weapons, including particularly lethal Improvised Explosive Devices (IED). It also continues to provide money and weapons to Hizballah, which threatens the legitimate government of Lebanon.

Iran's most destabilizing activity has been the pursuit of nuclear weapons technology in defiance of the international community, International Atomic Energy Agency, and United Nations Security Council. A nuclear-armed Iran would further threaten regional stability, potentially trigger an arms race, and increase the potential for extremists to acquire weapons of mass destruction.

The Syrian government continues to meddle in Lebanon. Its support for Hizballah is destabilizing the country and it stonewalls the investigation into the Rafik Hariri assassination.

Over the past 5 years, terrorists, suicide bombers, and foreign fighters have traveled through Syria to attack Iraqi and coalition forces. The government in Damascus has tolerated the presence and operations of Iraqi Sunni insurgents who have fueled the fighting in Baghdad and elsewhere in the country.

Participation by Iran and Syria in the Iraq Neighbors Conference in Egypt this week offers an opportunity to make positive contributions to regional stability.

In Lebanon, the government is confronted by opposition groups and violent protests, but the Lebanese Armed Forces are maintaining a fragile order. Hundreds of thousands of Lebanese have stood up publicly against assassination and terror, and for their elected government and a peaceful, prosperous future. The international community continues to support the popularly elected government in Beirut and its legitimately constituted and disciplined security forces.

In the Horn of Africa, Sudan continues to defy the international community and resist the deployment of an effective United Nations peacekeeping force to Darfur. Ethiopia and Eritrea have yet to agree on terms to demarcate their common border, and Eritrea has imposed restrictions on the operations of the United Nations mission there. Ethiopia has accused President Isaias Afwerki's government of sponsoring insurgent groups and violent extremists in Somalia, where the situation remains volatile. The African Union mission to Somalia is unable to provide security beyond its garrisons, resulting in a country vulnerable to the return of al Qaeda and associated movements.

These impressions highlight both the challenges and opportunities in the CENTCOM AOR. We are heavily engaged in several areas but have in place key elements to succeed in advancing U.S. security interests and enhance regional stability. Committed soldiers, sailors, airmen, and marines, working with interagency and coalition partners, lead the way. Staunch allies work with us, and strong partnerships with friendly nations facilitate our endeavors. More than 800,000 people of the region serve in their nations' security forces, risking their lives to combat terror. They are casting a powerful vote for hope, and ultimately victory, by fighting, and often dying, to ensure their countries do not succumb to extremism and terror.

As we move forward, our initiatives are organized into five focus areas: setting conditions for stability in Iraq; expanding governance and security in Afghanistan; degrading violent extremist networks and operations; strengthening relationships and influencing states to contribute to regional stability; and posturing the force to build and sustain joint and combined warfighting capabilities and readiness.

II. SETTING CONDITIONS FOR STABILITY IN IRAQ.

CENTCOM's Multi-National Force-Iraq (MNF–I) leads nearly 145,000 U.S. and 12,600 coalition personnel from 26 countries who are working to develop critical security and governance capabilities. Our shared goal is a representative government in Iraq that upholds the rule of law, respects the rights of its people, provides security, and is an ally in the war on terror.

Accomplishing these objectives requires the focused attention of all elements of the U.S. Government. The explosion of sectarian violence, highlighted by the February 22, 2006, al Qaeda bombing of the al-Askariya Mosque in Samarra, has dramatically changed the security and political situation. After enduring almost 3 years of attacks conducted primarily by terrorists and foreign fighters, Shia militants retaliated with a sustained campaign of kidnapping, torture, and murder. The ongoing sectarian violence became self-sustaining and threatened economic and political progress.

With the ongoing surge of Iraqi and U.S. security forces and renewed interagency commitment, I believe we can establish greater security in support of the emerging Iraqi political process. The surge of additional military forces into Baghdad in Operation Fardh al-Qanoon (Law and Order) has disrupted extremist elements, at least temporarily reduced ethnic violence, and has been welcomed by the majority of the city's people. The establishment of Joint Security Stations offers some enduring promise of improved Iraqi and coalition force coordination and presence in neighborhoods. I believe these posts will also improve our access to information about insurgent activities.

That said, I recognize that we have a limited opportunity in which to capitalize on the potential offered by the surge. The local populace must see tangible results to gain a sense of a more hopeful future, and as a result, come to believe in alternatives to extremism.

Insurgent groups in Iraq have multiple and often competing motivations for perpetuating violence. However, a common thread is their opposition to U.S. and coalition presence and refusal to accept the legitimacy of an inclusive, representative government. Al Qaeda in Iraq (AQI) seeks to incite a sectarian war between Sunni and Shia Arabs through despicable and highly visible attacks on civilians. There is very little popular support for these groups. Some Sunni communities appear to be resisting al Qaeda in Iraq's intimidation. Several local leaders and their supporters have begun to actively support the regular Iraqi Police and Army forces against extremist threats.

Some Shia militias, especially Jaysh al-Mahdi (JAM), seek to increase their political influence and to expand illegitimate activities under the guise of protecting their communities. These groups threaten stability and undermine confidence in the ISFs and the central government. Their death squads are responsible for the majority of the sectarian violence against Sunnis in Baghdad. Infiltration of the police by their members is especially problematic, as it undermines faith in fledgling Iraqi institutions.

Neutralizing these groups depends in part on disrupting the support they receive through neighboring countries. The transfer of lethal technology, weapons, and money from elements in Iran to Shi'a militias threatens stability. Similarly, Sunni Arab extremists continue to receive external moral, material, and logistical assistance from private supporters in Syria and elsewhere. To counter these influences and take bold steps to bridge factional divides, the Government of Iraq needs steadfast support from the international community and its neighbors.

I do not believe these differing factions in Iraq share a similar vision of an inclusive political middle ground, nor do they agree how to get there. The Government of Iraq must move toward inclusion by passing legislation on reconciliation, sharing of oil and gas revenues, and provincial powers. Furthermore, holding timely provincial elections and passing constitutional amendments on the matters agreed upon last year would reduce incentives for violence.

I also found that poor budget execution has inhibited infrastructure development and the provision of basic services to Iraq's citizens. While the Provincial Reconstruction Teams (PRT) are helping improve local government performance and capacity, it will take considerable time to institute long-term good governance. In the near-term, communities would benefit from job creation programs, a significant ex-

pansion of micro-credits, and rehabilitation of viable State-owned enterprises that can open for business quickly.

Development of an effective and self-sufficient ISF continues to be a top priority. In January 2006, there were 230,000 members in the combined security forces. Today there are more than 330,000 soldiers and policemen who have received training and equipment. Although overall logistics capabilities are underdeveloped, the ISF is able to sustain units below the division level.

The ISF is improving in capability, expanding command and control of operations, and taking an increasing role in confronting extremists and criminals. The Police still lag behind the Army in terms of individual and unit proficiency and reliability. In both forces, the units with strong leadership perform most effectively in combat operations.

As we look to the future, we will continue the transition of responsibilities to Iraq's government as conditions allow. This should give its people additional confidence to build and sustain their institutions.

Achieving our strategic goals in Iraq will require the focused efforts of our government's capabilities, the participation of key Iraqi factions, a reduction in external destabilizing influences, and most importantly, courageous and consistent good leadership by the Government of Iraq.

III. EXPANDING GOVERNANCE AND SECURITY IN AFGHANISTAN

Afghanistan's primary insurgent threat, the Taliban, operate mostly in the southern and eastern provinces of the country. While they remain unpopular in most districts, small pockets of hard-core extremists are intent on asserting control and undermining the reform-minded government. As the North Atlantic Treaty Organization (NATO) International Security Assistance Force (ISAF) expanded operations last year into previously uncontested areas, insurgent attacks increased to their highest levels since the fall of the Taliban in 2001. Violence did, however, level-off in October and remained lower throughout most of the winter.

We expect Taliban activities to increase from now through the summer but believe that predictions of a major Taliban offensive are overstated. Despite the ability to instigate increased levels of localized violence, they are not able to militarily defeat the Afghan National Army and coalition forces. While continuing to counter the insurgent threat militarily, we will work with other agencies and a broadly based international effort to assist the Afghans to expand governance and promote economic development.

Improving Afghan governance, infrastructure, and the economy requires a concerted effort. The priorities are roads and electricity, followed by agricultural development, micro-credit, job skills, and education. ISAF is actively pursuing initiatives in these areas, from building schools and providing them with supplies to encouraging and stimulating the growth of small businesses.

Until there are sustainable governmental institutions and a viable replacement for the Afghan poppy crop, opium trafficking will be a significant part of this country's future. In the interim, CENTCOM supports U.S. Government and United Kingdom lead nation counter-narcotics activities. These efforts include building infrastructure, training border forces and the Counter-Narcotics Police National Interdiction Unit (CNPA), and developing a CNPA aviation capability.

In addition to reconstruction and development activities, efforts have focused on the Afghan National Army. Now at 50 percent of desired end strength, its 35,000 soldiers enjoy a high level of support from the populace, and are growing steadily in competence, effectiveness, and professionalism. Though we have made progress in manning the Afghan National Police and Border Patrol, currently consisting of approximately 46,000 officers, these forces remain several steps behind the Army. As the Afghan Security Forces become capable of sustaining security and force development, we will hand responsibilities over to them and transition to a long-term security relationship.

Despite positive developments in the Afghan National Security Forces, long-term security requires the effective disruption of cross-border extremist operations. Essential security cooperation with Pakistan is increasing and more needs to be done. While the issues of border security and militant safe havens are difficult problems, coordination at tactical levels in both countries and with ISAF is increasing. This should lead to further confidence building measures and more robust joint efforts. Tri-lateral cooperation between ISAF, Pakistan and Afghanistan to improve governance, the rule of law, and trade in the border regions can also help eliminate extremist sanctuaries. Meanwhile, ISAF has retained the initiative, clearing and isolating enemy sanctuaries in places like Helmand Province since last autumn. In ongoing operations, MEDUSA and ACHILLES, ISAF forces have undertaken a multi-

faceted approach to clearing, holding, and building. They have killed and captured several hard core Taliban leaders and cut their lines of communications, while aggressively pursuing development projects in the surrounding districts. This not only encourages the population in these areas to reject the insurgents, it vividly demonstrates the contrast between the grim reality of Taliban rule and the health and prosperity of government-controlled areas.

There is a general sense of optimism and determination among the Afghan leaders and people. They regularly voice their appreciation for our assistance, and believe things have improved since last year. We must help them succeed.

IV. DEGRADING VIOLENT EXTREMIST NETWORKS AND OPERATIONS

Whether sponsored by Iran, enabled by Syrian destabilizing efforts, or motivated by networks such as al Qaeda and its associated movements, violent extremism is a serious danger to regional and global security. We must identify, mobilize against, and confront this menace as its anachronistic world view and murderous tactics threaten people and stability worldwide. While our efforts in Iraq and Afghanistan continue, we will use all available methods to build regional and international momentum for moderate behavior while eroding support for violent extremist ideology.

The highest priority in our counterterror efforts is to defeat al Qaeda. Part of this effort, but not an end to itself, is the destruction of senior al Qaeda leaders. Since the September 11 attacks, we and our partners have captured or killed terrorists, diminished safe havens, driven leaders underground, and restricted operating space. Despite these efforts, challenges continue as our enemies work to reconstitute their networks. Critical to countering these violent extremists is the denial of their sanctuaries, nation-state support, and the lines of communication that sustain them. These militant Islamist terrorists attract recruits from a large, worldwide pool of disaffected young people. Unfortunately, their tactics and radical ideology remain almost unchallenged by voices of moderation. In response, we will enhance our intelligence capabilities, develop partner nation capacities, strengthen information sharing, disrupt illicit lines of communication, and work to prevent terrorist organizations from acquiring and using Weapons of Mass Destruction. All of these actions will require interagency and international coordination and cooperation.

Equally important to defeating al Qaeda and other extremist groups is delegitimizing the underlying social and political movements that support them. To diminish the radical social movements from which our enemies derive their strength, we must maintain operational pressure on their networks while building capacity in governance and security that help at-risk societies address problems that foster internal and local grievances. This work requires empowering credible experts to expose the flaws and internal contradictions of the enemy's ideology; provide viable, competing alternative worldviews; and contest the intellectual "safe harbors" where extremist ideas incubate.

Strengthening Relationships and Influencing States and Organizations

To increase prospects for long-term stability and security in the region, we are working to strengthen relationships between and among regional nations and the United States. We are also trying to influence states and organizations such as the Gulf Cooperation Council and operational constructs to contribute to regional stability and work to ensure the free flow of commerce and positive economic growth.

The CENTCOM theater security cooperation program is built on a foundation of enduring relationships, and to that end, I support the Middle East Peace Process. The synchronized efforts of all the elements of U.S. and international power are key. We are fortunate to have a large number of close, reliable partner nations. Five of these countries, Egypt, Jordan, Kuwait, Bahrain, and Pakistan, are Major non-NATO Allies, and of those, Jordan and Bahrain are Free Trade Agreement partners. Our Theater Security Cooperation Strategy enables regional stability and advances security efforts that protect vital U.S. national interests, and helps partners build capacities to combat terror and become self-reliant.

Theater Security Cooperation programs and combined military training exercises strengthen partner military capabilities, increase interoperability with U.S. forces, encourage professional development, ensure access, and enhance intelligence and information sharing. Most importantly, these efforts cultivate personal relationships and build mutual trust and confidence between U.S. and partner military personnel.

We continue to support these programs as a matter of high priority. Whether they are Department of Defense activities, or paid for with Department of State resources, such as Foreign Military Sales (FMS) and International Military Education and Training, the assistance we provide to our friends in the region is fundamental to building long-term security partnerships.

FMS is particularly useful in helping our partners build modern, capable forces that can more easily integrate into coalition operations. However, long administrative delays and procurement lead times undermine responsiveness to emerging threats. 1206 funding is helping to address this problem by allowing the Department of Defense to directly fund security cooperation activities. However, expanded dollar amounts of 1206 funding and including partner security forces engaged in fighting terror would be helpful.

I will work to strengthen relationships with our international partners and allies who are contributing in many important ways to building a better future for people in the region. I would now like to give examples that illustrate the criticality of our own relationships in the region.

Arabian Gulf States. Gulf Cooperation Council members Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates are important partners in maintaining stability in the Gulf. We will work closely with these governments and their security forces to develop solid bilateral security cooperation programs and build confidence and capacity in their forces.

Each of these states has been a valuable partner in our mutual security efforts. The Bahraini Joint Counter-Terrorism Center has helped several agencies of its government to prepare for potential terrorist attacks. At its Gulf Air Warfare Center, the United Arab Emirates host air exercises that build multilateral cooperation and interoperability among the Gulf Cooperation Council, Egypt, and Jordan. Qatar provides excellent host nation support to our air operations center and the CENTCOM forward headquarters. In 2006, it again hosted the multinational crisis response exercise Eagle Resolve, and successfully planned, coordinated, and supervised security for the Doha Asian Games. Oman, a strategically situated state in the region, partners with U.S. forces in exercises and other activities to help keep global commerce flowing and secure its extensive coastline and borders. In 2006, CENTCOM conducted 38 combined military exercises in the Arabian Gulf with these countries.

Saudi Arabia remains a vital partner, and its campaign against terrorists has significantly degraded al Qaeda operations on the Arabian Peninsula. CENTCOM will closely link its initiatives to broader U.S. Government efforts to work with the Saudis in their efforts to defeat threats and promote reform. Eight combined military exercises are scheduled for 2007, all designed to increase cooperation and to develop the Kingdom's security capabilities. Our security cooperation efforts will prove increasingly important as we promote multilateral security efforts and counter-proliferation initiatives in the Arabian Gulf area. These are aimed at deterring destabilizing influences and protecting our friends and U.S. interests from aggression.

Our partnerships with these states also provide essential basing and port access, overflight rights, and additional force protection for U.S. units in the region. Our strong partnership with Kuwait has been in place for nearly 20 years. Kuwait remains a steady supporter of coalition efforts, hosts the Combined Forces Land Component Command, and serves as the primary staging point for forces and equipment rotating into and out of Iraq. I cannot imagine operations in Iraq without the vast support of Kuwait. Bahrain is one of our longest-standing partners and it has welcomed the U.S. Navy for 60 years. It is also home to U.S. Naval Forces CENTCOM and the United States Fifth Fleet. Though not large countries, each contributes greatly to a better future for all the peoples of the Arabian Gulf.

Egypt

The Arab Republic of Egypt remains a key U.S. ally in the fight against extremism in the region. It strongly supports the Middle East Peace Process and has deployed forces to preserve stability in the aftermath of the Israeli withdrawal from the Gaza Strip. Egypt has been a moderating voice in discussions with Syria, Lebanon, Fatah, and HAMAS, and was among the first regional countries to send humanitarian supplies to Lebanon and to volunteer assistance to the Lebanese Armed Forces. Its position as protector of the Suez Canal and gateway to the Middle East has contributed greatly to coalition efforts in Iraq and Afghanistan. Hundreds of Suez Canal transits and thousands of overflights have expedited U.S. military operations in CENTCOM's AOR.

This year, Egypt will again host the biennial Bright Star combined military exercise, CENTCOM's largest training event. In 2005, Bright Star included 12 participating nations and more than 30,000 troops. This year it will include air, naval, ground, and simulated training events that incorporate post-September 11 operational themes designed to improve interoperability.

Unfortunately, Egypt has suffered numerous terrorist attacks, including one aimed at the Multinational Force and Observers in the Sinai. Egyptian security forces have been diligent partners in combating extremist networks. Continued For-

eign Military Financing, Foreign Military Sales and International Military Education and Training funding are needed to develop and modernize forces that contribute significantly to stability in the critical Suez Canal area and the Levant.

Horn of Africa and Yemen

The nations of the Horn of Africa Djibouti, Somalia, Ethiopia, Eritrea, Kenya, and the Seychelles, are plagued by border tension, insurgencies, corruption, terrorist infiltrations, and poverty. Moreover, coalition pressure on al Qaeda and other extremist networks in Iraq, Afghanistan, and elsewhere increases the potential for some of these terrorists to migrate to the Horn as a place to plan, conduct, and coordinate terror attacks.

CENTCOM's Combined Joint Task Force-Horn of Africa, with nearly 1,300 U.S. personnel, works closely with U.S. Embassies in the region. It conducts operations, training, and humanitarian missions in the Horn and in Yemen to help nations build capacity to combat terrorism and prepare for other challenges including natural disasters. Activities that it undertakes include training local security forces as well as assisting with civic projects such as wells, schools, and clinics, and providing medical and veterinary services in remote villages. Security capabilities and civil affairs training gained by local forces, coupled with the goodwill engendered by numerous humanitarian operations, increase the regions' resistance to the spread of extremist ideology and fortifies local desires to defeat terrorism before it becomes entrenched.

Jordan

The Hashemite Kingdom of Jordan remains a key and valuable partner in the fight against violent extremists and contributes significantly to regional stability. Threatened by internal terrorist activities, it has led significant counterterror efforts.

Jordan is a regional leader in security and counter-terror training, and hosts major initiatives for developing security capabilities. The Peace Operations Training Center has provided more than 1,100 U.S. military leaders and soldiers with valuable cultural awareness and language training. Meanwhile, the Jordanian International Police Training Center has provided training for over 50,000 Iraqi police officers, and other Jordanian schools train Iraqi military forces, air traffic controllers, and aviation inspectors. Upon completion in 2009, the King Abdullah Special Operations Training Center will provide a regional capability to train special operations forces. These programs are building competent and capable ISFs and will help other regional security services improve their effectiveness.

Jordan's other contributions are also important. Its highly trained and disciplined armed forces are a positive example for other militaries with high levels of professionalism and combat effectiveness. Additionally, I would like to recognize the Jordanian doctors and nurses who have established a hospital in Afghanistan and treated over 550,000 Afghans and 1,900 coalition members.

Jordan's strategic location, balanced vision of modernization, and well-developed security establishment give it a regional role and influence that exceed its size. Our programs of military and economic assistance remain vital to encouraging Jordan's continued modernization and leadership in the region.

Pakistan

Pakistani security forces have captured and killed significant numbers of violent extremists, to include high-ranking leaders of al Qaeda and the Taliban. They have also suffered extensive casualties. Our long-term partnership with the Islamic Republic of Pakistan is central to defeating extremist groups in the region, and it is difficult to imagine success in that struggle without its support and cooperation. We are working together to reduce the tensions stemming from the radical and violent presence in the Federally Administered Tribal Areas (FATA). Useful initiatives include regular meetings with Pakistan's military leaders, and more robust liaison and communications among our units operating along the Afghanistan-Pakistan border. While President Musharraf is working to moderate groups within Pakistan and to prevent militants using the FATA for sanctuary, he is faced with a backdrop of potent political, social, and ethnic forces within his country.

Pakistan remains a strong partner of the United States, and our support for its counterterror efforts will continue with a variety of focused programs. Our security cooperation funding and bilateral exercise programs help the country's government conduct counter-terror operations and enhance its internal stability. Our goal is for Pakistan to view the U.S. as a long-term, preferred international partner, particularly in our efforts to defeat our common enemies.

Central Asian States

Situated at the crossroads of Europe, Asia, and the Middle East, the Central Asian States of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan are playing an increased role in global energy markets. They are also strong partners in the struggle against militant Islamist movements and their Islamic scholars have taken the lead in publicly countering extremist propaganda. However, as with other areas of the CENTCOM region, the Central Asian States contend with a number of threats to stability and security. Restricted oil and gas export options limit their income, geography makes border security especially difficult, and organized crime, narcotics trafficking, and political instability are preeminent concerns. Though local perceptions of U.S. involvement in the region are complex, our access to government officials is strong.

Despite the challenges, there are signs of progress in Central Asia. Uzbekistan, Kazakhstan, and Kyrgyzstan have negotiated a series of agreements that should improve trilateral border security. Over the coming year, CENTCOM will prioritize engagements that sustain logistics chains for Operation Enduring Freedom, reform regional defense institutions, enhance organic counterterrorist and counternarcotics capabilities, further improve border security and disaster preparedness, and prevent proliferation of weapons of mass destruction.

VI. POSTURING THE FORCE TO BUILD AND SUSTAIN JOINT AND COMBINED WARFIGHTING CAPABILITIES AND READINESS

Joint and combined warfighting capability and readiness are fundamental in our ability to prosecute ongoing military operations, maintain a credible presence to deter aggression, and respond effectively to contingencies. Because we execute nearly all of our activities jointly and in concert with allies, we must cultivate effective interservice and multinational ways of doing business. Additionally, because our region is filled with uncertainty, we must maintain a full spectrum of responsive capabilities through an effective forward deployed force structure, thorough planning, and realistic combined training exercises. Other critical capabilities include the following:

A Strong Coalition

At present, we have over 40 partner nations with troops in Afghanistan and 26 with personnel in Iraq. They bring important mission capabilities, but also significant integration challenges. Blending capabilities of these countries into effective action requires, among other factors, a command and control infrastructure that accounts for remote locations, multiple languages, cultural differences, and challenging force protection issues. Our coalition must share classified and sensitive information when appropriate, and have the networks and infrastructure to facilitate such exchanges.

Interagency Coordination

Establishment of security and stability in our region requires the application of all elements of national power: military, diplomatic, economic, and information. The military instruments can set conditions for security but other agencies foster lasting change.

We are fortunate to have several U.S. Government entities engaged in the CENTCOM AOR. The Departments of State, Treasury, Justice, and Homeland Security, as well as subordinate agencies including the U.S. Agency for International Development, Diplomatic Security Service, Federal Bureau of Investigation, Drug Enforcement Administration, and United States Coast Guard, are actively engaged in our theater. Their efforts are helping to protect critical infrastructure, prevent terrorist attacks on our homeland, train fledgling law enforcement organizations, and rebuild damaged or aging infrastructure. There is clearly a need for better integration and more comprehensive application of all the elements of national power.

Flexible Logistics

Strategic airlift, rapid sealift, prepositioned inventories, and access to bases with critical infrastructure are the key logistics components which support operational flexibility. Our primary focus in this area remains the timely deployment, equipping, and sustainment of units engaged in combat operations. There is no better example of the importance and flexibility of our contingency air and sealift capabilities than the evacuation of over 14,000 Americans from Lebanon during last summer's conflict between Israel and Hizballah. We will continue working with the Joint Staff, Office of the Secretary of Defense, the Department of State, and partner nations to ensure access to the infrastructure we need to support ongoing and future operations.

Adaptable Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Capabilities

Interoperable, high-volume communications systems are essential to conducting operations across a dispersed command space. Our systems operate near full capacity daily with little surge capability. Because many of our needs must be satisfied by commercial providers, access to them is critical. The largest challenge we face is integration of disparate systems into interoperable and reliable networks. We must embrace policies that enable successful integration and technologies that result in effective interoperability and efficient information-sharing.

Ultimately our ability to target violent extremists depends on precise and actionable intelligence. We continue to evolve our techniques and procedures to optimize efforts to "find, fix, finish, and exploit" targets. Our adversaries have been agile in adapting to our operations. We continue to improve battle space awareness, seeking greater specificity, detail, and timeliness of intelligence whenever possible. We are aggressively seeking ways to manage shortfalls or capability gaps in imagery intelligence, wide area coverage, sensor integration, signals intelligence, moving target indicators, layered intelligence surveillance and reconnaissance architecture, biometrics, counterintelligence, and human collectors.

Responsive Counter Improvised Explosive Device Program

Insurgents' weapon of choice will likely continue to be the IED, or road-side bomb. They are cheap, effective, anonymous, and have been adapted to include toxic industrial chemicals such as chlorine. While some are crude, our adversaries increasingly use sophisticated technology, including Iranian-supplied Explosively Formed Penetrators. These weapons have killed or wounded 15,000 military and civilian personnel in Iraq, and IEDs are becoming increasingly prevalent in Afghanistan.

To counter this threat, and working with the interagency and our coalition partners, we are fielding jammers, specialized route clearance vehicles and equipment, and improved vehicle and personnel protective armor. These initiatives have reduced IED effectiveness. We must continue to develop new technologies, tactics, techniques, and procedures. Of particular importance to CENTCOM is rapid fielding of Mine Resistant Armor Protected vehicles, and further research and development to improve the detection of mines, IEDs, and unexploded ordnance.

Personnel

Sustained operations in the CENTCOM AOR depend on personnel who have foreign language proficiency and cultural awareness competency in addition to military skills. Retention is a critical issue, and we depend heavily on quality of life enhancements such as Combat Zone Tax Relief, Imminent Danger Pay, and Special Leave Accrual. The Rest and Recuperation program continues to be a success, serving more than 470,000 troops to date. Over the past year, we have conducted a comprehensive review of the manning of our headquarters, which, after 5 years of war, is still highly reliant on temporary individual augmentation personnel. My subordinate warfighting headquarters are also heavily manned with individual augmentees. I am committed to working with the Services and the Joint Staff to properly size and resource all of these headquarters.

CENTCOM is also working to address requirements for low density skills. Our present inventory of language and intelligence specialists (especially human intelligence) and counterintelligence agents does not support current requirements. Language expertise is crucial in counterinsurgency, counterterrorist, and counterintelligence operations, and will continue in high demand. Contracting language expertise provides interim capability, but in the long run, we need service members and career civilians with the requisite language and cultural skills.

VII. CONCLUSION

Despite difficult and often dangerous conditions and lengthy absences from home and family, our military men and women in the CENTCOM AOR persevere in their efforts and demonstrate courage, professional skill and uncommon dedication to duty. Whether engaged in combat, providing humanitarian relief, or supporting operations, they represent Americans at their very best. While we fight tirelessly against those who would do us harm, we also stand equally ready to assist those who would help bring peace to this region. The American people and Congress have provided staunch and steady support, and we sincerely appreciate your advocacy and assistance. I am proud and honored to represent the men, women, and supporting families of CENTCOM. On their behalf, I thank you for your support, and for this opportunity to testify regarding our defense posture.

Chairman LEVIN. Thank you so much, Admiral Fallon.

Admiral, as I mentioned in my opening statement, the Washington Post reported on Monday that the Iraqi office of the commander in chief played a leading role in the arrest and removal of some Iraqi army and national police officers who apparently worked aggressively to combat the Shia militias. The article quotes our General Pittard as saying that the only crimes or offenses that they committed were that they were successful against the Mahdi Army and that, in his words, "I am tired of seeing good Iraqi officers having to look over their shoulders when they do the right thing."

Can you comment on that? Is that report accurate, that those Iraqi officers were removed because they were doing the right thing?

Admiral FALLON. Senator, I think that, as with most things in Iraq, there are a lot of complexities here. I can certainly understand the frustration of our people that are working with the Iraqi forces, particularly when they see people that are in their eyes helpful to making progress, particularly working with our people.

The reports that this office of the commander in chief is in fact working behind the scenes to set up a parallel organization to the Ministry of Defense is disturbing, because it seems to me that if the Iraqi people are going to have confidence in their government and their leadership, the processes by which these appointments are made is one that is going to be indicative of the likelihood of people believing in their government.

There are many Iraqi army leaders that we have been exposed to and that our people have met. We are making our own assessments of these people in terms of their competence and their corruption or lack of and their willingness to actually do things. I do not know all the details of the particulars that this general was quoted as saying, but I will say that we are certainly aware of the continuing stories of this office of the commander in chief and in my discussions with Ambassador Crocker and with General Petraeus it is our intent to make clear to the Prime Minister that this kind of an operation would be severely degrading to any attempt to move forward in the way that we have been certainly working in that country.

Chairman LEVIN. Would that also not be, if those actions were taken to remove those officers because they were too effective against the Shia militias, would that not also be a violation of Prime Minister Maliki's commitment to President Bush of "noninterference in operations" of Iraqi security forces, if they were true?

Admiral FALLON. Senator, I do not know the details of the specifics that we are talking about.

Chairman LEVIN. If they were true, if they were removed for that purpose, would that not be a violation?

Admiral FALLON. Clearly the Prime Minister has told us that he will try to have people in place that are going to work with us to try and reach the security objectives that we would like.

Chairman LEVIN. Admiral, you said in your opening statement that the most important need in achieving our strategic goals would be good leadership by the Government of Iraq.

Admiral FALLON. Right.

Chairman LEVIN. Do you agree that the solution in Iraq has to be a political solution based on compromise among the Iraqis themselves and that that agreement is essential if we are going to end the violence?

Admiral FALLON. Senator, it is very clear that success in Iraq is going to be greatly dependent, and I believe not possible without the firm commitment and demonstration by the political leadership in that country that they are acting in the interests of the entire population. But there is a certain requirement for security and stability as a foundation for these desires.

Chairman LEVIN. Here is what Secretary Rice wrote to me in her letter of January 30. She said that "Iraq's policy committee on national security has agreed upon a set of political, security, and economic benchmarks and an associated time line in September 2006. These were reaffirmed by the presidency council on October 16, 2006, and referenced by the Iraq Study Group. They also were posted on the President of Iraq's web site."

Now, these benchmarks included the following: By September 2006, the Iraqi's were supposed to form a constitutional review committee, approve law and procedures to form regions, agree on a political timetable, approve the law for an independent high electoral commission, approve provincial election laws and set date for provincial elections and approve a de-Baathification law by November. The constitutional review committee was supposed to complete its work by January 2007, and by March 2007 the constitutional amendments referendum was supposed to have been held.

Were any of those things accomplished as far as you know?

Admiral FALLON. Senator, they have been working all of these issues. There has been progress made, at least from their reports to me and my understanding. They are not moving in my opinion fast enough to support what we are trying to do in that country and I think that making sure that the leadership of Iraq understands that we do not have unlimited time, that we must move forward, that they are going to have to make these tough decisions, is important.

I understand it is complex. I understand it is challenging. But they are going to have to make the kind of progress that will give the people in this country the confidence that they can believe in this government.

Chairman LEVIN. My question was were those specific benchmarks met within the timeline that they set for themselves?

Admiral FALLON. Clearly, they have not been able to stay on there, what they originally hoped to do there.

Chairman LEVIN. It was more than hope. They had set those specific timelines, did they not, for themselves?

Admiral FALLON. My understanding is that they had in conversation with our people outlined the things that they wanted to do. I have not seen anything in writing on these, but all these things have been discussed. I have talked to them about the majority of these things when I met with them. They tell me they are working these in various committees.

But it is challenging. For example, the suicide bomber that walked into the Council of Representatives (COR) several weeks

ago, was very destabilizing. I think it indicates the challenge, the biggest challenge here, is to make progress in the political vein, to have these people make the decisions. We have to have a framework of security and stability that gives them the confidence to be able to work.

So it is a daunting challenge. I think we are making progress. We have not only a big push with additional forces going in there, but the way they are operating we have good indications that they are having success on the ground in expanding areas of stability and security. But we need the parallel effort, as you indicate, to make the political decisions to move us forward.

Chairman LEVIN. Admiral, assuming that Secretary Rice is accurate in her letter, in your judgment have the Iraqis fulfilled those commitments? I just want you to make an assumption that Secretary Rice in her letter to me is accurate as to what commitments were made. On that assumption, in your judgment have the Iraqis fulfilled their commitment?

Admiral FALLON. Senator, I believe they are working on them. They have not completed this agenda that they have laid out for themselves.

Chairman LEVIN. Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman.

First, Admiral, there are two programs I have personally been involved in and feel very strongly about throughout the Middle East as well as Africa, and they are the International Military Education and Training (IMET) program and the Train and Equip, sections 1206 and 1207. We have made an effort to take off the requirement of the Article 98 from the IMET. I think originally it made sense to have that because we viewed that program as doing them a favor. I have felt that they are doing us a favor by coming over here and training.

I would like to have your feeling about the IMET program, its success, and also the Train and Equip and how it is working, such as in the area of Ethiopia.

Admiral FALLON. Senator, the IMET program is one of the most valuable tools we have for engaging with countries around the world, for exposing their military leaders to our processes, to our standards, to the ways in which they can help to build capacity in their countries. There are countless examples in which this has been extremely useful for us, so I strongly support the program. I think it is terrific. In my recent job in the Pacific we were able to use 1206 money in a way that was very helpful to achieve our long-term objectives, which of course are security and stability. So I really support it.

Regarding Ethiopia, I intend to head down there next week. That will be my first visit since I have been in, so I will be interested in looking and seeing how things are going in this country, which by all appearances prior to my visit is a country that is actually trying to help in the HOA.

Senator INHOFE. I would like to ask you to let someone give me a little review of what happens down there. I just got back from Ethiopia and they are very proud of the way that they used our help in going down to help us again. So I think that is perhaps somewhat of a model.

Just briefly, we are all concerned now about the supplemental. That is the current problem that we are having. I will go ahead and quote Secretary Gates: "It is a simple fact of life that if the supplemental is not enacted soon the Army faces a real and serious funding problem that will require increasingly disruptive and costly measures to be initiated, measures that will inevitably negatively impact readiness of the Army personnel and their families." Then he went on to elaborate how specifically that would impact negatively our efforts in Iraq.

Do you have any comments to make about that?

Admiral FALLON. Senator, in my discussions with the Chairman of the Joint Chiefs of Staff and the Secretary of Defense, my understanding is that the continuing funds to support our efforts in the CENTCOM are being taken from the Services. So the extent to which they can continue to sustain the expenditures that we are running on a daily basis, I do not know exactly when they are going to run out of money, but I know that this has to be detrimental to the Services as they continue to support us.

Senator INHOFE. In your opening remarks you addressed some of the foreign impact on al Qaeda. Last week, General Petraeus said Iraq is in fact the central front of al Qaeda's global campaign. I would assume you agree with that. I would like to get a handle and bring out and discuss a little bit about how many foreign fighters do you believe are supporting al Qaeda in Iraq and where they are coming from, where they are getting their equipment, and are there more there now than there were in Iraq, let us say, a year ago?

Admiral FALLON. Senator, I cannot honestly tell you how many are there. From the data that I have seen and talking to General Petraeus, our commanders there, and our intelligence sources, my sense is that there are probably less coming in now than were last year. We are working very hard against this. There are several factors, I believe. One, there is little doubt that there was a pipeline coming through Syria that was enabling these people to get into the fight. But in the last couple of months, the significant turn to the government and coalition side by people in Anbar I believe has to be having a detrimental effect on this, because that is the conduit, if you would, of where these people were coming by our best intelligence assessment. Now that this is not particularly hospitable to al Qaeda or foreign fighters, we would expect to see some positive results from that.

Senator INHOFE. That is good.

African Command (AFRICOM) is working closely with both CENTCOM and EUCOM. I would like to get your impression as to how you see that working. I was in Djibouti in the HOA recently, and I have always felt that they should have their own command. That was one that we talked about a number of years ago.

Can you tell me how you think that is going to impact your potential there?

Admiral FALLON. I would expect minimal impact and maybe some positive. The expectation is we would have a positive effect if somebody is on the staff working this full-time. A fair chunk of the existing CENTCOM AOR is in Africa, and as this standup occurs we are going to be working closely with them to make sure

there is nothing dropped in the handoff to the new AFRICOM. But I think it should be overall beneficial to the countries and our interests in the continent of Africa.

Senator INHOFE. I think so, too.

I mentioned being with General Jones on his last trip down to Afghanistan. I have always gotten the impression down there that there is great progress, but one of the greatest problems is corruption at the local level, the fact that you are not dealing with some central area that can really impact the entire country, but instead you have little areas of corruption around.

Have you had a chance to get in there and evaluate our progress there, and would you elaborate on anything in terms of Afghanistan that you did not get a chance to talk about in your opening statement?

Admiral FALLON. Sure, Senator. I have been there twice and last week spent 3 days in the country. Starting at the top, President Karzai is very, very charismatic, a very eloquent spokesperson and leader in his country. I think he has a good grip on the reality of that place. It is complex. It is certainly riddled with corruption. That is a way of life. It has been that way for quite a long time and it is something we have to deal with.

There are some very positive signs in Afghanistan. First and foremost is my assessment of the people. They are grateful for the assistance that we and the coalition have given them. They support us by and large. They do not like the Taliban. They have had a dose of that and they realize how they treat people and what they do and they do not like them. So we have a strong support base in the population.

I am also encouraged by the leadership in their security forces, particularly the army, their Minister of Defense, Bismillah Kahn, the Chief of the Army. These people are instinctively good leaders. They have a good grasp of reality in dealing with their people. I was impressed as I looked at the quality of the training.

We have people that are working this very hard. My impression of their leadership is one that gives me a lot of confidence. We have a ways to go. I do not know what it looked like a year ago. I was in Afghanistan, but not really focused on the training of Afghan forces. What I see now I like. In fact, we have a new commander that is headed to Iraq to take over the training there, General Dubik. I called him yesterday and asked him if he would please stop in Afghanistan on the way to get a sense of this. Afghanistan is smaller, smaller than Iraq, in many ways I think easier to get a grip on because of the size and complexity issues compared to Iraq. But I am very happy with what I see there and I would like him to take note of it.

As we move forward, we have trained substantial numbers of people there and that is good. I am very interested now in assessing how good they really are and what their capabilities are going to be. When I was there we talked about coming up with a program that we can accurately do that, and I want General Dubik to take a look at it before he goes into Iraq so that he can have that baseline. But I am pretty confident.

Senator INHOFE. Thank you.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

Senator REED. Admiral, what is the time horizon for your operational planning in your command? Several years, 5 years?

Admiral FALLON. I will tell you that I am trying to push it out. I am trying to get the staff to be more focused strategically, first of all on this region and the future here, and to look down the road at, operationally at Iraq a year, 2 years, 5 years down the road. The same thing for Afghanistan. What kind of relationship do we really want? What do we envision for a future? How do these places play in the region? So I am trying to get beyond. General Petraeus is working the tactical to operational side. I want to work operational to strategic.

Senator REED. What planning guidance are you giving your planners for force levels in Iraq 3 years out?

Admiral FALLON. I have not gotten to that level of detail. Right now we are working very hard to try to give General Petraeus the support he needs to complete the influx of forces. But I have asked them to start taking a look at alternatives for where we might want to be in the future. I envision that we will want to be and we will be asked to be in Iraq for some period of time with some representation of U.S. capability, just as we do in other countries. Now, what that is going to be, how soon we transition to what might be an enduring presence there to do the kind of things we do in other countries, I think is something we need to be thinking about right now and start doing at least the initial planning for.

Senator REED. In that context, are you developing plans for redeploying forces out of Iraq, as a contingency at least?

Admiral FALLON. I do not have plans right now to do that. But it is certainly something that we are going to think about and take under advisement, as we should.

Senator REED. Do you not think that is a key responsibility you have as the CENTCOM commander, to have contingency plans in place at all times?

Admiral FALLON. Senator, we have dozens of contingency plans in the region. Yes, sir, we will do that. But right now we are focused on trying to do everything we can to make this surge successful and to support General Petraeus.

Senator REED. One of the criticisms of the operations to date, and I think it is with increasing strength, is the fact that CENTCOM did have very detailed plans for operations with respect to Iraq, but those plans were totally disregarded. Improvisational, ad hoc methods were used which turned out to be, frankly, disastrous in many cases.

I do not think we can afford to repeat that experience going forward and that is why I would urge that this planning process be accelerated and we operate with detailed plans from military commanders and not improvisation from political appointees here and over there.

Admiral FALLON. Senator, I do not know the detail of what went on in the past, but I can tell you that if we have plans on the books my intention is to make sure these plans are credible.

Senator REED. Admiral, are you satisfied with the contribution to date from non-DOD elements that are integral parts of this ap-

proach, the State Department, other agencies of the national government?

Admiral FALLON. I do not know whether you could ever satisfy my desire for more and better assistance, better coordinated. I will tell you that we are working it very hard. I have met with Secretary Rice and her many assistant secretaries with our people in Baghdad to try and coordinate. We have thousands of people that are trying to work this issue.

My sense right now is the biggest challenge for us is to do the best job we can to integrate these many capabilities on the ground in the near-term so that we can follow up this major change in our force disposition and in the way they are actually being employed on the ground, with the economic, political, and other infrastructure incentives and initiatives on the ground. I think it is really important, very complex, and I am spending probably as much time looking at that piece of it as the strict security piece because I think it is so important.

Senator REED. It has been my impression as I have gone out, and I know you have also, to go down to division commanders and brigade commanders who are continually critical of the lack of support. They understand the constraints, but that message seems to be diluted when it gets here to Washington. Everyone is working together and trying to coordinate and harmonize.

We have reached a point I think where we have to be pretty blunt about whether we have all the components in place to attempt this proposed strategy.

Admiral FALLON. Senator, I agree. Time is of the essence and it is right now. There have been a lot of changes. I know there have been historically complaints about this. There are Provincial Reconstruction Teams (PRTs) in operation. They are well-intended. They have tremendous goals. They are working at governance and putting in place those structures. My perception is that we need actions right now that are going to show results in the very near-term, over the next 6 months say that can be a direct follow-on to the security push that is ongoing.

There are now these new PRTs that are being very closely aligned to the brigade leadership, the military leadership. In fact, General Petraeus and I were talking about this just the night before last, and doing everything we can to try to sync these people on so that what the security leaders, the military leaders, see as they move into these neighborhoods, for example, in Baghdad is going to be acted upon, we have the capabilities in place to actually have this thing coordinated.

So I think it is very complex. I think we are much better than we were before. But I will believe it when I see the results. I want to have this thing much tighter and we are working on that right now.

Senator REED. Admiral, one potential analysis of what is going on in the country is that the Government of Maliki, Shia-dominated, has essentially talked down the Shia militias, got them to go underground, biding their time, not taking effective steps against them but letting them bide their time because of political considerations, while at the same time they are quite eager to engage the Sunni insurgents, and we are doing that, and quite suc-

cessfully because of efforts in Anbar and elsewhere, but the overall goal of this government is simply to let us fight their enemies while they consolidate their power and emerge at some point down the road dominating Iraq, which is contrary to all of the discussions about benchmarks, about reconciliation, about fairly distributing oil.

What is your view on that?

Admiral FALLON. Senator, I think that is a view. My perception from 6 weeks on the job is that certainly Prime Minister Maliki and other senior officials are taking a broader view of this, that they are trying to address the needs of the country as a whole rather than just these narrow sectarian views.

I think it is a real challenge. Just look at the Prime Minister himself. He does not come from an experience base of dealing with other than his party and his interests. He acknowledges the need to do this, to be representative of the whole country.

They are not making every decision that we would like them to make, as quickly as we would like them to make it. It is pretty easy for me to go over there and say, Mr. Prime Minister, if only you would do this, then I think this would be better. He reminds me that there are many issues and that there is a long history here, a perception in the minds of the now-majority Shia that they have been oppressed for a long time by Saddam and his Sunni-dominated government, and that in his dealing with the country as a whole that he has to take into consideration these very strong opinions and memories and the reality of the suffering that they have endured.

So I can see this every day as he tries to balance this. We have with our ambassador, Ryan Crocker, and General Dave Petraeus there virtually every day, sitting down with the Prime Minister, working through him to try to continue to encourage him. It is tough with all these special interests that are gnawing at him.

My sense is that, of all the things going on in Iraq, we are making some tremendous progress in many areas across the country. You look at the provinces as a whole, the number of provinces where there is substantial violence ongoing are relatively small, 4 or 5 out of the total of 18. I see real success with our troops, particularly since this surge and the number of forces have really increased in the conflicted areas in and around Baghdad.

The destabilizer is the continuing ability of the Sunni, allied with al Qaeda insurgents, to use these big bombs to provide or to send a signal of insecurity. The reaction on the Shia side is to point to the Prime Minister and say: See, they are still at it. This gives them a substantial base in arguing to the Prime Minister that he be very careful about reaching out to the Sunnis.

It is the biggest challenge. If we can break this link between the Sunni and al Qaeda, I think we will have a pretty good chance of a substantial turn. The dramatic shift in the atmospherics and the reality in Anbar from 6 months ago to today I think is indicative of what could happen in this country. Very complex.

The Shia have not responded in a major retaliatory way to these big attacks. We literally hold our breath. I think one of the reasons is the Prime Minister and his leadership are trying to keep this tamped down. We need to convince him that taking steps to give

some sense of inclusion to the Sunnis so they will then lessen their support, passive or otherwise, for al Qaeda would be the biggest and most important thing that could happen in the political realm in this country. This is my message to the Prime Minister.

Senator REED. Thank you very much, sir.

Chairman LEVIN. Thank you, Senator Reed.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

That last discussion you had with Senator Reed is important. I just returned from this weekend with Senator Ben Nelson's delegation. One of my impressions was that it is indeed the spectacular Sunni, but driven, plotted by al Qaeda, attacks, often by suicidal persons recruited by al Qaeda from outside the country, that is causing the greatest instability and insecurity there; and that this lack of security has provided a legitimatization of the Shia militia.

Admiral FALLON. That is exactly right.

Senator SESSIONS. Would you agree with that?

Admiral FALLON. Absolutely right. It gives them an argument that I believe has clearly been persuasive to some degree with the Prime Minister that this is the insurance policy. Regrettably, even though there may be some good intentions with these militias to work first and foremost to defend their segment of the population, there is little doubt that there are very evil, murderous people that are involved in these militias as well, they care much more about getting even or getting revenge or wreaking havoc on somebody else than they do about taking care of people.

So these competing interests are the biggest challenge.

Senator SESSIONS. Al Qaeda and their allies we have to assume are just not compromisable. They are just not into negotiations. Ideology is pretty much their only way.

Admiral FALLON. I am not sure I would be that strong. It looks like in Anbar there are people who were clearly fighting against us who have now stopped doing that and have gone over to the other side.

Senator SESSIONS. These would be the allies or partners with?

Admiral FALLON. These are disaffected, unhappy, disenfranchised Sunnis who were the beneficiaries of certain things under the Saddam regime, who when they lost all this saw that their best interests were served by fighting the coalition and fighting the government. After several years of this, it is very clear that they realize this is a mistake, and so they have opted to come over and help the coalition and the government.

Now, I do not believe for a minute they have suddenly decided that we are the most lovable folks in town and this is what they are doing it for, that that is the reason. I think the reason is self-interest. Frankly, they see that their future, a future with al Qaeda, is a loser and that they have a much better chance of now working and trying to influence this government to be more representative of them, and that is why they are doing it.

Senator SESSIONS. Senator Levin, Senator Warner, and I were in Al Anbar in October of last year and I was very troubled. I have heard reports of major progress as the tribal leaders have turned against the al Qaeda and that was confirmed this weekend. We met with General Gaskins, the Marine commander there in

Fallujah. He talked about how they met with tribal leaders who said they wanted to cooperate with us and they asked our marines what they needed and they said we needed young people to join the police and the military, and he said: I will have 500 Tuesday. They came Tuesday and there were 550 who signed up.

It has been a very real change. Now, that was the area, and I guess remains the area of the strongest al Qaeda influence, is that correct?

Admiral FALLON. This has been the traditional support base for al Qaeda in Iraq. It has also been the conduit for support from the outside in foreign fighters and equipment and no doubt money. I was there 6 months ago and found the same thing. It was very disheartening, a troubled region, and nobody was on our side except our own people.

Every one of these towns and cities now, the major towns and cities, from the Syrian border all the way down to the Euphrates towards Baghdad are now largely in the hands of the Iraqi security forces and/or U.S. forces, and they are remarkably quiet compared to just a few months ago. There has been a steady decline in level of incidents in these cities and there is tremendous progress.

I was out 2 weeks ago walking the streets of Haditha, a place where I was in December and it was not hospitable in any way, shape, or form. I was actually out with General Gaskins and General Odierno walking, meeting with the mayor. Very encouraging to see that the leadership, the tribal leadership in particular, has been forthcoming in encouraging their people to join the security forces, because that is going to make all the difference.

Senator SESSIONS. I certainly agree, and we were told the same about Ramadi, a very tough area that now the General said they walked the streets and talked to people and it is not perfect, but a lot, huge progress has been made there.

Admiral FALLON. You can see the tremendous difference in the population as they now begin to have confidence, they are starting to rebuild, do other things. But it is not over yet. I will be very honest with you.

Senator SESSIONS. It is not over yet, and there are a number of concerns that I believe we have. But this is the kind of advance that can happen if you work at it and adjust and think and conditions change.

I would just note, our marines, our soldiers, our airmen, our Navy personnel, deserve the absolute finest support this Congress can give them. But they also have to have support from the Iraqi government. We do not need to be doing things here that undermine their effectiveness and I think on occasion we have. Things that have been said here cannot have been helpful to those soldiers on the ground.

But I am concerned about this government. We were there and they kept telling us: We want more time for this and more time for that, and a sense that they just would not understand the urgency of it. I understand that there is a plan for a 2-month summer recess in the Iraqi parliament. Can you give us your impressions on that summer recess, which I think is unacceptable, and your evaluation of the sense in which this government is capable of

making the decisions on oil and reconciliation that really are important to us?

Admiral FALLON. Senator, that is the number one question in my mind, is their ability as well as willingness to do this. The heads are nodding affirmatively, yes, we understand, yes, we are going to do this. When these things come up like this 2-month holiday, immediately I know Ambassador Crocker and General Petraeus have pushed back on it.

I think it was Dr. Rubai, the National Security Adviser, the other day said this will be addressed; they are not going to take a 2-month vacation; we are going to get them to work, which is clearly necessary. How can we have our people out there fighting and dying if they are off on vacation, instead of addressing the most pressing issue, which is getting the kind of reconciliation sense in the minds of the people.

Senator SESSIONS. That certainly worries me, I have to tell you. This government has to be functional if we are going to support it.

Admiral FALLON. I think we need to be steadfast in our messages from here and from all of our coalition forces that the only acceptable behavior here is going to be them stepping up to take those tough decisions, however difficult they may be, to give their people the confidence that they can trust and believe in their government.

Senator SESSIONS. Admiral Fallon, I have raised a number of times my concern about increasing the system of law in Iraq and the need for order and a judicial system and a prison system that works. We had a meeting for several hours one night with the Iraqi judge, Iraqi lawyers, defense lawyers, Department of Justice (DOJ) personnel, General Gardner, who is building the prison system there. I just have to tell you that I am of the view that we still are not where we need to be.

General Gardner talked about doubling the prison capacity in fairly short order. I think he is committed to that. I believe General Petraeus understands that. Probably it needs to be more than doubled, and soon. I think that is confirmed by an article by Bing West in the Atlantic Monthly of a few weeks ago that talked about the catch and release, that 80 percent of insurgents that are arrested are usually released, other problems.

Have you been able to examine how critical this is, because if the local people see individuals that have murdered their relatives or conspired with them be apprehended and then released, it has a tremendously demoralizing effect. I just cannot stress how strongly I believe that that is critical to creating stability in Iraq.

Admiral FALLON. Senator, I agree, the need for a justice system, for law and order, for a host of reasons—as you indicated, to give the Iraqi people some confidence that there is some real justice going to occur, as well as dealing with thousands of detainees right now, is really important. Dave Petraeus is trying to jump-start this, as I think you are aware. He has stood up or helped to facilitate standing up a court system in the Green Zone in a protected area.

One of the biggest challenges here is every time a person of courage stands up to do the right thing in this country he becomes immediately the target of those zealots that want chaos and do not want a justice system. So they are very vulnerable and their fami-

lies are vulnerable. So Dave is trying to jump-start this by setting up a court with a lot of help from folks in this country, legal experts and judges and prosecutors and so forth, to be able to get something going to address these things.

Senator SESSIONS. We had discussed that late last year. I believe that is happening, where the judges go out to safe zones and try cases and come back to Baghdad or otherwise, because they are at great risk and cannot live within the community if they impose substantial sentences.

But what I want to say to you, Admiral, is my impression is that that is a good start, but it probably needs to be a ten-fold increase.

Admiral FALLON. I agree.

Senator SESSIONS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Bill Nelson.

Senator BILL NELSON. Admiral, good morning.

Admiral FALLON. Good morning, sir.

Senator BILL NELSON. My question is with regard to Baghdad, what is the electricity production as to what is needed at this point?

Admiral FALLON. That is pretty tough to judge. I had this same question for my staff and for General Petraeus' folks as I flew around Baghdad, over Baghdad at night, in the last couple of weeks. I saw quite a bit of light, which was indicative of power.

Senator BILL NELSON. Okay, would you supply that for the record, yes, sir?

Admiral FALLON. Sure, yes, sir.

[The information referred to follows:]

Baghdad's first quarter average daily demand was ¢2,100 MW, with the average daily electricity supply of 897 MW, which supplies a first quarter daily average of 5.4 hours of power. The difference is due to the large number of generation units that are in scheduled and unscheduled maintenance, long-term outages, the inability to provide fuel supplies for power generation, and the interdiction of the 400kv transmission grid between the Baghdad Metropolitan Area and the power production centers in the adjacent regions of Iraq. Since June 2006 the Government of the United States has provided +7.6B USD to upgrade the Iraqi Electricity Sector, which suffered through +25 years of mismanagement and neglect by the previous regimes. The Iraqi Ministry of Electricity has developed a long range plan to redevelop and expand the power sector to meet the demands of not only Baghdad, but of the entire Iraqi nation. Electricity demands of the Iraqi people and economy will not be met, however, until the security situation improves, until the climate of corruption moderates, and until the Iraqi government develops and implements necessary laws to allow the massive needed international investment ($20 billion+ USD) to develop the power sector.

Senator BILL NELSON. Now, with regard to Baghdad, my impression here is that you think that the surge is working in Baghdad. This is not a question about Anbar; it is a question about Baghdad.

Admiral FALLON. In and around Baghdad, I can see very positive effects of the additional forces and the methods and the way that they are being used with the Iraqi forces. There are substantial areas of that city that are now no longer under the influence of the kind of daily chaos that was going on 3 or 4 months ago.

Senator BILL NELSON. The judgment on whether or not it did or did not work in Baghdad would be rendered when?

Admiral FALLON. There is still another couple of months to go before the total of the forces that have been allocated for that area,

before they are actually in place. So I could not imagine even trying to make a judgment until after they have been in place for a couple of months. So I think by the end of this summer we will have a pretty good feel for how we are really doing.

The challenge, Senator, that I see is I can see the momentum, I have been there, I have gone on the streets and I have seen what is going on, and our people are reaching out and steadily making these neighborhoods more secure. But the destabilizers again are these big bombs and the ability of zealots to penetrate that security and to make people feel insecure.

Senator BILL NELSON. Are these mixed neighborhoods that they are going in, securing, and then they hold?

Admiral FALLON. The areas that were less mixed have been easier to deal with. We are now, General Petraeus and General Odierno and his teams are tackling these mixed neighborhoods, which are more of a problem, because this is where the zealots on both sides are still hard at work and they are still intimidating the population and they are the toughest nuts to crack right now.

Senator BILL NELSON. The ones that have been cleared, are they held?

Admiral FALLON. In fact, I was looking with my staff yesterday at the metrics that we have been using and the way we have been depicting this, and I gave them my opinion that that might have been good prior, but right now it is not enough because it does not give me enough context, a sense of how well we are actually doing, once we think we have cleared these areas what is really going on.

So it is a work in progress. I could show you at a classified level a depiction of Baghdad with General Petraeus' assessment right now, but I think we are digging down deeper in that to see how well we are really extending the security.

Senator BILL NELSON. For the committee what I am trying to understand is that originally the theory was clear, hold, and build.

Admiral FALLON. Right.

Senator BILL NELSON. Now, going into this surge we were not even getting to the build part. We were going to clear a neighborhood and then we were going to hold it. So my question is, of the neighborhoods that you have cleared, are those same neighborhoods being held?

Admiral FALLON. Yes, sir.

Senator BILL NELSON. Are they being held by the Iraqi army?

Admiral FALLON. In large measure, yes, with a very strong U.S. presence.

Senator BILL NELSON. Can you give a percentage? Is it 60–40? Is it 70–30?

Admiral FALLON. I would be winging it. I do not want to give you a percentage, but there are substantial Iraqi forces and U.S. forces in these areas.

Senator BILL NELSON. Are there any areas or neighborhoods that we cleared that we are not holding?

Admiral FALLON. I think it is too simplistic to say just holding. Have we eliminated all incidents and all violence in these neighborhoods? No. Has the level of violence gone down dramatically? Yes. There are some that I feel pretty confident that I do not have

to look at day to day to see how much bloodshed is going on, that other areas are the focal point.

These are really big neighborhoods and lots of stuff going on.

Senator BILL NELSON. Right.

Admiral FALLON. But generally, we have had very good success in many of these neighborhoods so far.

Senator BILL NELSON. You want to give us a concept of how many?

Admiral FALLON. No, I do not want to. I think I would rather wait a little bit and get the rest of our forces in there.

Senator BILL NELSON. No, I am talking about how many we have cleared.

Admiral FALLON. Oh, in terms of numbers?

Senator BILL NELSON. That is correct.

Admiral FALLON. I believe you cannot just look at Baghdad because you have to take this; it is not an isolated entity here. There are lots of lines of communication in and out of there. My sense is, first glance, about half of the area looks dramatically improved and levels of violence lessened. There is a distinctly active area of mixed neighborhoods that runs generally west of the Green Zone, that is certainly an area in which we are working very hard right now. The level of incidents is up, but there is little doubt that one of the reasons for those levels of incidents is because we are pushing very hard into these neighborhoods with the Iraqi forces.

Senator BILL NELSON. Mr. Chairman, I think that would be most helpful to the committee as we are trying to evaluate, to what degree in what was laid out to us by General Petraeus, this clear and then hold, to what degree has it been implemented and where has it been, the degree of progress. It is hard for us to evaluate without having some specifics.

Admiral FALLON. I understand.

Chairman LEVIN. Would you provide those, Admiral?

Admiral FALLON. We will work on it. Senator, I do not think it is appropriate to declare that we have done this and we have gotten this percentage until we get the rest of the force in there, because this is a work in progress. As additional forces come in, there are different things taking place at the tactical level that are very significant in regard to these neighborhoods.

Senator BILL NELSON. You have said within a couple of months you are going to have all of your troops deployed, and so at that point clearly we would want to know. But we do not want to wait 2 months to get this information to get an idea.

Admiral FALLON. I will get back to General Petraeus and we will give you an assessment of where we think we are right now.

[The information referred to follows:]

Since Operation Fardh Al-Qanoon began in February 2007, 146 neighborhoods (muhallas) have been cleared by coalition forces and Iraqi security forces and are now in the ''control'' or ''retain'' status. This represents 32 percent of the total number of neighborhoods (457) in Baghdad. Currently Multi-National Division-Baghdad (MND–B) is in the process of clearing 155 neighborhoods (34 percent) through a combination of operations conducted from the division through company level. MND–B is shaping the remaining 156 muhallas (34 percent) through disruption operations. These muhallas will either be cleared or transition directly to control status.

MND–B classifies all muhallas within its area of responsibility according to a categorization scheme that identifies each mulhalla as in the ''disrupt,'' ''clear,'' ''con-

trol," or "retain" status. MND–B executes disruption operations to keep enemy forces off balance until sufficient clear and control forces are available. Clearing operations seek to remove enemy forces and organized resistance within an assigned area. An area transitions to control status when coalition and Iraqi forces can maintain physical influence over a specified area to prevent its use by insurgent forces and protect the populace. Finally, an area enters retain status when friendly actions render the area free of enemy influence. The doctrinal reference for these tactical terms is Army Field Manual 3–90 (Operations). The categorization of each mulhallah is set using assessments made by the coalition force brigade commander responsible for that area.

Senator BILL NELSON. Alright. What is your strategy to combat the terrorist threats in Africa?

Admiral FALLON. I am headed to the HOA on Monday to go down and look at it first-hand. Africa is a huge area. We are focused on the HOA. Somalia has been pretty much ungoverned for many years. It is clear that this is a lawless territory which is fertile ground for terrorists. We are trying to pay attention to what is going on there.

The Ethiopian Government has sent troops in to try to disrupt some of the more harmful elements there. There is an African Union force that has gone on the ground in Mogadishu to try and put some semblance of stability in there. My sense is from a distance that they are having some effect, but not great effect. So I am interested in going down myself to visit some of these places and get my own assessment.

Senator BILL NELSON. That is my question, your strategy in preventing al Qaeda from strengthening its presence. So since you need to take that trip, I would appreciate it if you would respond to us after that particular factfinding trip.

Admiral FALLON. I sure will.

Senator BILL NELSON. Thank you.

Chairman LEVIN. Thank you very much, Senator Nelson.

Senator Martinez.

Senator MARTINEZ. Admiral, it is good to see you again. I know how proud we are in Florida to have CENTCOM in our State and we are delighted to have you there and look forward to you continuing to be one of our most distinguished citizens.

I wanted to begin by framing where we are. We started a Baghdad security plan a couple of months ago under the leadership of General Petraeus. We had an increase in troop strength relating to that plan, which is still incomplete. In other words, the troop strength will be fulfilled in another couple of months.

Would it be not a little difficult to assess the success of a plan that is still in the process of being implemented?

Admiral FALLON. Sure, which is why it is really very difficult. I can give you a snapshot, but I am not sure how useful that snapshot would be until we get the full force of our intended changes in place. So it is going to be a couple months to get the forces there and then I think I would certainly be interested in letting them have the full effect of that force and the follow-on non-military aspects of this plan before we really make an assessment or a judgment on how we are really doing.

Senator MARTINEZ [presiding]. That is called the Baghdad security plan, which is really focused on Baghdad itself, correct?

Admiral FALLON. It is Baghdad and environs.

Senator MARTINEZ. Now, the success we have had in Al Anbar Province, and to be sure there has been significant success there——

Admiral FALLON. True.

Senator MARTINEZ.—is unrelated to the Baghdad security plan. Of course, it is part of what we are trying to accomplish in the whole country, but it is a success that is somewhat unrelated, is it not?

Admiral FALLON. I think they are related and that the degree to which we can capitalize on the change of sentiment and the changes on the ground in Anbar will be very telling in Baghdad, because the al Qaeda-Sunni connection has by every indication primarily been down through Anbar and into the Baghdad area. So making progress in changing the ability of the enemy to use this area as a sanctuary and as a means to funnel people and equipment down into Baghdad I think is going to be very telling on the situation.

Senator MARTINEZ. Al Qaeda was using Al Anbar as a staging area, safe area if you will, a place of headquartering their operation?

Admiral FALLON. It got support from the population.

Senator MARTINEZ. Right. But then they were operating outside of that area, including in Baghdad, correct? Al Qaeda even then and today continues to operate in Baghdad as well?

Admiral FALLON. They will try to go anyplace they can in the country.

Senator MARTINEZ. But in fact, do they go into Baghdad?

Admiral FALLON. They do.

Senator MARTINEZ. When we are fighting in Baghdad, we are at times fighting al Qaeda?

Admiral FALLON. It is our belief that they are the primary instigators of terror, particularly the suicide bombings.

Senator MARTINEZ. Part of this new strategy, this new security plan that is in the process of implementation, had a political component. I know you were asked this morning about some of the benchmarks that the Iraqi government had set out for itself, obviously some of them unmet. It does seem to me that it has been very difficult for the Iraqi government to come together and operate as a nucleus of a unity government. I was struck when I was in Baghdad how disjointed it was and about the influence in some ministries by those who really did not have the same goals as perhaps the Prime Minister.

Why is it so difficult for the Iraqis to come together politically? What is it that has made it so difficult for there to be the political success that is so integral to the overall success of Iraq?

Admiral FALLON. Senator, my understanding is and belief that the sectarian differences that divide this country are quite significant. The short version is that a Sunni minority has dominated the country for decades under Saddam Hussein. They inflicted a lot of pain on the Shia majority and that has now been reversed in a representative process. Since the Shia outnumber the Sunni, they are the dominant political entity in the country.

The Sunni are feeling the pain of being the former top dogs and now they are not. They enjoyed many benefits under Saddam that

they certainly do not enjoy now. This is very difficult for them to accept.

The Shia, on the other hand, having been persecuted and severely maligned by the prior government, in some respects certainly want to enjoy the benefits of being the majority and to get things that they would like to have done to their part of the country and their people. There is certainly a segment of the population that is out for revenge and would like nothing better than to try and settle scores.

You have a Kurdish part of the country in the north that has its own special interest related to itself, and the ability of these three major factions to work together is going to be the tale of the tape here. This is challenging for them because they have historically only looked after their own interests. There have not been national leaders who have a broader view that would, I think, take into consideration all the interests and desires of the population. That is what Prime Minister Maliki is trying to do.

My sense is that most of the leaders understand that, but they have a lot of difficulty in making the decisions that are going to be necessary to really move forward. It is clearly a work in progress. The idea that they have benchmarks and they have not met them, it is like many other things, even our own government: We set goals and objectives; sometimes we make them, sometimes we do not.

The intent is to work towards these goals. I have not had any of the senior leadership tell me that they are not interested in working. There is no doubt that there are people in this country, in that country, that feel this way, but the senior leadership has told me they understand, they know what they need to do, and they are going to continue to work it, but it is difficult.

Senator MARTINEZ. We in the U.S. Senate understand about benchmarks not met in terms of goals of what we can achieve.

But I think no doubt that the political dilemma that they are in would be much easier dealt with in an atmosphere of less violence, which is what our hope is and part of our strategy, I suppose.

Admiral FALLON. This is why the enemies, they understand this very well. They are now working hard to focus their activities on things that would be destabilizing and things that would undermine the confidence of the leaders to make those decisions.

Senator MARTINEZ. Admiral, we are going to have to adjourn the hearing at this time so that I might go vote in the 2 minutes that I have left to get to the floor. So we thank you and we stand adjourned.

Admiral FALLON. Thank you, Senator.

[Recess.]

Senator WEBB [presiding]. The committee will come to order.

I would first just like to say that I was pleased to support your confirmation, Admiral Fallon. I think that you have unique credentials and from my perspective you were dropped into the middle of what I view to be the results of an abysmal strategic failure, with constantly shifting justifications for our involvement, vague objectives, and overuse of our military, as opposed to a tandem diplomatic process that should have been in place, that hopefully we are now getting into place.

The great strength of your more recent background particularly has been your diplomatic skills. I think that anyone who observed your previous tenure knows of those strengths and of the approaches that you took, particularly with our relations with China; and that this is something that has been sorely lacking in our approach to the situation in Iraq. I think that, absent a small percentage of people in this administration, there is a genuine acceptance of the fact that this is the direction that we need to go.

I spent a good bit of time yesterday with Iraq's ambassador to this country, and we obviously did not agree on everything, but it was surprising to me the things that we did agree on. One of those was his belief, and I think this is the belief of most of the people involved in the Iraqi governmental process, that you simply cannot resolve this problem inside Iraq, that for all the talk about the reconciliation of the factions inside Iraq, that this is only going to be resolved with the strong participation of other countries internationally and particularly countries in the region.

He spoke to me of the efforts of this current Iraqi government to reach out in their own missions to Tehran and Syria and the difficulties that they were having, quite frankly, being taken seriously. This only strengthened my view that the solution that is going to come about is going to have to come about through strong diplomatic participation.

I say this at a time when we know that Secretary Rice for the first time is at a conference, the first time in 28 years, a conference where at a minister level the United States and Iran are present. I think it is properly a multilateral conference.

But I am curious as to your viewpoints on this and what you see as the prospects for the outcome of this conference and this approach.

Admiral FALLON. Thanks very much, Senator. I share your conviction that real success, not just in Iraq but in the region, is going to require engagement and help from countries out there. My initial impression is after speaking with the leaders from Egypt to Pakistan, and throughout the Gulf area, there is a general feeling that we have not paid much attention or enough attention to the opinions of the folks there. Whatever happened in the past, we have to deal with today. So a solution for Iraq in the positive manner in which we would like to see it is going to need help from the neighborhood.

In general terms, there is a lot of anxiety and I think it has probably not been ever too much different over there. But most of the Gulf countries on the Arabian Peninsula are very concerned about Iran, about Iranian intentions, about the growth in power and the implications for their countries. There is a sense that because the majority government in Iraq now is a Shia government that the alignment or potential alignment with Iran would be to the detriment of other countries, is one of their major concerns.

There is a skepticism about the Maliki government based on, I think understandably in many respects, that Maliki's track record is as a representative of a party rather than a country. There is a certain affinity amongst these Gulf nations for the Sunni in the west of the country, and it goes on and on. There is an hour's worth of issues here.

Be that as it may, my message to each of these leaders has been, after listening carefully to their recommendations and their complaints in many cases, is to ask for them to help. They do not necessarily need to be doing earth-shattering things, but the most useful thing would be some overt support to the Maliki government, which would give them some sense of their own importance and credibility.

They are very nervous about their neighborhood as well because they sense this feeling of distrust. I think it is a really good sign, to segue into these two meetings this week, that the meetings are being held in Egypt. When I spoke to President Mubarak about this and encouraged him to not only host these meetings, but to meet with Maliki to give him some encouragement to proceed and to stand up as a representative for the whole country of Iraq, he agreed. I am very pleased to see that that meeting did occur. No earth-shattering, monumental declarations after that, but just the image of the two of them sitting down and talking. At the time, of course, it gives the President an opportunity to impart a message to Prime Minister Maliki that he needs to be looking out for these minorities in his country.

Senator WEBB. I would suggest also that the image of the United States at a ministerial level having some sort of discussions with people that this administration has refused to deal with is a very powerful, symbolic message as well. That is one thing that I was hearing even from the Iraqi ambassador yesterday, that Iran, Syria, do have an interest in stability in Iraq and that it is up to us to overtly push that and bring them to the table as a part of a solution.

I wanted to ask you two other things really quickly here. One is, when President Bush announced the surge in January he said: ''The Iraqi government plans to take responsibility for the security in all of Iraq's provinces by November.'' Is that still your goal?

Admiral FALLON. We are working towards the turnover of each of these military districts to Iraqi leadership and as fast as we can get this accomplished I think the better off we are going to be. This is not without challenge.

Senator WEBB. Would you say that it is still the administration's goal to do that by November?

Admiral FALLON. I have not heard anything to the contrary, Senator.

Senator WEBB. The other is a comment about the dialogue that has been going back and forth with respect to al Qaeda and the Sunnis. I mentioned to you when I started the frustration that I and so many other people have had with the constantly changing justifications for our involvement, from the pre-invasion rhetoric about weapons of mass destruction and Saddam Hussein. The average troop who went into Iraq thought they were going to be there 3 months. The average person who planned this figured we were going to be there for 30 years. People like myself and others were saying that at the time.

Now we have yesterday the President saying it is not whether we ought to take sides in a civil war, it is whether we stay in the fight against the same international terrorist network that attacked us on September 11. I think the truth of the matter is that

network was not even actively operating in Iraq until we got there. In fact, their philosophy went against the grain of Saddam Hussein's secular government, even though it was a violent and repressive government.

What we are seeing really is the Sunnis as the people in the middle here. It is good news that they have decided more overtly to go after al Qaeda, but there is not really a natural alignment between the Sunnis in Iraq and al Qaeda, in that the old saying in this region, the enemy of my enemy is my friend. I think that what the Sunni insurgency has apparently decided is that they will cooperate with us to the point of getting rid of an entity that really was not dominant in their communities before we got there. That is good, but I think they would like to see us leave, too. They want us both out.

Admiral FALLON. We would like to dramatically change the presence we have in this country as well. If I could go back to your first comment, it has been fascinating to me to get into this and to find how interesting the arrangements are between various groups and factions. Some pretty unlikely alliances here or least cooperation between factions that on the surface you would think have absolutely antithetical views of life.

But look at the reality of Lebanon and the fact that Hezbollah have been supported and sustained by the Iranians, working through Syria, who appear to be on two different religious levels, and then the reality of terrorists working together inside Iraq, indications that potentially al Qaeda may be working with Iranian elements that are destabilizing areas in the country, the fact that in Afghanistan we are seeing Iranian support to the Taliban, again at the opposite ends of the ideological spectrum.

Senator WEBB. I take your point. My time has run out. Just to finish on that point, however, that is one thing I saw in Lebanon when I was a journalist there in 1982, is that people used to sit back and say, do not get involved in a five-sided argument. You could have a firefight start between, say, the Druze and a piece of the Lebanese army and all of a sudden the Syrians would be over here and then the Christian Falange would be shooting at the Syrians. In microcosm that is what we are seeing right now.

Thank you for your testimony. I am sorry that my time has run out.

Chairman LEVIN [presiding.] Thank you, Senator Webb.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Admiral Fallon, I have one question to start with and some other things I would like to talk about. The commander of the Multi-National Force-Iraq may soon have to submit reports to the President and to Congress regarding progress on certain conditions for staying in Iraq. On that note, where does the authority lie in submitting recommendations for troop redeployment? Who has the authority for troop redeployment or troop withdrawal?

Admiral FALLON. I would expect General Petraeus would make recommendations to me.

Senator BEN NELSON. Recommendations, yes, but who would have the authority?

Admiral FALLON. I would make the recommendations to the Secretary.

Senator BEN NELSON. The Secretary of Defense would have the authority for redeployment and/or withdrawal?

Admiral FALLON. It is my understanding. I am sure he would.

Senator BEN NELSON. I am not saying he would do it. I am just saying he would have the authority to make that decision.

Admiral FALLON. I believe so.

Senator BEN NELSON. As Senator Sessions said, we went on a trip to Iraq this last weekend, and we were definitely encouraged by what we saw in Al Anbar Province with the cooperation of the sheiks with our military against the al Qaeda. It is very remarkable, but I suppose it was bolstered by the fact that there are no Shia down there to have any kind of sectarian violence of any consequence or civil war. Is that accurate?

Admiral FALLON. Yes, sir.

Senator BEN NELSON. So when we went to Baghdad we should not have been surprised to find out that the sectarian violence or civil war type sectarian violence was well under way; is that fair?

Admiral FALLON. The vast majority of violence is along the sectarian fault lines, where the instigators on both sides are trying to antagonize the other to retaliate, and in their view out of this chaos they somehow achieve their objectives.

Senator BEN NELSON. That is the center, but like the spokes of a wheel it radiates out of Baghdad as much as anything; is that fair?

Admiral FALLON. Large areas of the north, west, and south are predominantly one sect. The mixed areas are Baghdad, Diyallah, the Fiya areas.

Senator BEN NELSON. Those areas could be more quiet and have less internal strife, is that fair?

Senator BEN NELSON. Where you have a single sectarian population, you do not end up with this same sort of thing that you have in Baghdad?

Admiral FALLON. Competition, yes, sir. They are pushing, each of them, particularly the Shia and Sunni, to try to expand their areas, to basically control as much of the territory as they can.

Senator BEN NELSON. Now, with respect to the surge, which I supported, in large number for the Al Anbar Province at the time that we talked about it earlier this year, and still do support any kind of additional military support to help the sheiks defeat the al Qaeda there, for obvious reasons. I did not support and do not support the surge as it relates to Baghdad because I have not been able to square the circle of how you put our troops, not coalition troops but our troops, in between the Sunnis and the Shias and not have our troops have to have the primary responsibility, even though they may have Iraqi troops with them, the primary responsibility for that combat mission.

Is it not accurate that they have the primary responsibility for that combat mission?

Admiral FALLON. We are trying to enable the Iraqi security forces to be the dominant guarantors of security in this area.

Senator BEN NELSON. How long will that take?

Admiral FALLON. Senator, it is a work in progress right now.

Senator BEN NELSON. Are we looking at 1 year or 2 years, or do we know?

Admiral FALLON. Senator, we are going to make every effort to, several months after we get this, the rest of the surge force in place, to make our best assessment of how we are doing and make our recommendations from there.

Senator BEN NELSON. Is it fair to say that during this period where we build up the surge, because of the location of our troops in between the Sunnis and Shias, that we will most likely take on even more casualties than we have so far?

Admiral FALLON. I do not know about that.

Senator BEN NELSON. Percentage wise.

Admiral FALLON. We are certainly heavily engaged in this now in and around Baghdad. There are a lot of moving parts. We are working hard to, at the same time that we are providing the backbone for security and stability, bring and put the Iraqi security forces in the lead here. They are doing a remarkable job in some areas.

Senator BEN NELSON. I support the backbone. I support what General Dempsey told us in terms of helping the Iraqis build an infrastructure so that they can use their own money to buy their own equipment, because they were unable to do that, with no structure in place that would permit them to do it. If they had $100 to buy equipment, by the time it all got pilfered off they might buy it with $40. Now we are getting 97 cents out of every dollar going for, out of their money, the purchase of equipment and setting themselves up so that they can have the competence to manage the equipment as well as buy it. Is that fair?

Admiral FALLON. Yes, sir.

Senator BEN NELSON. That is the backbone of the kind of support that makes a great deal of sense for the Iraqi army and for us to support the effort.

When we met with, let us see, two deputy vice presidents, Tariq Al-Hashimi and Adil Abdul Mahdi—Hashimi is a Sunni, Mahdi is a Shiite—we also met with Deputy Prime Minister Saleh, a Kurd, and Prime Minister Maliki. My conclusion after sitting in those meetings was that there was a question of competence or a question of willingness to move forward to develop a reconciliation process that could be successful.

From what I hear from you today, you have some questions about how fast things are moving. Do you have an opinion about whether it is willingness or competence?

Admiral FALLON. Each of these people appear to be competent in a number of areas.

Senator BEN NELSON. Individually.

Admiral FALLON. Individually. They acknowledge and have told me, because I have met each of them myself, that they are willing to work towards accommodation, reconciliation, noble objective. This is a real challenge. To make the accommodations in the near-term that are going to start them down the road to reconciliation I think is critical.

Senator BEN NELSON. Deputy Prime Minister Hashimi does not feel that there is any significant movement toward reconciliation or

accommodation. He feels isolated from Prime Minister Al-Mari and largely ignored.

Then in the conversation with the Prime Minister, I could not determine whether—although I did suggest it was a question that people were asking about the ability of his government—he had the capability of doing it or whether he had the willingness to do it. I told him the American people were looking and I think Congress is looking for three things from their government: the commitment, the effort, and results or progress; and that the benchmarks that will in my opinion ultimately be in the package will be the conditions for staying. General Petraeus' reports will be the report cards and the consequences of what happens will depend on what those report cards show about commitment, effort, and progress.

Is that a fair way to analyze what you think we should be doing?

Admiral FALLON. Senator, I think that is a pretty good summary. I would make a couple of comments. Hashimi is a Sunni and I have talked to him as well. He feels that his minority is not being given the recognition and things that would make them feel comfortable in this environment. The Prime Minister, on the other hand, says: "I recognize that we need to work with them," and so forth.

I think it is not just willingness or competence. It is an ability to actually forge the kinds of compromises, and this is all politics, that will be successful in pulling these people close enough to be able to work their way down the road. I think it is challenging to look at this. Easy for us to push. We know what we want and we want results, there is no doubt about it. Let us go guys; get moving. Their ability to craft these kinds of compromises—these are not like gentlemen and ladies like yourselves, who have much experience and a tremendous legacy which we inherit in a process. They have none of this.

So to expect them to be able to just stand up and tomorrow say, "okay, we will cut this deal," is definitely a challenge. It is not competence, it is not willingness, as much as it is their ability to actually get this job done.

Senator BEN NELSON. How confident are you of their acquisition of the ability to be able to do this? Because I think that is the question about the government ultimately.

Admiral FALLON. That is something that every time I go to meet with them I am evaluating and getting my own sense of how well we are doing. When I feel that I have this thing to the point where I feel comfortable in making a judgment on it, I will be very happy to tell you, sir.

Senator BEN NELSON. You will volunteer that to us? We will not have to pry it out of you, I am sure.

Hopefully you will help them be able to understand that the American people are not going to sit by while they play king of the hill and look down on the Sunnis at the present time, unable to work out an oil revenue agreement, all the other things, rights of the minority parties, everything that we are looking at in benchmarks.

Admiral FALLON. Senator, I agree. As you speak to each of these people individually, they are more forthcoming in their fears and concerns about the others. I think a good sign is when they get together in a group with a mixed sectarian audience, at least their

remarks in public are more conciliatory, and hopefully that can be leveraged into the kind of results we need.

Senator BEN NELSON. I do know that I must have gotten through to the Prime Minister because after our meeting he issued a terse news bulletin that he would not be pushed around by foreign interests. So I do know that he heard what I said.

Admiral FALLON. Yes, he heard it.

Senator BEN NELSON. Thank you, Admiral.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Clinton.

Senator CLINTON. Admiral, during your confirmation hearings as we discussed my and the committee's concerns with the level of force protection currently available at the time for our troops that were going to deploy as part of the President's announced escalation, we discussed that as Commander of Pacific Command you had been asked to review your equipment stocks in order to identify what items could be cross-leveled with CENTCOM. In fact, since that dialogue Admiral Keating has testified that prepositioned equipment sets in the Pacific had been depleted to fill your new command's requirements.

You mentioned that you and General Petraeus would review the issue and determine whether the right sets of equipment were available and if the current process for equipment transfers were in place.

Within the last 2 months, there have been two attacks where Americans have lost their lives while exposed in vulnerable joint security outposts. These two attacks were with vehicle-borne suicide bombs and small arms fire. Last week's attack resulted in nine paratroopers killed as a result of the attackers penetrating the perimeter of the outpost.

Admiral, now that you have had some time to review the situation in your new command, can you give us any thoughts as to what additional steps can be and will be taken to provide the required force protection and to mitigate the risks from these new kinds of deployments and the devastation of these attacks?

Admiral FALLON. Really good question, Senator. There are several factors here. One is the ability of our enemies to observe carefully and to calculate and adjust to our changing tactics on the ground, and they are really good at this and the ability to take note of what we do and to try to adjust to it is pretty remarkable.

On the other hand, we are pushing hard. First of all, there is some risk. There is no doubt about it that as we implement this new strategy, the tactical aspects of it on the ground, that by leaving the big forward operating bases, or FOBs, as they call them, and getting out and about in the population there are some additional risks.

The calculation going into this, the assumptions are that those risks are going to be offset by the potential gains of actually being out there and amongst the population. This tragic attack you referenced, in which we lost nine Americans last week, I was up with those troops 2 days before that happened in Diyallah, talking to them and getting their perspectives on just how this could work and what we might do in the way of adjustment. I do not want to

get into the tactical adjustments now, but we are taking really three, three lines here I will talk to you about generally.

One is to look at these joint security stations. These are great ideas in theory because we have our forces, Iraqi forces, Iraqi police forces, and they are out in neighborhoods or areas and towns where we should be able to have a presence that people can see and then take advantage of that by having our people network with folks there and get their confidence so they will start telling us more about the enemy, so we can neutralize it.

Another thing, though, is that as we put these places out there is a bit of a dilemma here, because the desire clearly is to be able to integrate and get information from the people as well as provide the confidence of our presence, our visible presence. We still have to protect our people. So how we do this is an interesting challenge for the tactical forces. They are working on this and as we evolve this we are going to be doing a couple of different things to show them some different faces.

In the business of protection for our troops in these vehicles, it is very clear that the enemy has taken note of the most ubiquitous vehicle over there, the Humvee in its various varieties, and their approach to this has been to come up with bigger and bigger IEDs.

We have information now that indicates, and data that proves this, that certain designs of our own can mitigate a lot of the effects of these heavy blasts. I just last week got a request for a review of this entire business from General Odierno, endorsed by General Petraeus, and we have sent it on just today to try to adjust the acquisition system to try to get more of these, which appear to be much more effective.

Is this going to be the end of the day? Of course not. There are going to be adjustments made on the part of the enemy, and the emerging challenge is this different type of projectile that is being used by, clearly coming with Iranian support, the so-called EFPs, which are a different thing altogether.

But back to the business of the joint security stations and trying to link up with the people, it seems to me that we are going to be adjusting and trying to figure out the best way to do this, and it is probably going to vary by neighborhood and by town. We have to get general security in the area and then to the best of our ability the intent is to open this up and get Iraqi forces primarily in the lead, but with us backing them up, to be able to get in with the people.

Senator CLINTON. Thank you, Admiral.

I would like to turn now to Saudi Arabia. In your prepared testimony you state that Saudi Arabia remains a vital partner and its campaign against terrorists has significantly degraded al Qaeda operations on the Arabian Peninsula. But as we all know, the Saudi King recently told the Arab League that in Iraq "The bloodshed is continuing under an illegal foreign occupation." Just this last week, King Abdullah declined to meet with Prime Minister Maliki to discuss the critical issue of political reconciliation, the point that my colleague Senator Nelson was speaking about a few minutes ago.

Admiral, I would like to ask about our relationship with the Saudis. I know this is a delicate area of inquiry, but let me, if I can, ask you to comment about the King's recent statements and

what impact they have in Iraq and in the region, and whether you believe that the Saudis share the American goal of a stable Iraq in which the Shiites, the Sunnis, and the Kurds share both power and oil revenue; and finally, whether you think the Saudis are doing all they can to promote stability in Iraq, including preventing the cross-border flow of weapons, money, and foreign fighters that support the Sunni insurgency?

With respect to that last question, what is the identity, insofar as it can be determined, of the suicide bombers in vehicles and in vests, and of the Sunni insurgent fighters associated with al Qaeda whom you either capture or kill?

Admiral FALLON. Senator, to Saudi Arabia first, I believe that the Saudi government, certainly the King, shares with us a common interest in security and stability in the region. I also believe that they recognize the importance of a stable Iraq as a linchpin of security in this region. But then there are differences of opinion.

I spent about an hour and a half with King Abdullah a couple of weeks ago subsequent to his remarks at the Arab summit. I think we had a very frank discussion. He told me several times in the course of that discussion his opinion that our policies had not been correct in his view. He also told me that he had severe misgivings about the Maliki government and the reasons for that.

He felt, in his words, that there was a significant linkage to Iran. He was concerned about Iranian influence on the Maliki government. He also made several references to his unhappiness, uneasiness with Maliki and the background from which he came.

Nonetheless, we agreed on the importance of trying to work whatever way we can together to get stability in this area. For my part, I encouraged him very strongly to at least show some support of the Maliki government. He does not have to like them. I know he does not really have a lot of trust there. I think it was my opinion it is unrealistic to expect us to change that government. We are not going to be the puppeteers here. It also, given the many constraints that we are under, that it was not very realistic to expect that a new government is going to do any better in a short period of time.

Although he has made public statements and he also made—apparently declined to meet with Maliki, on the other hand it is my understanding that they are in the process of agreeing to waive a very substantial part of the debt that they hold for Iraq. That is extremely useful in my opinion. So out of this compact meeting that is going on today in Sharm el-Sheikh, I certainly hope that we can get that behind-the-scenes cooperation that will provide a foundation to Maliki and his government.

They are craving some kind of recognition from the Sunni majority in this region so that they can have some confidence to move ahead. I tried to explain my view to the King: Your Sunni minority within Iraq would benefit from some signs of the Sunni governments in these neighboring countries that give some support to the government. It may not be the best government. It may not last beyond whatever the term is. But they have to start down this road, and to date they have largely just been sitting on the sidelines, just watching this.

I tried to make the point that unless they get engaged we are not going to be successful and you are going to have a good chance of an unstable Iraq that will lead to one thing. So it is encouraging to see in recent weeks that in fact they are doing some things that I think hopefully—there were three items that were on the agenda for this neighbors conference. One is dealing with the refugee problem. There has been an outflow of millions of people from the troubles in Iraq.

There is another real need, a practical need to do something to be able to get fuel sources. It is really ironic, is it not, that this country of Iraq which has this vast resource of oil and gas and exports billions of dollars and they have billions sitting in the bank still cannot get enough fuel to run their automobiles and for heating and for cooking and things. So there was an agreement to at least approach this issue and hopefully there will be progress here this week to actually make some arrangements from the neighbors. Again, it is the neighbors. We cannot succeed, I believe, by isolating Iraq. It is going to have to include the neighbors.

Anyway, I am talking too long. But I find this is an amazing requirement for just dialogue. People need to sit down. They need to talk. They need to hear the other views and at least to make some recognition and accommodation to those other views. I think anything is possible if they can get there. This is the Middle East. There are many different vectors, many concerns, but people have had a history of making deals with one another for centuries and I think there is no reason why we could not expect to have something, enough come together right now to give this fledgling government of Iraq a start, and then take it a step at a time.

Senator CLINTON. Admiral, what about the identity of the suicide bombers and others?

Admiral FALLON. Our belief is that the vast majority of these are al Qaeda-connected. It is tough because most of them are suicide bombers now and there is not much left when they are over. But the fingerprints, maybe not literally, are certainly indicative of al Qaeda, connected to Sunni. There is no doubt. You look at the targets, the big targets are all Shia targets.

Senator CLINTON. Are they mostly non-Iraqi?

Admiral FALLON. I cannot tell you that. Instincts are that if they are not Iraqi—if they are not foreign fighters, then they are certainly people that have been somehow coopted by al Qaeda into doing these things.

Senator CLINTON. Thank you.

Chairman LEVIN. Thank you, Senator Clinton.

Admiral, I was a little troubled by your reluctance to acknowledge that the benchmarks which the Iraqis set for themselves, the ones that I enumerated specifically, were not met within the time line that the Iraqis set for themselves. That is a question of fact.

I must tell you, that reluctance troubles me for a number of reasons, but not the least of which is if we are really serious, as you even say, that the Government of Iraq must move towards inclusion by passing legislation, and if Ambassador Crocker says that the Iraqis need to make progress on national reconciliation and to make it fairly quickly, and as the Secretary of State says in her letter to me, that the Iraqis' policy committee on national security

agreed upon a set of benchmarks and an associated time line in September 2006, and that these were reaffirmed by the presidency council on October 16, 2006, I do not understand your reluctance to acknowledge that, number one, the benchmarks were adopted by the Iraqis and that the ones that I identified and read to you have not been met. That is number one.

Why that reluctance? It is a factual issue.

Admiral FALLON. I am not sure—the Iraqis have certainly laid out an agenda and set goals for themselves.

Chairman LEVIN. I read that.

Admiral FALLON. They have had difficulty meeting those goals.

Chairman LEVIN. Why not say they have not met them? Why the reluctance? Because that message then to the Iraqi leaders is that we are not willing to at least tell them what they have not done that they committed to do. My heavens, how are we going to get them to adopt benchmarks and meet them and have consequences if they do not meet them, if we are not even willing to tell them they have not met the ones that they set out for themselves according to a timetable that they set out for themselves?

Again, I do not know why that reluctance.

Admiral FALLON. I guess we in our own institutions have schedules and we set goals and objectives and dates by which we would like to have things, like a budget, and we fail for one reason or another to achieve those. There should be no doubt that my opinion and my message is to the Iraqi leadership is they need to make these things happen. They need to push as hard as they can to achieve these as quickly as they can.

Chairman LEVIN. That message does not carry much weight if you will not even tell them they did not live up to the benchmarks they previously set for themselves, according to a timetable which they set for themselves, if you cannot tell them that. That is history. Why can you not tell them that and tell us that?

Admiral FALLON. I would have liked to have seen them achieve all these things. I would like to see all of these pieces of legislation passed. I would like to see the enabling legislation passed.

Chairman LEVIN. So far we are with you. We all would like that. But you cannot take the next step, which is factually correct, that they have not met those benchmarks that I laid out for you?

Admiral FALLON. They have not enacted the legislation in each of these areas that apparently is necessary to move them forward.

Chairman LEVIN. That they set out for themselves in their own, according to Secretary Rice? These are benchmarks, economic, security, and political benchmarks with an associated time line, that were reaffirmed by their presidency council on October 16. It is on their web site, at least was. That is what troubles me, because it seems to me you at least have to be willing to tell them, "folks, you have not carried out the commitments you made." If you cannot start with that, then the rest of your message it seems to me is muted because it is, you have to do this, unless you tell them what the consequences are if they will not or do not meet the benchmarks, or at a minimum be willing to tell them that they have not met their commitments that they made for themselves.

I think your message is very much weakened and it is troubling to me because you meet with the leaders of Iraq.

Admiral FALLON. I do not pass up any opportunity to not only encourage them, but tell them they really need to continue to work and they have to get this done.

Chairman LEVIN. If they do not? Do you ever tell them consequences?

Admiral FALLON. We do not have an open-ended support. We just are not going to be there forever.

Chairman LEVIN. What does it mean unless there is consequences? What does it mean to them? It is open-ended because they made the commitments before. The President told them we will be there as long as you need us. The President has told them that. The President on another occasion told them we will be there as long as you want us.

They set benchmarks for themselves. We did not impose these on them. They set these. Their presidency council adopted it. But it is as a matter of fact open-ended. You can rhetorically say it is not. But as a matter of fact, reality, it is if there are no consequences other than, we want you to do it, you need to do it. But if you do not set out consequences—but even more fundamentally, if you are unable to tell them that they have not met their previous commitment—and that is what you are so reluctant to say. Your message is hollow, I believe, unless you can at least state the historic facts as well as what they need to do, and I believe on top of that that there will be consequences if they do not in terms of our response and our behavior.

Admiral FALLON. I think they understand that there are going to be consequences. They can watch, they have watched this debate and discussion in Washington.

Chairman LEVIN. It has not had consequences so far, except a veto of a bill which said that we were going to begin to reduce forces in 4 months.

By the way, in that regard, I think you also let them off the hook when you say that—you used the words "expecting them to cut a political deal tomorrow is unrealistic." I think that is not what anybody expects. I think we expect them to make political compromises, as they have promised to make them—they have not—and then to set a realistic timetable to make those compromises, not tomorrow, but within X number of days, a couple months, to do things that they have not done as promised before.

I think that you diminish the pressure when you talk about we should not expect them to cut a deal tomorrow, because I do not think anybody does. We do expect them to cut a deal within a reasonable period of time. We set 60 days since these commitments have been made to have been carried out already, and to keep the pressure on them to do it and to identify that there is going to be consequences if they do not.

Do you not think that is a fair amount of pressure to put on people who for year after year after year have not carried out the commitments that they have made and have not had a political settlement in terms of amending their constitution? Is that not a fair kind of amount of pressure to put on them, not in terms of dictating to them, because we do not dictate the benchmarks. These are their benchmarks.

What we do say, it seems to me have to say, is in terms of our actions there will be consequences in terms of what we do if you folks do not carry out your own commitments. Is that not a fair message to deliver to them?

Admiral FALLON. Senator, we are trying to balance encouragement and strong messages to enact the kinds of legislation which is the majority of the things I think you are talking about, as a necessary measure to move this country forward. The down side of this is if they get the perception that we are not going to stand by them, that we are going to walk away from them, then this just encourages the factional militias, among others, to stay in being as a way to preserve the interests of these more narrow interests.

Chairman LEVIN. The way you say that message, the way you state that message, it is that we are going to stand by you even if you do not carry out your commitments. Do you want them to get that impression?

Admiral FALLON. No, sir. We want them to move forward. We are trying to help them in every way possible. They want us there. They want us to help. They have to figure out the way to make these political compromises. These are political actions of political leaders and this is an area that I think we need to all encourage them in every way we can to take the right steps as soon as they can, because every day that they do not costs us in blood and treasure.

Chairman LEVIN. You have to add what consequences will take place if they do not do what is so essential, and that is what is missing in your testimony and in the administration's position.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Admiral, thank you for being here, for your testimony, and for your leadership. You had mentioned I think in your written testimony the destabilizing effect that Iran and Syria play in Iraq and the role that cross-border operations launched by extremists from Pakistan play in Afghanistan. It seems that we consistently are hampered because of inadequate border security, and I guess I would like to have you describe the steps that the coalition forces in conjunction with the Iraqi border police and the Afghan border patrol are taking to mitigate the negative effects of illicit border activity.

Admiral FALLON. Two different cases. I will talk to Iraq first, Senator. There is little doubt that the insurgency and the terrorists' activities in Iraq have been supported and in many ways sustained by route lines that run into Syria. With the change in the situation on the ground in Anbar, there is every expectation that that support is going to be made more difficult. The fact that the Iraqi security forces are now deployed and operating in numbers along that border is also helpful, and we have put ourselves in an overwatch situation on the ground where we are backing them up and working hard to reduce this infiltration from Syria.

The Iranian influence is a little more difficult to get a grip on. It is very troubling because of the lethal consequences of the type of material support that the Iranians are evidently supplying to the militias on the Shia side. The overall impact in destabilizing the country so far has been much greater with the Sunni al Qaeda in-

fluence from the west. I think it is a good sign that Syria is participating in the two external conferences that are taking place this week, and the reports that I have seen today indicate that Secretary Rice may have a meeting with her counterpart foreign minister from Syria, which might lead to at least an explanation of an understanding of how we might go forward here.

The situation in Afghanistan is very interesting on the Pakistani border. I spoke to President Musharraf when I was out there recently about this and asked for his cooperation, as we have consistently. Secretary Gates was out there a couple of months ago. The reports that I have from our commanders on the ground tell me that there has been an improvement certainly in cooperation along the Afghan-Pakistani border.

There is in place now a tripartite arrangement whereby we from the U.S. side, working through International Security Assistance Force, the NATO international command there on the ground, is set up to regularly meet with Pak and Afghan counterparts and the three discuss and actually go on the ground on both sides of the border to address issues of concern.

Now, the information I have from our commanders there, U.S. commanders, is that there has been an improvement in this situation, in that the Paks have been much more forthcoming in providing information and support and communication between our forces. There was an acknowledgment of this challenge by President Musharraf to me. He indicated that he had authorized the Pak army to delegate decisions to be able to exchange information down from the central government to the battalion level.

Our commanders tell me that this is in fact what is happening. We have common radios that have been distributed to the commanders and there have been several instances in the past couple of weeks where we have received information that has enabled our people to put themselves in a position to cut off some of this infiltration.

So I see progress along those lines. This is still a work with a lot yet to be done. You may have seen that a couple of weeks ago there was a substantial fight on the Pakistani side of the border between foreign fighters, al Qaeda-linked folks who had taken up residence in the FATA just inside the Pakistani border. There was a major push by the local tribes to get rid of these foreign fighters, and evidently quite successful by the accounts I have seen in South Waziristan. It would be wonderful from my view if this kind of activity continued in the north, and we might be able to talk about that in a different setting.

But my sense is there is a lot to be done, but there are significant signs of increased cooperation and results along this border right now.

Senator THUNE. I was encouraged too by some of the reporting that came out of Waziristan, but that has been a real concern, and that the Pakistani government because of these previous agreements was just letting that ungoverned space go. That is a real problem.

Admiral FALLON. I do not think they are letting it go. This is a challenge for Pakistan. This is an area in which they have never had government influence, certainly from the Musharraf govern-

ment. This place has been semi-autonomous for a long time. It is very tribal. There has been a reluctance to get engaged. I think there are bigger fish here in this whole business.

My perception of the situation in and about Pakistan is that the major issue with them is still India and the Indian border, which consumes most of their military's attention, and the majority of their forces are along the line of control with India. I see another sign of movement in the right direction, though, is that President Musharraf directed that two brigades of troops be pulled out of that eastern area and moved to the west, and in fact my understanding is they are in position just outside the FATA—again, I think a pretty good sign. This is a tough issue for Musharraf and the Government of Pakistan.

Senator THUNE. It is a tough area to police, but it is also ripe for all the kinds of shenanigans of the foreign fighters and the terrorists and the Taliban and all the organizations that are active in that region. So I am glad they are stepping it up and hopefully that will meet with some ongoing success.

On April 29 the New York Times published an article describing the alliance of U.S. forces and Sunni tribal leaders as "an uneasy alliance." That alliance, as you have noted, seems to be the result of Sunni leaders who are recognizing that their alliance with al Qaeda is not beneficial to either Anbar Province or to Iraq as a nation.

In order to resist al Qaeda, the Sunni leaders have formed the Anbar Salvation Council, which has sought assistance from both Iraqi and American governments. Are you familiar with that council and, if so, are you confident that their goal is to resist al Qaeda in Iraq?

Admiral FALLON. I do not know the details of that council or the makeup of it. But when I was out in Anbar, I spoke with our military commanders out there and they were actively engaged with the tribal sheiks to get their allegiance to work together cooperatively to fight al Qaeda and to help spread security and stability, so the people out there had a chance.

So the commanders were very optimistic that they are making progress and they are working on the remaining tribes that have still not come over and thrown their support. I think the most telling aspect of this to date has been the willingness of the leaders there to offer their sons to join the Iraqi security forces, which they absolutely refused to do until just a few months ago. I think that is the most encouraging thing because that is betting on the future.

Senator THUNE. The last time I was there it was a dramatic improvement over that, which has been several months now, I think December. But even at that point it was starting to turn. We were getting the buy-in.

Admiral FALLON. I was there in December. It was not pretty at all. I was just out there now twice in the last few weeks and it is really moving.

Senator THUNE. The President vetoed the emergency supplemental because he disagreed with the troop withdrawal language. If for the sake of argument, if that troop withdrawal language were adopted, could the Sunni leaders defeat al Qaeda without coalition support?

Admiral FALLON. I think that is just a piece of the challenge in Iraq, and getting them to be able to prevail over the terrorists and al Qaeda in one area is certainly helpful, but we need a bigger solution. We need the whole country of Iraq. We need funding to carry out the plans that we have and we are going to need a solution for the whole country, not just a piece of it.

Senator THUNE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

I understand that Senator Sessions had yielded to Senator Martinez for questions.

Senator MARTINEZ. Thank you, Mr. Chairman. Thank you, Senator Sessions. I will be very brief.

Admiral, I just thought I would point out, my understanding is that the Maliki government has been in place something in the order of 9 months; is that correct?

Admiral FALLON. Less than a year.

Senator MARTINEZ. Less than a year. It is also correct that he does not enjoy the governance over either an established government or even a government of national unity, but that there are factions within the government, not all of which necessarily coincide in points of view on the way forward?

Admiral FALLON. This is certainly not a national unity government. It is a representational government of many factions within the country.

Senator MARTINEZ. It is also true that the principal officer in charge of dealing with the political side of the Iraq situation would be our Ambassador Crocker on the scene?

Admiral FALLON. Sure.

Senator MARTINEZ. So with respect to the overall plan for Baghdad, I failed earlier in my line of questioning to get to the third part—which is the economic reconstruction. What can you tell us in the update on that situation during your recent visit and did you observe whether that is making the kind of progress that we would hope?

I know it is difficult, particularly in an unsecured area, but how much progress are we making on the PRTs and other civilian reconstruction type efforts?

Admiral FALLON. My opinion is there is a tremendous amount of good that can come out of these PRTs. They are certainly dedicated people. They have the best interests of the Iraqi government and our objectives at heart. The challenge I see is that we need results in the near-term. We have to have things that happen on the ground in the next several months to complement the security initiatives of our military and the Iraqi security forces, so that the people gain the confidence that this government and their future, particularly their future, is going to be better than the past.

So as we move forward we are working very hard to see how we can best coordinate the activities of the PRTs, the new PRTs that have been assigned to the combat, U.S. military combat brigades, working through our ambassador the many initiatives that have already been begun to try to optimize the delivery of improved services and economic benefits to the people of this country.

My engagement with the Iraqi people when I recently visited Baghdad and went out, I went to one of these markets that had

been provided barricades to enable people to come back in and use them without fear of the big suicide bombs. I was swamped with people, Iraqi citizens, who probably had no clue who I was, but assumed an old guy with grey hair and a bunch of people carrying guns must have some message here. I was interested to see how they reacted to me. They swarmed me. There was not a single person that said, "we want you to go away, get out of here." Every one of them said to me what they really need is more security, because they want to go about their daily lives.

I had requests, "do you think it is safe now that I can open my store? Can I restock my shop? Can my wife and children come here? Is this going to get better? Will your people really be successful in giving us"—that was the line of questioning.

It is very clear to me they are eager for it, they are ready for it. The degree to which the government can reinforce that or provide the major message to them that their future is going to be enhanced over what they had in the past is really critical. There are a lot of initiatives that are being considered. This is a delicate decision in trying to make sure we have enough security so they can go forward with these economic incentives.

But I saw a dozen, quite a number of initiatives that I thought looked pretty interesting, that were Iraqis actually doing things on their own, Iraqis improving their neighborhood, Iraqis that were engaged in commerce. There were a lot more people on the streets and a lot more people, particularly in these protected areas, that appeared to be doing things that were closer to normal life than had been in the past.

The degree to which we can expand this and quickly is going to be very, very influential, I think, in turning the tide in Baghdad.

Senator MARTINEZ. Admiral, thank you for your service and through you I want to thank all of the men and women who serve in the CENTCOM and, frankly, all of the allied forces. It is always reassuring to come to the CENTCOM and see a variety of uniforms from all over the world if our coalition partners that are there working side-by-side with our men and women in uniform. So thank you very much for your service.

Admiral FALLON. Yes, sir.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman. I had a markup in the Judiciary Committee that I had some matters on and I am sorry to miss some of the hearing.

I talked to a mother recently and had an email from her son, who is in Baghdad. He said: "they do appreciate us here; the women and children, they feel safer when we are in the neighborhood and I feel like this is a good cause."

But we are leaders and we have to make evaluations about whether we can continue to ask our soldiers to serve in a situation like this. So I guess my question to you in that regard is, what about this idea that we are in a civil war? My impression is that most people want peace and security and do not participate in killing their neighbors. But we had a surge, and it was destabilizing, of murders, primarily I believe from Shia militias in retaliation to

attacks from Sunni Baathist al Qaeda attacks, killed people in Baghdad.

How would you evaluate the change in that level of violence and killing as the surge has gone forward, recognizing we still have another brigade or two that has not arrived on the scene?

Admiral FALLON. Senator, the data I have shows that there is a substantial decrease from the last year as we began to move new forces and take this new approach to the Baghdad area. I think the reason for that is very clear, the presence of our forces and the Iraqi forces in large numbers in these areas have reduced the opportunities for people to do this.

Senator SESSIONS. You were asked a bit about other agencies and I remain troubled by what I think is either a lack of coordination or a lack of ability in other agencies to be effective. I am just going to ask you frankly—I think I know the answer, but let us take these PRTs. That is in design a State Department public reconstruction community support effort, is that correct?

Admiral FALLON. Yes, sir, although there are some PRTs—in fact, I visited one in Afghanistan just the other day and it was actually lead by a U.S. Navy officer, of all things. They are primarily led by Department of State folks.

Senator SESSIONS. But tell us frankly, is it not a fact that the staffing of those PRTs are overwhelmingly military personnel?

Admiral FALLON. I know that there have been substantial numbers of reservists that are manning these things. Whether that is the majority or not, I do not know.

Senator SESSIONS. My impression is that most of the PRTs, virtually you may have one or two State Department leaders sometimes, but most of the work is by the military.

Admiral FALLON. There are a lot of other interagency folks there. As I go to Baghdad, I try on every trip to ask to meet with or see one of the other PRTs. As I get around, the senior spokesperson for each has been a Department of State employee. But they have also introduced me to other members from many other agencies in addition to DOD.

Senator SESSIONS. I felt good and have encouraged the President and the White House to select someone to be a coordinator. They have referred to it as "the Iraq Czar," but someone who can be a point of contact to ensure that there is prompt response from various agencies.

I think one of the problems is when you are in Baghdad and if the military is given the responsibility of security and the Department of Justice is given the responsibility of courts and the courts become a key matter in the life and safety of our troops and the success of our mission, we are not always—since it is not the military's responsibility, it could be undermining the military mission if that does not move along rapidly.

Do you think some sort of leadership coordinator would be helpful?

Admiral FALLON. Yes, sir, I think it would be very helpful to provide the day-to-day attention, provided the person had the influence, access, cooperation, and guidance from the Commander in Chief to get this done.

Senator SESSIONS. I am glad the President seemed to be interested in that. I hear he has talked to people and some have declined apparently to take the job. I think it could be very helpful and I hope you will pursue that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Sessions.

Admiral, thank you. It has been a long morning. It has been very helpful to us and I very much appreciate your coming by and your service. We all are grateful to you and the troops that you command. Thank you. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

REGIONAL CONFLICT

1. Senator AKAKA. Admiral Fallon, in his January 10 speech regarding the surge, the President stated that we will "interrupt the flow of support from Iran and Syria," and that "we will seek out and destroy the networks providing advanced weaponry and training to our enemies in Iraq." During your confirmation hearing, I indicated my concern that Iraq could escalate into a regional conflict, and I asked you if you believed that we can interrupt Iranian and Syrian support from within the borders of Iraq. I believe your response indicated that you believed we could isolate the flow of support from Iran and Syria, but that you felt we needed to engage other nations in the region, so that we could utilize the full range of options available to accomplish this task. What have we done to interrupt the flow of support from Iran and Syria to the insurgents, and what is your assessment on how we are doing?

Admiral FALLON. [Deleted.]

2. Senator AKAKA. Admiral Fallon, what specific strategies have been developed to protect our troops if the conflict in Iraq escalates to a regional conflict?

Admiral FALLON. [Deleted.]

DEPORTATION

3. Senator AKAKA. Admiral Fallon, the British Broadcasting Corporation reported on May 2, 2007 (as did the Washington Post on May 3, 2007), that the U.N. estimates that Iran has deported 36,000 Afghans back to Afghanistan in the previous 10 days. In addition, it appears that they intend to deport an additional 14,000 of what they call "illegal" Afghans. Have you received any confirmation that this mass deportation is occurring? If so, what are the repercussions to our operations in Afghanistan from Iran's sudden deportation of large numbers of Afghans?

Admiral FALLON. We at Central Command (CENTCOM) are concerned about the forcible expulsion of Afghans by Iran. Fortunately, the Office of the U.N. High Commissioner for Refugees has the assets in country to mitigate the risk and prevent it from having a noticeable effect on the coalition or U.S. forces, or from becoming a humanitarian crisis. Initially, it appears there are minimal impacts on International Security Assistance Force. Negotiations are underway between the governments of Iran and Afghanistan to alleviate the refugee situation.

We assess that a significant increase in forcible expulsions from Iran could pose a risk of destabilizing the larger cities and towns in western and southern Afghanistan. The speed and circumstances of these forced repatriations could potentially overwhelm authorities. Since Afghanistan's economy has so little absorption capacity, the influx could further exacerbate the very high current unemployment rate, as well as the housing shortage. While few returnees from Iran are likely to join the Taliban, large numbers of unemployed single males could significantly contribute to crime rates. It will be critical to successfully reintegrate returning refugees to avoid further risk to an already fragile security situation.

Finally, Afghanistan's government has itself been severely affected by these humanitarian issues. The Ministers for Refugees and Foreign Affairs each lost no-confidence votes, and the issue has stressed the government's ability to function.

4. Senator AKAKA. Admiral Fallon, there are an estimated 1.5 million Afghans living in Iran. If Iran is deporting large numbers of Afghans, and continues to do so, what would the impact be on coalition or U.S. operations in Afghanistan?

Admiral FALLON. Any shortfall in the Government of Afghanistan's ability to absorb a large influx of displaced persons may, in the long run, be measurably detrimental to coalition and U.S. operations.

We assess that a significant increase in forcible expulsions from Iran could pose a risk of destabilizing the larger cities and towns in western and southern Afghanistan. The speed and circumstances of these forced repatriations could potentially overwhelm authorities. Since Afghanistan's economy has so little resiliency, the influx could further exacerbate the very high current unemployment rate, as well as the housing shortage. While few returnees from Iran are likely to join the Taliban, large numbers of unemployed single males could significantly contribute to crime rates. It will be critical to successfully reintegrate returning refugees to avoid further risk to an already fragile security situation.

RESOURCES

5. Senator AKAKA. Admiral Fallon, do our troops, or the coalition forces, need additional resources? If so, what do they need?

Admiral FALLON. Robust coalition participation in Operations Enduring Freedom and Iraqi Freedom remains critical to our success in both campaigns. Enabling our partners by supporting coalition support funds ensures their successful participation in key military operations.

CENTCOM requires continued and additional support of train and equip authorities to ensure we have fully enabled coalition members helping advance our shared security interests abroad. Building states' capacities to secure and govern their own countries is a central task in the larger war on terrorism.

Our ability to succeed is also enhanced by key military construction authorities. These in turn depend on continued congressional support of the Contingency Construction Authority, and raising the Minor Unspecified Military Construction limits.

Lastly, increases to the DOD Rewards Authority will provide me with the flexibility, agility, and responsiveness I need to tailor my rewards program for greater success in the CENTCOM area of responsibility. It will allow me to rapidly adjust rewards authorizations to address emerging threats, and is essential to the program's operational effectiveness and tactical implementation.

STRATEGY

6. Senator AKAKA. Admiral Fallon, according to a new State Department report, terrorists are changing their tactics. Specifically, the report states that "Early terrorist attacks were largely expeditionary. The organization selected and trained terrorists in one country, then clandestinely inserted a team into the target country to attack a pre-planned objective." The report further states that "We have seen a trend toward guerilla terrorism, where the organization seeks to grow the team close to its target, using target country nationals." Finally, the report states that there is a "shift in the nature of terrorism, from traditional international terrorism of the late 20th century into a new form of transnational non-state warfare that resembles a form of global insurgency. This represents a new era of warfare." This report suggests that the battlefield for the war against terror is not limited to Iraq and Afghanistan. This concept of terror turns the entire world into a battlefield. How do you think this change in strategy from the terrorists affects our military strategies in Iraq and Afghanistan, and what are we doing to adapt?

Admiral FALLON. Our current military strategy in Iraq and Afghanistan allows us to constantly assess and adapt our capabilities in response to this extremely flexible and tenacious enemy. Expanding on these efforts, I recently met with a select group of subject matter experts drawn from inside and outside the military to examine our way forward. They helped me develop five major focus areas to anchor and prioritize our short- and mid-range efforts. The first three directly address efforts to deny terrorist objectives and combat their methods in Iraq and Afghanistan. Specifically, we are concentrating on setting the conditions for stability in Iraq, expanding governance and security in Afghanistan, and degrading violent and extremist networks, with the priority being to defeat al Qaeda. These focus areas allow us to prioritize our efforts, and to respond to changes in the enemy's behavior that we perceive from constant feedback in both Iraq and Afghanistan. In addition to addressing this most recent evolution in the enemy's methods, focusing on top priorities in this way will help us adapt to whatever they try next.

7. Senator AKAKA. Admiral Fallon, what changes to our overall national strategy in the global war on terror would you recommend?

Admiral FALLON. The current National Security Strategy specifically addresses the war on terrorism. Its premise is that deterrence alone is not enough, that we must take the fight to the terrorists, and that we must also deny them safe havens, financial support, and support and protection from certain nation-states.

The enemy is continually changing how he operates, therefore we are always reviewing our tactics, operational plans, and strategies. The principles of the National Security Strategy are the foundation for the CENTCOM theater and regional war on terrorism strategies. These are based on four pillars. First, we must improve our relationships with national and international partners and our interoperability with their security forces. This includes a range of activities from synchronizing war on terror responsibilities within DOD, to building partner capacity. Second, we must promote development and cooperation among nations, foster international collaboration, and improve intelligence sharing. Third, is to actively deter state and transnational aggression. And fourth, is to do more to promote regional security and stability.

8. Senator AKAKA. Admiral Fallon, in recent months, the British have announced their intention to withdraw 1,600 troops from Iraq. In addition, Denmark announced their intention to withdraw their 450 troops from Iraq. I understand that Lithuania is also considering pulling completely out. What impact do these withdrawals have on our operations in Iraq?

Admiral FALLON. [Deleted.]

9. Senator AKAKA. Admiral Fallon, what additional risk do they place on our troops?

Admiral FALLON. [Deleted.]

10. Senator AKAKA. Admiral Fallon, have we requested these countries to consider utilizing their troops to assist in the surge? If not, why not? It seems that their assistance could minimize the need to extend deployments of our troops.

Admiral FALLON. All three countries' military establishments were contacted through their Senior National Representatives. All three declined to offer additional troops and forces, on the grounds that this is a matter that must be taken up at the diplomatic level and not military-to-military. We value each partner's contributions, and regularly review each nation's participation according to each one's total contribution to the coalition. This means valuing not only military resources, but also political and economic assistance, both to operations in Iraq and to other war on terror efforts.

The nature of each nation's involvement changes over time, commensurate with its available resources. Our strategy is to maximize overall international contributions to Iraq. As the Iraqi security forces assume greater responsibility, some coalition forces have shifted from the direct security mission to training and support, whereas others have redeployed to their home stations. Contributors have also changed the nature of their involvement, but continued their partner relationships. At the same time, other countries have increased their troop contributions. For example. Georgia is deploying an entire brigade later this year; Australia has recently increased their troop commitment; and Tonga will again deploy troops to Iraq.

IRAQI MILITARY AND POLICE

11. Senator AKAKA. Admiral Fallon, who has the greater numbers in Iraq, the Iraqi military or al Qaeda in Iraq (AQI)?

Admiral FALLON. The Iraqi military is the better armed. However, AQI has ample arms, access to military ordnance, and the ability to make homemade explosives with which to wage protracted, asymmetric warfare.

12. Senator AKAKA. Admiral Fallon, which organization is better armed, the Iraqi military or AQI?

Admiral FALLON. The Iraqi military is the better armed. However, AQI has ample arms, access to military ordnance, and the ability to make homemade explosives with which to wage protracted, asymmetric warfare.

13. Senator AKAKA. Admiral Fallon, who has greater numbers, the Iraqi police or AQI?

Admiral FALLON. [Deleted.]

14. Senator AKAKA. Admiral Fallon, which organization is better armed, the Iraqi police or AQI?
Admiral FALLON. [Deleted.]

15. Senator AKAKA. Admiral Fallon, what is your current assessment of the morale of the Iraqi military and the Iraqi police?
Admiral FALLON. [Deleted.]

16. Senator AKAKA. Admiral Fallon, who has the greater support within the country of Iraq, the government or AQI?
Admiral FALLON. The government has far greater support than AQI. Demographically Iraq is over 60 percent Shia, a population that has been routinely targeted by AQI with high-profile attacks in order to aggravate the sectarian divide. The elected officials chosen by the populace are mostly Shia as well. The Kurds enjoy relative stability in their semi-autonomous state, and have no interest in AQI's violence. They arc much better served through legislative action. Even Iraq's Sunni Arabs, many of whom tacitly supported AQI for nearly 4 years, have been rejecting local terrorists in the overwhelmingly Sunni province of al-Anbar. Tribal sheikhs have turned to the Iraqi government for equipment and training to defeat AQI, and Prime Minister Maliki has supported their efforts.

17. Senator AKAKA. Admiral Fallon, it has been reported that the Sunnis are no longer allied with AQI and are assisting coalition forces with fighting against AQI. Can you confirm this?
Admiral FALLON. [Deleted.]

18. Senator AKAKA. Admiral Fallon, has AQI allied itself with either the Kurdish or the Shiite factions in Iraq?
Admiral FALLON. [Deleted.]

IRAQI PEOPLE

19. Senator AKAKA. Admiral Fallon, is it your opinion that the people of Iraq would prefer to live under a terrorist regime?
Admiral FALLON. The vast majority of Iraqis do not prefer to live under a terrorist regime. However, there is a very small minority of people in Iraq that want their government to implement a very strict interpretation of Sharia law.

20. Senator AKAKA. Admiral Fallon, in your statement, you indicated that insurgent groups in Iraq have multiple and often competing motivations for perpetuating violence. However, you indicate that they are united in opposition to U.S. and coalition forces, and their refusal to accept the legitimacy of an inclusive, representative government. If we were to remove U.S. and coalition forces from Iraq, would that strengthen or weaken their unity against the government?
Admiral FALLON. [Deleted.]

REDEPLOYMENT

21. Senator AKAKA. Admiral Fallon, is it your professional opinion that if the United States were to begin phased redeployment of our troops out of Iraq, then AQI would likely defeat all other parties in Iraq and assume control of the country, creating a terrorist state? If so, why?
Admiral FALLON. It is unlikely AQI would defeat all other factions and assume control of the country. However, under certain conditions it might be able to establish and maintain a sanctuary in a Sunni majority area, from which it would be able to conduct terrorist operations locally, regionally, and globally. In so doing, AQI would attempt to replicate the conditions its parent organization enjoyed in Afghanistan prior to Operation Enduring Freedom.

INSURGENCY

22. Senator AKAKA. Admiral Fallon, you indicate in your posture statement that insurgency groups in Iraq have multiple and often competing motivations for perpetuating violence; however, they are united by two things: opposition to U.S. and coalition forces; and refusal to accept the legitimacy of an inclusive, representative government. Why is it that these groups are unwilling to accept the legitimacy of an inclusive, representative government?

Admiral FALLON. For over 38 years the former Baathist regime enforced national unity to facilitate control and national pride, and to serve its regional ambitions. After Saddam was overthrown, Iraqi unity was fractured.

The various Sunni, Shia, and Kurdish insurgency groups differ in their motivations for violence, and their acceptance of the government's legitimacy. Fear is each group's defining quality. However, they're afraid of different outcomes, and the goals of each group can stoke the fears of another. Sunnis fear political marginalization and domination by the Shia, whom they consider to be agents of Iran. Shia fear a loss of control over the Government of Iraq (GOI), a Baathist (Sunni) resurgence, a loss of the ability to protect of Shia holy sites, and losing control of national resources. Kurds fear the loss of their semi-autonomy and their ability to control Kirkuk. The disputes over the status of Kirkuk and the boundaries of the Kurdish region are likely to be significant sources of violence in the future.

23. Senator AKAKA. Admiral Fallon, what have we done to try and bring these groups to the table to discuss their differences, and potentially address the underlying problems causing their resistance?

Admiral FALLON. Coalition forces in al-Anbar have approached local tribal sheikhs and imams to garner support, but until recently this effort has made little progress. Now with the changing atmosphere in places like Ramadi and Fallujah, these efforts are becoming more successful. However, in the long-term such initiatives will require support from the GOI in the form of essential social services, agricultural support, and infrastructure construction for the population of al-Anbar. Iraq's leaders must continue to engage all groups and overcome the perception that they do not represent Sunnis. Otherwise, local groups and tribes may resume acts of violence towards the coalition and the government.

The religious, tribal, and secular actors/politicians must all come to an agreement on the role of the central government, distribution of the country's wealth, and other political and economic issues before the central government is widely accepted as legitimate. The Iraqi Constitution addresses the role of the central government, but to many in the country it is only a document, at least for now. The GOI must provide fairly for essential needs of all Iraqi citizens, and not disproportionably favor one or two groups. Insurgents will come to the table when an outcome is demonstrated to be in the best interests of their respective communities.

AL QAEDA

24. Senator AKAKA. Admiral Fallon, yesterday, the President gave a speech in which he said that the al Qaeda terrorists in Anbar are "the same people that attacked us in America," apparently referring to the September 11 attacks. Is there evidence that Osama bin Laden is providing direct support to AQI? If so, what kind of support is being provided, and what level of confidence do we have in the supporting evidence?

Admiral FALLON. [Deleted.]

RAIDS

25. Senator AKAKA. Admiral Fallon, Reuters reported on May 2, 2007, that President Karzai has stated that Afghans are losing patience over killing of civilians by western forces hunting Taliban guerrillas. According to the report, "Around 50 civilians have been killed in raids by U.S.-led troops in the past week, Afghan officials say, sparking 4 days so far of anti-American, anti-Karzai protests." Reuters further reports that "Karzai said he had repeatedly told U.S. and North Atlantic Treaty Organization commanders to coordinate their anti-Taliban raids with his government, stop searching civilian houses, and exercise caution to avoid civilian deaths." Can you confirm the information in this report? If so, can you explain what the problems are that are getting so many civilians killed in our raids on the Taliban, and what is being done to fix the problem?

Admiral FALLON. President Karzai did state on 2 May that Afghans arc losing patience with civilian deaths but we have discovered no evidence to corroborate the Reuter's report that 50 had been killed during the week in question.

We go to great lengths to prevent civilian casualties incidental to our operations. We operate in compliance with the law of armed conflict, and take great pains to avoid collateral damage. Our strict targeting process accounts for and mitigates the risk to civilians. To better safeguard them, we carefully review that process and investigate all relevant actions when we receive reports of civilian casualties. During this specific engagement, and in nearly every such instance, contact is initiated by

insurgents deliberately using civilians as shields, with the intent of causing the civilian casualties that they can then exploit in the media.

26. Senator AKAKA. Admiral Fallon, are we coordinating our raids with the Afghan government per President Karzai's request? If so, why is he speaking out? If not, why not?

Admiral FALLON. All of our operations have an Afghan component—and in many we are in support of Afghan forces—and are coordinated with Afghanistan's government authorities. Prenotification with the Afghanistan authorities is not always possible when combat is initiated by the enemy. In those cases we leverage the Provisional Reconstruction Teams to help inform Afghan leaders at the earliest possible time.

Afghans believe it is President Karzai's job to voice their grievances to western nations, and to prevent civilian casualties. When civilians are killed or injured, President Karzai quite rightly speaks out, and any failure to do so could weaken popular support for his administration and international forces.

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

BRIGADE COMBAT TEAMS

27. Senator PRYOR. Admiral Fallon, the 39th Brigade Combat Team (BCT) of the Arkansas Army National Guard was recently alerted to prepare for another deployment to Iraq. The BCT modular force concept is a standardized, stand-alone, larger, more powerful, more flexible, and more rapidly deployable force that allows the Army to effectively transform the way it operates. Its success, however, depends largely on its unity, cohesiveness, and collective training. The 39th is only one of 15 National Guard BCTs, and its maneuver battalions are currently vulnerable to being broken up, deployed to different locations, and tasked with missions for which the unit was not designed. What is the strategic significance of this action, and is this common practice for deployed Active Duty BCTs as well?

Admiral FALLON. This mission is common practice for at least one BCT in Iraq. Tasking of BCTs within Iraq is done based on the capability that each BCT brings to the force and not necessarily National Guard, Reserve, or Regular Army BCT, BCTs deployed to Iraq are given specific tasks according to their level of training and organic structure. The 39th BCT from Arkansas will be employed as a Security Force Brigade. Its mission will require it to conduct decentralized operations at several locations within Iraq. The modular nature of the 39th BCT makes it ideal for this mission as it is able to conduct operations as a BCT, Battalion Task Force, or any level deemed appropriate by the 39th BCT Commander. The operational requirement to provide security at numerous locations while simultaneously retaining other organizations at full combat capability is critical to retain the lines of communication security as well as freedom of maneuver for friendly forces. The strategic impact of this mission not being accomplished is far reaching and will have an adverse impact on our ability to retain the initiative across the Iraq theater.

BODY ARMOR

28. Senator PRYOR. Admiral Fallon, personnel and equipment issues for our forces deployed in combat overseas have been the topic of much debate in the Senate. I have received phone calls from concerned mothers and fathers from Arkansas whose sons and daughters are deployed to the Middle East, and who believe the current body armor in use today is inadequate. Are our troops operating with a full complement of effective body armor on the battlefield?

Admiral FALLON. Yes, U.S. military servicemembers and U.S. Government civilian personnel are operating with a full complement of effective body armor. The Interceptor Body Armor (IBA) consists of one outer tactical vest, two small arms protective inserts, a set of deltoid and auxiliary protectors, and a set of side ballistic inserts. As of 01 March 07, the CENTCOM area of responsibility is supplied to 100 percent of the requirement for IBA.

29. Senator PRYOR. Admiral Fallon, have you ever heard of Dragon Skin body armor? If so, what is your opinion of its effectiveness and feasibility?

Admiral FALLON. Yes, I have heard of the Dragon Skin body armor produced by Pinnacle Armor. Over the past 18 months, elements within the Department of Defense have expressed concerns about the effectiveness of Dragon Skin. It is my understanding that the Program Executive Office soldier and the Army Test and Eval-

uation Command have conducted tests on the Dragon Skin body armor but have yet to release the final results.

IRAQI ARMY

30. Senator PRYOR. Admiral Fallon, how many Iraqi army personnel are trained and capable of fighting today?
Admiral FALLON. [Deleted.]

31. Senator PRYOR. Admiral Fallon, how far is the Iraqi army from being certified as a self-sustaining military force?
Admiral FALLON. [Deleted.]

32. Senator PRYOR. Admiral Fallon, what are the capabilities of the Iraqi military leadership?
Admiral FALLON. The Iraqi military leadership is capable of small scale, relatively simple operations. At the most senior level, the Iraqi Ministry of Defense and Joint Headquarters do not yet have the capability to independently plan, conduct, or support large, complex operations. The new Iraqi army is only 3 years old, and there remains a lack of confidence among some of its senior leaders. This can result in a reluctance to delegate authority without a specific directive from the most senior level.
However, the Iraqi Ground Forces Command (IGFC) controls six Iraqi army divisions and the Baghdad Operational Command (BOC) controls two more. All divisions arc expected to fall under Iraqi control by the end of 2007. With significant coalition assistance, the IGFC and BOC direct Iraqi-led operations, which are in turn conducted by these divisions and their subordinate units. Iraqi ground forces' recent tactical successes, and the successful execution of a complex relief in place and transfer of authority in Baghdad, demonstrate their increasing capabilities.
On the small unit level, capabilities vary greatly from unit to unit. However, we are seeing progress in the development of a capable leadership corps, as leaders are more often promoted based on merit and capability rather than personal connections.

33. Senator PRYOR. Admiral Fallon, where is the Iraqi military leadership in the decisionmaking process during combat operations?
Admiral FALLON. Iraqi leadership is involved at every step of planning and execution. Transition teams teach, coach, and assist, and partnered units mentor the leadership. But the Iraqis make the decisions. As each unit's commander and staff mature, its assessment ratings will increase and the amount of coalition assistance required will decrease.

34. Senator PRYOR. Admiral Fallon, how prepared is the Iraqi military leadership to lead troops in battle?
Admiral FALLON. [Deleted.]

TROOP EMBEDDING

35. Senator PRYOR. Admiral Fallon, what significance has General Petraeus' concept of embedding troops within the local populace had on civil and military operations?
Admiral FALLON. The concept of embedding is already having positive effects throughout Iraq. It has led to increased trust in Iraqi and coalition forces by the populace, drawing them closer to their government, while at the same lime severing linkages to anti-coalition forces. The constant presence of coalition forces amongst the population enables this, yet is also dependent upon the GOI to provide essential services equitably to all communities.

IRREGULAR WARFARE

36. Senator PRYOR. Admiral Fallon, our military forces whose conventional capability was designed to fight on the western shores of Europe are now assigned to fight in irregular warfare. How closely are our troops prepared for what they are asked to do in the global war on terrorism?
Admiral FALLON. In conducting the war on terror, our conventional forces conduct counterinsurgency tasks while our Special Operations Forces conduct counter-

terrorism tasks. In both cases, our troops have received the preparation they need to be exceptionally capable and effective.

IMPROVISED EXPLOSIVE DEVICES

37. Senator PRYOR. Admiral Fallon, the Air Force has stated that "C–130s are doing a magnificent job reducing the improvised explosive device (IED) threats by removing 9,000 ground troops and 3,500 convoys from the road each month." What impact has this had on our ability to counter the IED threat?

Admiral FALLON. [Deleted.]

38. Senator PRYOR. Admiral Fallon, are we consequently seeing less IED attacks?

Admiral FALLON. The answer is no. IED attacks continue to increase, resulting in increased causalities and fatalities.

[Whereupon, at 12:07 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, MAY 17, 2007

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

UNITED STATES EUROPEAN COMMAND

The committee met, pursuant to notice, at 10:18 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Bill Nelson, E. Benjamin Nelson, Webb, Warner, Inhofe, and Thune.

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

Majority staff members present: Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; and William G.P. Monahan, counsel.

Minority staff members present: Michael V. Kostiw, Republican staff director; Derek J. Maurer, minority counsel; and Lynn F. Rusten, professional staff member.

Staff assistants present: David G. Collins, Fletcher L. Cork, and Benjamin L. Rubin.

Committee members' assistants present: Benjamin Rinaker, assistant to Senator Ben Nelson; Gordon I. Peterson, assistant to Senator Webb; Sandra Luff, assistant to Senator Warner; and Stuart C. Mallory, assistant to Senator Thune.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

General Craddock, we want to welcome you. We had a meeting with the Secretary of Defense, which is the reason we are starting later than usual, and we also are going to have a couple of votes that are coming up, I believe, at 10:30 a.m. or 10:45 a.m., which is going to make this even a more complicated session than usual.

We appreciate, not just your being here today, we appreciate your long service to this Nation. You've been before this committee on a number of occasions, so you're familiar with the way in which our schedule operates, but this is the first time that you appear before us as Commander, U.S. European Command (EUCOM) and the Supreme Allied Commander Europe, so we will welcome your

insights into the developments within your area of responsibility (AOR) and within the North Atlantic Treaty Organization (NATO) as new missions and new challenges face both NATO and EUCOM.

I normally try to set out some of the parameters for our hearings, but I'm not going to do that today, because of the late start and because of the votes, which will interrupt us in a few minutes. I think we're all familiar with the large AOR that you cover, the huge number of challenges that you have, and we look forward to your testimony.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

General Craddock, welcome and thank you for your patience while the committee met with the Secretary of Defense. You have testified before the committee on a number of occasions, so you are familiar with how this institution operates.

Today, however, is the first time General Craddock appears before the committee as Commander, U.S. European Command (EUCOM) and Supreme Allied Commander Europe. We welcome your insights into developments within the EUCOM's area of responsibility (AOR) and within the North Atlantic Treaty Organization (NATO), as the alliance takes on new missions and transforms itself to meet today's challenges.

First among these challenges in General Craddock's AOR is the mission of bringing security and stability to Afghanistan. Last year the security situation in Afghanistan steadily deteriorated: overall attacks on coalition forces were up three-fold in 2006 over the previous year; the number of roadside bombs almost doubled; suicide attacks jumped nearly five-fold. A recent State Department report on terrorism states that in 2006 the Taliban-led insurgency remained "a capable and resilient threat to stability."

In response, earlier this year the NATO-led International Security Assistance Force (ISAF), and Afghan National Security Forces launched a major operation in the south to counter an anticipated spring offensive. The committee would be interested in getting an update on the security situation in Afghanistan, and whether coalition and Afghan forces have begun to create stability in the provinces.

A critical question has been whether U.S. and coalition forces levels in Afghanistan are sufficient for the mission. British General David Richards, former ISAF Commander, wrote this spring that "Our force levels in 2006 were just sufficient to contain the insurgency. . . . As a result of too few forces, we have found it difficult to maintain security where we have gained it. . ." In January, Secretary Gates increased U.S. troop commitments in Afghanistan, and the Department of Defense (DOD) has announced its intention to maintain those troop levels into next year.

One of General Craddock's first tasks as Supreme Allied Commander was to review and assess what level of troops and equipment the NATO-led ISAF needed to carry out its mission in Afghanistan. When General Craddock made his recommendations in February, he said that to succeed in Afghanistan, "you must clear, you must hold, you must build." According to news reports, General Craddock's recommendations included increasing NATO troop levels and equipment, in particular helicopters and transport aircraft. We would be interested in hearing this morning whether NATO members have made the necessary commitments of troops and equipment to meet your recommendations for NATO's military requirements; if not, what shortfalls remain; and whether those commitments have come with strings in the form of national restrictions, or caveats, placed by NATO members on the deployment of their troops or equipment in Afghanistan.

We would also like your assessment of the readiness of Afghan Security Forces, and whether current ISAF and Afghan Security Force levels are sufficient to clear and hold areas to prevent the Taliban from returning.

An important component of our strategy for building a more stable Afghanistan are the Provincial Reconstruction Teams (PRTs) deployed throughout the country. The PRTs are working to expand the authority of the Afghan Government through reconstruction and development operations. I am concerned, however, that efforts to build the support of the Afghan people are being undermined in a number of ways. These include the explosive growth in the drug trade; public corruption within the Karzai government; the lack of economic opportunity; and growing popular resentment over reports of civilian casualties resulting from U.S. airstrikes and other operations.

Another major issue in EUCOM's AOR is the proposed deployment of long-range missile defense interceptors in Poland and a high-power radar in the Czech Republic. The administration is requesting $310 million this year to start this proposed deployment. The total cost of the proposed European missile defense deployments is $4 billion through fiscal year 2013, all of which the administration proposes the United States should pay. I gather from General Craddock's prepared testimony that there may be additional expenses—as yet undetermined—for these proposed deployments.

However, there are a number of problems with this requested funding. First, the United States is just beginning the negotiations with the governments of Poland and the Czech Republic and if the negotiations are successful, the Czech and Polish parliaments would have to give final approval before the deployments could proceed.

A second problem with the missile defense funding request is that the interceptor proposed for deployment is a new missile that has not yet been developed and is not even planned to be tested until 2010.

Third, this proposed deployment while apparently designed to counter a potential future threat from Iran, does not address the existing and real threat of short- and medium-range missiles Iran has today, which could target our forward-deployed forces, allies, and friends.

Fourth, there are concerns within NATO about this proposal. According to the NATO Secretary General, "NATO is the right place to have this discussion on missile defense."

The United States finds itself at odds with Russia not only over missile defense but also over the issue of Kosovo. Russia continues to oppose Kosovo's independence from Serbia, but Secretary Rice in Moscow this week delivered the message that keeping Kosovo part of Serbia would be "impossible." The 16,000-strong NATO force is likely to be called upon to provide security as U.N. administration of the region ends and Kosovo makes the transition to its new status.

An additional challenge within the EUCOM AOR is the growing strategic importance of Africa. The Department has recognized this strategic shift and, in February 2007, announced the creation of U.S. Africa Command. According to the Department, this new command will be fully operational by the end of September 2008. In the mean time, the vast majority of Africa remains within EUCOM's responsibilities.

Africa is growing in strategic importance. At the same time, unrest in some African nation states, like Nigeria, is also growing. The recent Nigerian elections, widely regarded as rigged, threaten to stir up even more violence. In response, the U.S. Navy has increased its footprint in and around the Gulf of Guinea and has begun working with a number of nations along the coast of West Africa on maritime security.

On the issue of readiness in the European theater, this committee has learned, in a series of hearings since the beginning of this year, that personnel and equipment shortages in nondeployed units assigned to EUCOM exacerbate the challenges of meeting our security commitments and challenges in Europe and Africa, or in other areas where EUCOM forces may be deployed. Lower basic readiness in our nondeployed forces increases the costs and time required to get ready for worldwide contingencies and increases the likelihood of deploying our forces underprepared or unprepared. This increases the risk that we fail to accomplish our missions, and almost certainly means increased casualties. This situation is what former Army Chief of Staff, General Schoomaker, described when he talked about the U.S. military's lack of 'strategic depth.' I hope to hear from General Craddock how he evaluates and manages this risk.

The committee looks forward to receiving your testimony.

Chairman LEVIN. Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. I associate myself with your remarks. I had a very pleasant visit, a very informative visit, with General Craddock yesterday in my office.

But you have taken on a very, very major responsibility, as you full well know. Even in the brief period that you've been there, there have been some rather dramatic unfolding events, particularly in Afghanistan. So, we'll proceed to hear from you.

But, Mr. Chairman, I think you want to clarify, for members who may be following, that we might continue after the vote, if other members were not able to get here before the vote?

Chairman LEVIN. Oh, no, we will be working right through the votes, if we can. Otherwise, we'll have to recess until after the votes, because I expect those votes will start in about 10 or 15 minutes.

Senator WARNER. How many votes are there?

Chairman LEVIN. I think there are two votes. So, we'll have to try to work around them the best way that we can. Our statements will be made part of the record.

We now call upon you, General Craddock.

STATEMENT OF GEN BANTZ J. CRADDOCK, USA, COMMANDER, UNITED STATES EUROPEAN COMMAND, AND SUPREME ALLIED COMMANDER, EUROPE

General CRADDOCK. Thank you.

Chairman Levin, Senator Warner, and distinguished members of this committee, it's indeed a privilege to appear here today before you as the Commander of the United States EUCOM.

Mr. Chairman, I've submitted a written statement that I ask be made a part of the official record.

Chairman LEVIN. It will be.

General CRADDOCK. If you would permit me, I'd like to introduce my senior noncommissioned officer in the EUCOM, Command Sergeant Major Mark Farley. Mark, would you stand up, please?

Chairman LEVIN. Welcome.

Senator WARNER. Welcome.

General CRADDOCK. I think it's important he's here today. He represents all the soldiers, sailors, airmen, and marines, and he is, as the senior enlisted advisor, continually out and about in the command, checking on quality-of-life, training conditions, and, every day, is very essential to all the leaders in the command and what we do. So, I'm glad to have him.

Chairman LEVIN. We're grateful for your service, and appreciate your being here.

General CRADDOCK. Since taking command of EUCOM, I've been struck by the command's expanse and diversity, the dedication and the quality of our servicemembers, the transformation of NATO in the 21st century, and our Nation's commitment to this great alliance. EUCOM is conducting a broad range of activities to assure both EUCOM's and NATO's continued relevance.

I will provide a brief overview of our activities, highlighting the vital role EUCOM servicemembers play in this vast theater.

While support for the global war on terror is our overarching priority, EUCOM is also focused on sustaining Europe as a global partner and furthering the U.S. security relationship with Africa. The EUCOM's strategy of active security seeks to defeat transnational terrorist entities and violent extremists who threaten the United States, its allies, and our interests. We will do that by denying our enemies freedom of action and access to resources, and by building partner-nation capabilities that promote stability.

Security cooperation remains the cornerstone of this strategy. Our programs represent a proactive approach to building able part-

ners. From airborne to nonlethal weapons training, EUCOM personnel and facilities provide practical and state-of-the-art education and training that assist our allies, and our partners, in developing their capabilities to conduct effective peacekeeping and contingency operations as well-trained disciplined forces. These efforts mitigate the conditions that lead to conflict, prepare the way for success, and reduce the need for substantial U.S. involvement.

Security cooperation programs, such as the international military education and training, foreign military financing, foreign military sales, the Georgia Sustainment and Stability Operations Program, and the Section 1206 Security Assistance Program, are just a few of the critically important tools that you provide, and resources you provide, to execute our security cooperation activities throughout Europe, Eurasia, and Africa.

EUCOM's ongoing transformation initiatives highlight the military effectiveness of forward-based and rotational forces that are powerful and visible instruments of national influence.

In addition to our conventional forces, Special Operations Forces (SOFs) are essential. They enable EUCOM to develop and maintain trust and long-term relationships with partner nations as we help build their capabilities and their capacities.

NATO remains an alliance committed to the collective security of its member states and, increasingly, to a broader and more comprehensive view of security in an interdependent world where the threats are increasingly nontraditional and more global in nature.

While political consultations among the 26 nations help sustain a unity of purpose, the men and women of the alliance, plus 17 other troop-contributing nations, are redefining NATO's role by their actions and operations across Afghanistan, the Balkans, the Mediterranean, Iraq, the Baltics, and Africa.

Today, over 50,000 NATO military forces are deployed in support of NATO operations. This is a visible and effective demonstration of NATO's resolve to meet those security challenges, both in Europe and in areas of strategic distance.

In the current strategic environment, collective security is an essential factor in achieving national security. NATO, with the proper resources and political will, remains the preeminent security alliance in the world. It is in our national interest to ensure that NATO succeeds. The leadership and the capabilities our Nation contributes to the NATO alliance remain fundamental to preserving the Transatlantic Partnership.

Continued congressional support for our efforts is essential to ensure that the EUCOM remains capable of effective engagement throughout our AOR, that we can provide sustained support to the NATO alliance and to our regional partners, and that EUCOM meets the broad tasks set forth in the national military strategy. The dedicated men and women of the United States EUCOM are committed to achieving our national goals and objectives.

Mr. Chairman, I thank you for holding this hearing, and I look forward to the opportunity to address your questions.

Thank you.

[The prepared statement of General Craddock follows:]

PREPARED STATEMENT BY GEN BANTZ J. CRADDOCK, USA

INTRODUCTION

United States European Command (EUCOM) area of responsibility (AOR) comprises 92 diverse nations in Europe, Eurasia and most of Africa. The forward defense of the United States largely depends on our ability to work with our partners and allies to ensure common security. EUCOM's theater Strategy of Active Security supports the national defense strategy through a series of broad cooperative and engagement initiatives.

As the EUCOM Commander, I believe there are fundamental priorities that characterize our involvement in this AOR. While support to the global war on terror is the overarching priority, EUCOM is dedicated to retaining Europe as a global partner and furthering the U.S. security relationship with Africa through a new unified command. Embedded in these strategic priorities are our efforts to transform ourselves into a more expeditionary command, while cultivating and sustaining relations with numerous regional security organizations, such as the North Atlantic Treaty Organization (NATO), the African Union (AU), and the European Union (EU).

In addition to my role as Commander EUCOM, I have responsibilities as the Supreme Allied Commander, Europe, commanding all operational NATO forces. While these two roles have distinct mandates, there are many linkages between them. One fundamental linkage is transformation—both EUCOM's and NATO's transformation efforts are aggressive, ambitious, and geared toward realizing agile, flexible, and expeditionary forces capable of operating at strategic distances.

To fully capture how EUCOM will address these priorities I will provide an overview of the strategic environment in which we operate, explain our strategy and initiatives, highlight the contributions and requirements of my component commanders, and underscore the importance of the transatlantic security relationship.

STRATEGIC ENVIRONMENT

EUCOM's AOR is a vast geographic region covering over 21 million square miles and 16 time zones, extending from the Barents Sea in the north to the waters stretching south to Antarctica, and from Greenland to Russia's Pacific coastline (See Enclosure 1). The scope and diversity of these 92 sovereign nations include approximately 1.4 billion people, constituting 23 percent of the world's population. These 1,000 plus ethnic groups speak more than 400 languages, profess over 100 religious affiliations, and encompass the full range of human conditions and governments. The trends and issues which define the current environment in our theater include terrorism in all its forms, frozen conflicts, unresolved territorial disputes, complex geopolitical relationships between Russia and the Nations of the former Soviet Union, the use of energy as a tool of foreign policy, weapons of mass destruction (WMD), and illegal immigration.

Because the challenges in this theater are not confined to a single nation, EUCOM takes a regional approach at analyzing this strategic environment. Our analysis is structured around three European and five African regions (See Enclosure 2). Europe's regions are Western Europe, Southeast Europe, and Eurasia. Africa's regions are North Africa, West Africa, Central Africa, East Africa, and South Africa.

Political Geography

Western Europe is home to some of our oldest and closest allies. For six decades, its mature democracies have experienced an unprecedented period of security and stability. A major contribution to this stability lies in the NATO Alliance and multinational institutions that have successfully addressed numerous security challenges over the past almost 60 years. NATO remains Europe's premier security organization and the international security instrument of choice. However, not all trends are positive. The defense budgets of many of these NATO nations have fallen to levels that jeopardize their ability to make long-term strategic military commitments to meet the Alliance's 21st century ambitions.

In Southeastern Europe, the political and military situations are improving, but there are unresolved issues which could destabilize the region. The Balkans remain somewhat volatile as new democratic governments attempt to deal with suppressed ethnic tensions, corruption, illegal immigration, and assimilation of citizens from different cultural backgrounds. The United Nations (U.N.)-led process to determine the future status of Kosovo is now in its critical and concluding stage, with discussions ongoing in the United Nations Security Council to address the Comprehensive Proposal for a Kosovo Status Settlement. Agreement and successful implementation

of the provisions of a Status Settlement will be essential in maintaining stability in the Balkans.

As a regional leader, Turkey's European orientation for political and military security, along with its enduring relationship with the U.S., make it a catalyst for stability in Southeast Europe, the Caucasus, Afghanistan, and the Black Sea region. Its key international lines of communication and proximity to Iran, Iraq, and the Russian Federation ensure Turkey will continue to play a vital role in international efforts to combat terrorism.

In Eurasia, some nations are at a decisional crossroads in terms of economic, political, and military reform. Other nations, such as Azerbaijan and Georgia, continue to pursue a positive trend towards economic sector, military, and political reform. After decades of life under the Soviet model, nations of this region struggle with balancing the challenging process of reform and the fundamental need for stability and predictability. Some nations have elected to freeze, stall, or reverse reform, placing a greater priority on the maintenance of political power, internally and externally. Economic turmoil, unsettled interstate conflicts, insurgency, deteriorating infrastructure, and negative demographic trends exacerbate an already difficult and complex process of reform.

Despite continuing tensions from historical and unresolved ethnic and national enmity, the Caucasus is striving to gain regional stability and is of growing strategic importance to the U.S. and its allies principally due to its geostrategic location and the increasing flow of Caspian Sea hydrocarbons to the world energy market. In close proximity to Iran and Russia, Azerbaijan's geostrategic location is key for access to Caspian Sea energy resources. An example of Azerbaijan's and the region's growing importance to the global energy market is the recently opened Baku-T'blisi-Ceyhan Pipeline, bringing oil from the Caspian Sea to the Mediterranean. Additionally, the future Caucasus pipeline currently under construction will carry natural gas along much of the same route.

Regional security in the Caucasus and Moldova is challenged by four frozen conflicts: Azerbaijan and Armenia's dispute over the status of Nagorno-Karabakh, South Ossetia and Abkhazia's separatists' attempts to gain independence from Georgia, and Transnistria's movement to separate from Moldova. Left unresolved, these conflicts remain the most significant obstacle to long-term stability in the Caucasus and have the potential to ignite into a high-intensity conflict in Europe's neighborhood.

As the dominant regional power in Eurasia and central Asia, Russia's cooperation with the U.S. and NATO is a strategic element in fostering security in the Euro-Atlantic arena. Progress has been made in engaging the Russian military to build interoperable capabilities, instill western operational concepts, and strengthen the bilateral military relationship. Russia demands specific concentration not only because of its influence in its "near abroad" border nations, which affects European stability, but globally because of its formidable nuclear capability, an extensive weapons trade program and influence on the international energy market.

While military-to-military relations with Russia are for the most part positive, much work remains to enhance cooperation and mutual understanding on key 21st century issues such as threats posed by ballistic missiles, WMD proliferation, terrorism, and the disruption of energy supplies. Russian objections to U.S. missile defense plans and programs will require continued U.S. Government consultation and engagement. Additionally, recent Russian strategies to exert influence run counter to U.S. and NATO security. As the world's largest producer of natural gas and a critical supplier of energy to Europe, Russia has demonstrated that it is prepared to use its position in the energy sector to impose its will on other nations. Also, Russia's recent aggressive tactics with Georgia and Ukraine raise concerns about its long-term security intentions. It is unclear to what future extent Russia may use energy or its military as leverage to achieve foreign policy goals, but it is a dynamic that needs to be monitored closely.

Ukraine's strategic location, contributions to international operations, and policy of Euro-Atlantic integration make it an increasingly important regional ally. Ukraine is at the nexus of its Cold War past and achieving western standards of political, economic, and defense reform. Internal and external opposition since the 2004 Orange Revolution have slowed the pace of Ukraine's reform efforts. Ukraine's ability to attain its reform objectives remains a central focus of both U.S. and Alliance efforts.

In the Middle East, Israel is the U.S.'s closest ally that consistently and directly supports our interests through security cooperation (SC) and understanding of U.S. policy in the region. Providing a platform of stable governance in the region, Israel steadfastly promotes democratic ideals and pro-western economics and values. A steward of the largest Foreign Military Financing (FMF) program with well-estab-

lished agreements with the U.S. Government, Israel is a critical military partner in this difficult seam of the Middle East.

On the Continent of Africa, we face a complex environment with enormous challenge and potential. While Africa is rich in both human potential and mineral resources, it has historically struggled with relatively unstable governments, internal political strife, and economic problems. Many states remain fragile due to a variety of factors, including corruption, endemic and pandemic health problems, historical ethnic animosities, and endemic poverty.

In North Africa, broad expanses of minimally governed areas remain havens for extremists, terrorists, and criminals. Authoritarian political structures inhibit political progress and reform on the continent. Developing economic systems have difficulty meeting the needs of a youthful and growing populace, hindering the emergence of an economically independent middle class. Additionally, an increasing percentage of Europe's oil and natural gas imports come from North Africa, tying European security to North African stability.

In West Africa, specifically the Gulf of Guinea, the energy potential defines this as a region of emerging U.S. strategic interest. West Africa now supplies over 16 percent of U.S. hydrocarbons and by 2015 it is estimated that it will supply more than 25 percent. In the next 10 years the Gulf of Guinea will provide the bulk of U.S. imports of sweet crude oil. Threatening this potential are corruption, economic privation, political instability, and the challenges of potential civil unrest. This scenario has played out most recently in the crisis in Guinea. The civil unrest, subsequent martial law, and resultant departure of U.S. citizens highlight the fragile nature of democratic systems throughout the region. Ethnic and religious violence within and across porous borders also threatens Gulf of Guinea stability. With only marginal adherence to the rule of law and with no meaningful legal structures or political will present, the maritime security challenges in this region become almost insurmountable. Additionally, the security situation in the Niger Delta and other "promising" areas has been historically unstable and continues to demonstrate symptoms indicative of future problems. Violence between criminal gangs, often backed by powerful political or ethnic figures, makes the delta one of the most violent places in the region. Conflict will likely escalate further as the country approaches presidential elections in 2007.

Much of Central Africa and East Africa have been mired in armed conflicts that have defied the international community's capacity for crisis response and management since the mid- to late–1990s. Numerous wars have been fought there, causing massive human suffering as well as political and economic stagnation. The Rwandan genocide of 1994, in which over 800,000 people lost their lives, left a devastated country in its wake and had a profoundly destabilizing effect on the region. Rwanda's neighbor Burundi, embroiled in ethnic warfare between 1993 and 2003, has completed its political transition and entered a critical peace-building period. Meanwhile, the Democratic Republic of Congo, facing the end of its postwar transition, remains plagued by active militia, insufficient infrastructure and poor governance practices. Hopes for long-term peace in the long-running conflict between the government of Uganda and the Lord's Resistance Army rebels were given new life in August 2006 after a cessation of hostilities between the two sides. However, many significant stumbling blocks remain.

Southern Africa's great potential is threatened by widespread corruption and unequal distribution of resources, which undermine efforts to develop a transparent and healthy economy. While AIDS affects the entire continent of Africa, Southern Africa is the most HIV–AIDS afflicted region in the world, with HIV infection rates averaging in the high 20 percent range. According to U.S. Population Reference Bureau estimates, South Africa's population will decline from 44.2 million to 41.9 million in 2009. The human costs aside, the AIDS epidemic has a direct negative impact on the region's stability and security. Security forces are being decimated as key personnel are lost, the ability to conduct operations is reduced, and nations are hard pressed to field and deploy healthy soldiers for participation in peacekeeping operations.

Transnational Terrorism in EUCOM's AOR

Like all combatant commands, EUCOM is dealing with terrorism in all its forms. Many terror networks are integrally tied to criminal and smuggling networks. Illegal activities such as drug smuggling, document forgery, and credit card fraud help fund extremist operations while Europe's open borders facilitate their travels across the region.

In Northern Africa, al Qaeda-affiliated groups exploit ungoverned spaces to gain sanctuary, recruit, indoctrinate, train, equip, transit, and mount operations. The Trans-Sahara region, in particular, offers sanctuary to Islamic extremist terrorists,

smugglers of drugs and contraband, and insurgent groups. There is evidence of an increasing trend of North Africans being recruited as foreign fighters in Iraq; in addition, we are seeing increasing collaboration between al Qaeda and North African terrorist groups. These negative developments are occurring despite many successful host nation security efforts. In the Trans-Sahara region, violent extremists continue to coordinate activities and interact with their associated networks in Europe. These groups take advantage of vast "ungoverned" spaces to attack their host governments and advance their anti-moderate, anti-western agendas.

Western Europe, Southeast Europe, and Eurasia are increasingly used as a sanctuary and logistics center for extremists. Due to the exploitation of well-established civil liberties and the capacity to travel freely across many borders, Europe's ability to identify, arrest, and prosecute transnational terrorists is an important element in the global war on terror.

Another key characteristic of terrorism in the EUCOM AOR relates to the low-risk/high-consequence aspect of the use of WMD. With the majority of the world's nuclear weapons in the EUCOM AOR, the loss of control of any associated weapon or material could lead to catastrophic results, making the security of these items a significant aspect of the EUCOM WMD effort.

Demographic Trends within Africa

Changing population demographics increasingly challenge good governance. Rapid population growth, particularly a disproportionate "youth bulge" in the developing world, especially Africa, will significantly strain governments' ability to provide basic goods, services, and jobs. This could lead to a large pool of undereducated and unemployed youth presenting a potential source of instability and a lucrative target for violent extremist exploitation in countries where governments fail to meet the public's needs.

Immigration Issues

Europe has become a magnet for people who see European countries as lands of refuge as well as lands of plenty. Inevitably, with 15 million people unemployed in the EU alone, the influx of outsiders has been resented in some areas. Over 100,000 illegal immigrants enter Europe from Africa each year. Many EU citizens fear that asylum seekers are too great a burden for their countries' social welfare systems to bear. Others voice alarm that economic migrants may take their jobs. Some resent the dilution of traditional local culture from the influx of new arrivals. Coupled with legal immigration challenges are those associated with illegal immigration.

Criminal Issues

Directly connected to both immigration and organized crime is human trafficking. Human traffickers make annual profits of some $7 billion in prostitution alone. Only the drug trade is more profitable. In Europe, human traffickers run the spectrum of criminal organizations. From complex networks like the Italian and Russian organized crime elements to countless small "freelance" family groups, modern slavery continues to be a big-profit business.

Around Africa, vast coastal areas provide havens for smuggling, human trafficking, illegal immigration, piracy, and oil and fisheries theft. Piracy and theft are major concerns along the nearly 2,000 nautical miles of the Gulf of Guinea coastal area. Large-scale illegal oil theft in the Niger Delta has become significant over the last several years. Industry analysts estimate up to 200,000 barrels of oil per day are siphoned from pipelines in a process known as "hot-tapping" and sold to Nigerian or foreign buyers at approximately $15 a barrel—well below world oil price levels. Shipping ports, transit areas, harbors, oil production, and transshipment areas are largely uncontrolled, raising concerns regarding vulnerability to attacks by terrorist groups, criminal gangs, or separatist militias. Corruption and complicity in local, regional, and national governments only serve to exacerbate this problem.

A key challenge is drug use in Western Europe, and smuggling of drugs through Western Africa and Eurasia to the area of consumption. European cocaine use is at an all-time high (1.5 million users) and Europe is now the second most important destination for cocaine in the world.

Weapons of Mass Destruction

On the periphery of the EUCOM's AOR, Iran's continued nuclear program poses a potential risk to U.S., NATO, and partner interests. Ballistic missile threats to the EUCOM AOR are well-researched. Russian ballistic missile programs are historically documented, well understood, and continually reviewed for changes. Evolving threats from nations such as Iran pose new challenges. Furthermore, in Europe and Eurasia, there are stockpiles which are vulnerable to international and internal threats posed by corruption, criminal activity, or rogue actors. Strategic weapons,

including conventional missiles, WMD, and weapons of mass effect are capabilities sought after by our adversaries who desire the capability to attack the U.S., its allies, and its strategic interests.

U.S. EUROPEAN COMMAND

The U.S. EUCOM's developing Strategy of Active Security addresses the unique problems of EUCOM's nations and regions and the illegal networks that span those nations and regions. The goal is to marginalize the enemies of peace and foster the growth of good governance, strong institutions, and civil society that promotes lasting security and stability. Our strategy addresses theater challenges and opportunities by employing the full range of military activities, from building and sustaining peace to prosecuting war if necessary.

EUCOM's Support to the Global War on Terror

EUCOM's number one theater-wide goal is to defeat transnational terrorist entities and violent extremists that threaten the U.S., its allies, and interests. We seek to do this by denying them freedom of action and access to resources, building partner capacity to combat terrorism, and working with partners to promote regional stability and diminish the conditions that foster violent extremism. We focus on deterring and defeating these imminent threats across our AOR, stretching from the Caucasus, through U.S. Central Command's (CENTCOM) Middle East, across North Africa and into the Gulf of Guinea.

Regional War on Terrorism

Operation Enduring Freedom-Trans-Sahara (OEF–TS) is the Department of Defense component of the Department of State's Trans-Sahara Counter Terrorism Partnership (TSCTP). TSCTP is a ground-breaking program that seeks to leverage the capabilities of those U.S. Government agencies involved in building security on the African continent, with an emphasis on counterterrorism (CT) in North Africa. TSCTP seeks to maximize the return on investment by implementing reforms to help nations become more self-reliant in security and more stable in governance. OEF–TS—the military component—uses Special Operations Forces (SOFs) to train partners on the conduct of CT operations.

The need for TSCTP stems from concern over the expansion of operations of Islamic terrorist organizations in the Sahel region, a region that approximates the size of the United States. OEF–TS is a preventive approach to combat terrorism and enhance partner nation border security and military capabilities in Trans-Saharan Africa. It is designed to assist governments seeking better control of their territories and to prevent terrorist groups from utilizing the vast open areas as safe havens.

TSCTP's overall approach is straightforward: to build indigenous capacity and facilitate cooperation among governments in the region. Participating nations: Algeria, Chad, Mali, Mauritania, Morocco, Niger, Senegal, Nigeria and Tunisia. These countries have joined in the struggle against Islamic extremism in the Sahel region. OEF–TS builds upon the successful 2002 Pan-Sahel Initiative which helped train and equip forces in four Sahel states: Mali, Mauritania, Niger, and Chad. OEF–TS is a follow-on complementary effort, more ambitious in both programmatic and geographic terms.

This cooperation strengthens regional counterterrorism capabilities and assists participating nations in halting the illegal flow of arms, goods, and people through the region. OEF–TS has the added effect of institutionalizing cooperation among the region's security forces and reinforcing the military's subordinate role to democratic governance. It also helps nations better protect vast borders to contribute to common security.

In the past, instability in Africa has often required costly, reactive, and repeated interventions (e.g., Liberia). An upheaval in one nation has often resulted in destabilizing neighboring states. Today, in an age of globalization, the damage individual states or groups within those states can do is unprecedented. For a relatively small investment, TSCTP has the potential to produce significant, positive results in countering terrorism. It can be a powerful brake on future terrorist expansion.

Security Cooperation

Security Cooperation (SC) programs remain the cornerstone of our Strategy of Active Security to promote common security, which ultimately supports national objectives in the global war on terror. These programs contribute to building key relationships which support U.S. strategic interests, enhance partner security capabilities, provide for essential peacetime and contingency access and en-route infrastructure, and improve information exchange and intelligence sharing.

Our SC programs represent a proactive approach to building partnership capacity with the aim of enabling emerging democracies to defend their homelands, address and reduce regional conflicts, defeat terrorist extremists, develop common economic and security interests, and respond to emerging crises. From airborne to nonlethal weapons training, EUCOM personnel and facilities provide practical and state of the art training. Assisting our allies and partners in developing their capabilities to conduct effective peacekeeping and contingency operations with well-trained, disciplined forces helps mitigate the conditions that lead to conflict, prepares the way for success, and reduces the potential burden of U.S. involvement.

EUCOM SC efforts require consistent, predictable investment in order to impact the multitude of strategic, security, economic, and political challenges we face.

Security Cooperation Activities

Key among U.S. combatant commands' SC tools are programs which provide access and influence, help build professional, capable militaries in allied and partner nations, and promote interoperability. We execute larger security assistance programs using our 44 Offices of Defense Cooperation in concert with U.S. Embassy Country Teams, while smaller programs are executed by Defense Attachés and Embassy Offices.

International Military Education and Training (IMET) and Expanded IMET (E–IMET) provide education and training opportunities for foreign military and civilian personnel. The EUCOM portion of the fiscal year 2008 IMET request is approximately $40.5 million. IMET remains our most powerful SC tool and proves its long-term value every day. For a relatively small investment, IMET provides foreign military and civilian leaders' access to U.S. military training, builds relationships, and enhances influence. Indeed, today's IMET graduates are tomorrow's Chiefs of Defense, Ministers of Defense, and Heads of State. Today, we continue to see the value of this program in the professional development and transformation of militaries in such establishing partners as Poland, Tunisia, Romania, and many other countries. In Africa, we assess IMET and E–IMET to be the most successful programs in promoting democracy and human rights.

However, we face stiff competition in Africa, most notably from China. Beijing clearly understands the importance of building relationships to help shape the future landscape of the continent. The importance of IMET cannot be overstated, and we seek Congress' help in sustaining this excellent program.

FMF provides critical resources to assist strategically important nations without the financial means to acquire U.S. military equipment and training. This year's FMF request for nations in the EUCOM AOR totals approximately $2.5 billion, of which more than 93 percent is earmarked for Israel. FMF is an essential instrument of influence, building allied and coalition military capabilities, and improving interoperability with U.S. and allied forces. When countries buy U.S. military equipment through the FMF program, they buy into a long-term commitment with the U.S. for spare parts and training. If FMF funding is reduced or forfeited as a result of U.S.-imposed sanctions, long-term military ties may be affected. A number of strategic EUCOM countries face this situation as a result of the American Servicemembers Protection Act. An example is the deterioration in our SC relationship with South Africa.

In 1965 and 1978, the U.S. sold C–130 and Boeing 707 aircraft, respectively, to South Africa. Due to ASPA sanctions against South Africa, we are no longer able to provide spare parts or training under the FMF program. One consequence is that South Africa now has very limited capability to transport AU peacekeepers into Darfur and other peacekeeping missions in Africa. As a result, the U.S. and a number of allies must provide air transport at great cost. Another consequence is the compromise of our once-solid relationships due to a perception that the U.S. is an unreliable and mercurial security partner over the long-term.

Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) demonstrate our Nation's continued commitment to the security of our allies and partners by allowing them to acquire U.S. military equipment and training. FMS and DCS sales are vital to improving interoperability with U.S. and NATO forces, closing capability gaps, and modernizing the military forces of our allies and partners.

Section 1206 of the National Defense Authorization Act, to Build the Capacity of Foreign Military Forces, is an experimental initiative provided by Congress in 2006. It couples the authorities of the Department of State with the resources of the Department of Defense to rapidly build and enhance military capacity of our key allies and partners. In 2006, EUCOM was provided over $11 million to build intelligence-sharing capacity for Pan-Sahel countries along with maritime domain awareness systems for countries in the Gulf of Guinea. In 2007, EUCOM has requested funding for innovative Train and Equip programs for partners interested in assisting the

U.S. in the global war on terror and to provide security and stability throughout the AOR. This bold effort has laid the foundation upon which SC reform can be built. The National Guard State Partnership Program (SPP) continues to be one of our most effective SC programs. By linking our States and territories with designated partner countries, we promote access, enhance military capabilities, improve interoperability, and advance the principles of responsible governance. The unique civil-military nature of the National Guard allows it to actively participate in a wide range of SC activities. For example, the National Guard conducted over 89 SPP events and members of the National Guard and Reserve participated in over 50 of 150 Joint Contact Team Program activities in 2006 alone. Both National Guard and Reserve personnel have added depth and breadth to our effects in the EUCOM AOR.

In 2006, Serbia and Montenegro entered into SPP agreements with the Ohio National Guard and the Maine National Guard, respectively. Enclosure 3 details countries in the EUCOM AOR that have active SPP partnerships. Like the comprehensive SPP programs in place in Europe, we strongly encourage National Guard units to expand the number of SPP relationships with Africa.

Combating WMD is among our highest priorities as the majority of the world's nuclear weapons are located in the EUCOM AOR. In some cases, these weapons and their related systems and technology are inadequately secured or maintained. The Defense Threat Reduction Agency (DTRA) works in concert with EUCOM to cover the entire spectrum of this unique mission: Cooperative Threat Reduction programs address the nonproliferation of known WMD; detection programs address counterproliferation, particularly interdiction of unknown items; and DTRA's exercise programs address our consequence management responsibilities, reassuring our partners and allies regarding EUCOM capabilities.

Georgia Sustainment and Stability Operations Program focuses on enhancing the capabilities of military forces to assist in preparing deployments in support of U.S.-led coalition and NATO Operations. The utility of this program has been proven in Georgia. U.S. and Georgia have developed a solid, cost-effective partnership dedicated to promoting peace and stability and countering terrorism. With three land force brigades forming the core of their armed forces, Georgia is the largest per capita contributor of forces to Operation Iraqi Freedom (OIF) after the U.S. Additionally, for the past 3 years, USAREUR has provided tactical human intelligence (HUMINT) collection and management training to our NATO Allies, to include Lithuania, Estonia, and Latvia. Recently, this initiative led to the training of the HUMINT force in the Romanian Army and for the last two Balkans rotations has allowed Romanian HUMINT teams to be embedded within the U.S. Task Force. We look forward to expanding this program to other countries eager to build needed military capabilities.

HIV–AIDS Prevention Programs continue to be an activity of key importance within our AOR. EUCOM works with DOD and other governmental and nongovernmental HIV–AIDS programs to improve the health and medical well-being of the African people. We advocate projects and programs sponsored by the country teams and work to incorporate these into our theater SC plans. These programs are designed to stem the spread of HIV–AIDS and improve the readiness levels of African military units.

EUCOM is an active participant in the U.S. Humanitarian Mine Action (HMA) Program, executed by Departments of Defense and State and the U.S. Agency for International Development. HMA assists in relieving the plight of civilian populations experiencing adverse effects from landmines and explosive remnants of war. EUCOM's efforts span 15 nations on 3 continents, with a focus on training the trainer and providing a mine action force multiplier capacity.

EUCOM's Clearinghouse Initiatives ensure that U.S. SC actions are coordinated with other nations involved in the same region or issue. Clearinghouse Initiatives help deconflict programs to avoid duplication and find ways to collaborate on matters of mutual interest. They are in place for Africa, the South Caucasus, and Southeast Europe, and enable interested countries to share information about security assistance programs. The goal is to capitalize on limited resources by merging various SC programs into a comprehensive, synchronized regional effort.

Global Peace Operations Initiative (GPOI) is a Department of State program, planned in consultation with, and implemented by DOD to train and equip peacekeepers. In Africa, GPOI funds supplement the existing Africa Contingency Operations Training and Assistance (ACOTA) program to provide training, equipment, and logistical capability to meet U.N.'s peace operations standards. The bulk of GPOI activities in EUCOM lies within the framework of ACOTA, which assists 19 ACOTA "partners" in developing the ability to participate in peace support operations.

In the coming months, the ACOTA program will provide multilateral battalion and brigade-level training for African sub-regional organizations. It will also increase training support to the AU staff and forces in joint operations.

ACOTA remains a crucial African engagement program, directly supporting U.S. national objectives of promoting stability, democratization, and military professionalism in Africa. GPOI funding sustains African peacekeeping forces to enable these units to address the multiple crises on the African continent.

With Caspian Maritime SC, EUCOM seeks to coordinate and complement U.S. Government maritime SC activities in Azerbaijan and Kazakhstan. Our maritime SC efforts enhance the capabilities of Azerbaijan and Kazakhstan to prevent and, if needed, respond to terrorism, nuclear proliferation, drug and other trafficking, and additional transnational threats in this littoral.

We are working with U.S. CENTCOM, the DTRA, the Department of State, and the Department of Energy to improve Azerbaijan's and Kazakhstan's capacities in these vital areas of mutual interest. Related projects include providing maritime special operations training and equipment as well as WMD detection and response training and equipment. We are also assisting in the upgrade of operations centers, naval vessels and communications in order to develop rapid reaction capabilities. Finally, we are building their capacity to counter narcoterrorism and conduct border control training, naval infrastructure development planning, and inter-ministry information exchange.

EUCOM has regional centers providing professional development of emerging civilian and military leaders, reinforcing ideals of democratic governance and stable apolitical militaries, and facilitating long-term dialogue with and among current and future international leaders. The George C. Marshall European Center for Security Studies and the Africa Center for Strategic Studies (ACSS) play a central role in our engagement strategy by building trust and cooperative relationships with the leaders of nations across Europe, Eurasia, and Africa.

The Marshall Center, co-sponsored by and located in Germany, is the preeminent transatlantic security and defense educational institution. In addition to offering a robust resident program, the Center is working to expand its non-resident activities to provide increased, shorter-term focused events conducted in nations across the AOR. The Marshall Center alumni network includes approximately 5200 graduates from 89 nations who are linked through the Regional International Outreach Web site. This network preserves partnership capacities for the future with minimal additional investment. Since its inception, 92 graduates have been promoted to general officer or serve in civilian equivalent or senior positions.

The ACSS counters ideological support for terrorism, fosters regional cooperation on security issues, promotes democracy and good governance, and assists nations in improving their security. However, as the ACSS is located in the U.S, its effectiveness would be enhanced by a permanent presence in the region it is designed to influence. A significant increase in the effectiveness of the ACSS was achieved in the Fall of 2006 when a small regional office was established in Addis Ababa, Ethiopia. This office will serve to demonstrate our purpose and give Africans a sense of ownership. Additionally, committing personnel and resources in these regions enhances relationships with African leaders, the AU, and sub-regional organizations by providing a continuous, efficient, low-cost presence on the African continent.

EUCOM's Maritime Domain Awareness initiatives are designed to assist partner nations in their efforts to address numerous maritime challenges. The West Indian Ocean and Gulf of Guinea regions of Africa demonstrate complex maritime challenges such as illicit and criminal activity, piracy, environmental and fisheries violations, resource theft, and trafficking.

The nations of the West Indian Ocean region of Africa, with over 4,750 miles of coastline, have only 25 boats to provide maritime security. The region possesses virtually no capability to interdict fishery theft, piracy, narco-trafficking, or any other illicit activity in the maritime domain. Like the Western Indian Ocean region, the Gulf of Guinea region lacks significant naval forces, coastal security forces or security structures to provide any meaningful or realistic deterrent to the lawlessness that is currently the status quo. These threats are particularly relevant to U.S. national strategic interests given the Gulf of Guinea's energy potential.

EUCOM is committed to building strategic partnerships in order to expand our warfighting capabilities. Through funding activities such as the Coalition Warfare Program, we expect to extend our relationships with existing allies, and develop new relationships with countries eager to become members of the transatlantic alliance.

In short, though each region's issues are unique, their needs for comprehensive maritime security and domain awareness solutions are the same. Through these maritime security initiatives, EUCOM is assisting partners to build the naval capacity to effectively combat and counter these threats.

Strategic Theater Transformation

EUCOM is also applying our Active Security strategy towards our ongoing transformation. This strategy relies on a mix of forward-based and deployed U.S. presence to provide security and stability with governments and countries located in the AOR. Our forward-based and rotational forces are powerful and visible instruments of national influence. Central to EUCOM's efforts is the continuation of our Strategic Theater Transformation (STT) plan. This involves a basing strategy that seeks to sustain and leverage commitments to our long-standing allies and U.S. operations in other theaters, such as Operation Enduring Freedom (OEF) and OIF.

EUCOM's STT plan, in execution since 2002, ensures that operational forces and prepositioned logistics are correctly postured to meet current and potential challenges. We have consolidated forces from broadly dispersed locations to Main Operating Bases and Forward Operating Sites in the United Kingdom (U.K.), Germany, Italy, Spain, Turkey, Greece, Belgium, The Netherlands, Bulgaria, and Romania. Currently approved EUCOM plans include retaining two permanently stationed brigade combat teams in Germany and Italy respectively along with eight fighter aircraft squadrons in the U.K., Germany, and Italy. Despite recent political turmoil within Italy, we expect the government will continue to abide by its agreement with the U.S. and avoid any unnecessary delay in approving infrastructure projects. We will continue to monitor the situation closely. EUCOM has requested rotational forces in Romania and Bulgaria for Joint Task Force-East (JTF–E) using the Global Force Management Process (GFMP).

The EUCOM AOR has experienced numerous changes in the security dynamic. Over the past 4 years since decisions to adjust U.S. Force Posture in Europe were made, the Defense Department has embraced Theater SC and issued a strategy to guide our operations. The global war on terror is now guided by established and approved regional plans. NATO is no longer a static defensive alliance, but has commenced a transformation in its approach to new and emerging threats that has resulted in operations at strategic distance and a serious effort to transform its nations' military forces. Our current operations in Iraq and Afghanistan have also altered the calculus in EUCOM's ability to source forces to address our theater's operational requirements. Finally, the decision to establish a combatant command in Africa will ensure that our current robust engagement on that continent, especially OEF–TS, achieves tangible results.

These dynamics, individually or in combination, compel us to review the previous assumptions and document changes in the security and geo-political environment to ensure our planned posture fully supports the tasks and missions we have been given—to include assessments on effectiveness and efficiency.

In addition to our conventional forces, SOFs help enable EUCOM to develop and maintain trust and long-term relationships with partner nations as we help build their capabilities and capacities. Rotational SOF reinforces our ability to meet operational requirements and conduct large-scale exercises involving multiple partners.

EUCOM Transformation is not only happening in Europe, but in Africa as well. EUCOM has identified 13 Cooperative Security Locations (CSL), four of which have recently been utilized in support of OEF–TS. These CSL's secure our ability to respond to actual or potential future instability. CSL sites such as Libreville, Gabon, are located in nations where traditional examples of bilateral cooperation exist. Sites have also been established through fueling contracts in places where EUCOM is seeking increased engagement. CSLs in Africa represent minimal investment in infrastructure/operating cost, but provide access and broad freedom of action in times of crisis.

With STT, contributions of the Reserve component (RC) are increasingly important in maintaining EUCOM's operational capability. On any given day, 4,500 members of the RC, which includes 10 percent of the uniformed personnel on the EUCOM staff as well as over 50 percent of the community law enforcement for U.S. Army theater-wide installations are deployed across the theater.

EUCOM's STT has been closely synchronized with the Office of the Secretary of Defense (OSD), the Joint Staff, Services, and NATO to ensure that global efforts of other combatant commands, NATO, and the results of the Base Closure and Realignment Commission process in the United States are mutually supportive. We have closed 43 bases and installations and returned approximately 10,000 servicemembers and 13,800 family members to the U.S. Subject to developments in the geo-political environment, by 2012, current plans anticipate the closure of several hundred bases and installations, and the return of over 44,000 military personnel and over 57,000 family members, and the downsizing of 14,500 DOD civilians and host nation employee positions.

Strategically, relocating our forces at the Joint Multinational Training Center (JMTC) and at CSL's within our AOR, and establishing JTF-East in Eastern Eu-

rope, better positions EUCOM forces to conduct SC activities and operations with our allies and partners.

Ballistic Missile Defense (BMD)

As highlighted in the strategic environment, an increasingly important aspect of EUCOM's Strategy of Active Security is to defend against threats posed by emerging ballistic missile capabilities in Southwest Asia. EUCOM is working with the Joint Staff, U.S. Strategic Command, and the Missile Defense Agency to help field capabilities, consisting of a mix of interceptors, sensors, and command and control that will counter this threat. The right combination of these systems is vital to protecting U.S. interests and sending a strong signal to our partners and allies as well as potential adversaries.

EUCOM is planning to assist in the deployment of long-range Ground-Based Interceptors and supporting radars to Europe to enhance the defense of the U.S. homeland, U.S. forces stationed in Europe, partners, and allies from Intercontinental and intermediate range ballistic missiles. While the acquisition and planned/projected deployment of these systems to the Czech Republic and Poland will be funded through the Missile Defense Agency, the infrastructure requirements to support personnel and other site requirements remain undetermined. Once resolved, future military construction requirements will need to be programmed within the Department of Defense and submitted to Congress for its consideration. Additionally, we are planning for the potential deployment of AEGIS ballistic missile defense capable ships, Terminal High Altitude Area Defense Fire Units, and other systems to provide expanded coverage and improved levels of protection against Medium and Intermediate range threats. Finally, the planned upgrade of PATRIOT forces from PAC–2 to PAC–3 will improve EUCOM's ability to defend against short-range ballistic missiles significantly.

Component Command Activities

U.S. Army, Europe (USAREUR)

For the past several years, USAREUR has aggressively pursued two initiatives to strengthen the combatant commander's ability to execute the global war on terror and interoperability between the U.S. and our allies and partners. First, EUCOM is restructuring the Army posture further south and east in Europe to ensure strategic access to geopolitically unstable areas and protect lines of communication critical to sustaining operations on the front lines of the global war on terror. Second, we are promoting the transformation of European ground forces into effective expeditionary partners through military-to-military engagement activities, exercises, and exchanges. Substantial progress has been made in both areas despite heavy commitments to ongoing conflicts in Iraq and Afghanistan.

USAREUR remains heavily engaged supporting the global war on terror. During the past year, more than two-thirds of the soldiers assigned to USAREUR were either preparing to deploy, were deployed, or had recently returned from a deployment. V Corps, the warfighting headquarters of USAREUR, deployed to OIF as the Multinational Corps-Iraq Headquarters. The Southern European Task Force (SETAF) served as joint task force headquarters, along with the 173d Airborne Brigade Combat Team (ABCT) in Afghanistan from March 2005 to February 2006, and returns to Afghanistan in June 2007.

Since 2005, USAREUR has integrated an infantry company into a Romanian Infantry Battalion in Afghanistan. USAREUR soldiers have conducted two 6-month deployments to the Republic of Georgia to train three Georgian Infantry Battalions in support of OIF.

In line with the transformation of EUCOM's strategic posture, we are consolidating the 173rd ABCT at Vicenza, Italy. Additionally, USAREUR is establishing FOSs in Romania and Bulgaria to accommodate the rotational presence of a brigade-size unit. The JTF-East headquarters will represent USAREUR and U.S. Air Forces, Europe (USAFE) in Eastern Europe and provide the command, control and support for rotational forces. SETAF will man the headquarters for the "proof of principle" phase of JTF-East in the summer of 2007. The First of the Ninety-fourth Field Artillery (1–94 FA) (MLRS) will serve as the training unit for that rotation. Subsequent rotational forces will be scheduled through the Department of Defense's GFMP. From these FOSs, U.S. rotational forces will conduct SC activities and training exercises with our NATO allies and partner nations in both bilateral and multinational training exercises. When this rebasing process is complete, two-thirds of USAREUR's maneuver forces will be positioned in southern and eastern Europe, closer to areas of instability in the Caucasus, the Balkans and Africa.

As USAREUR's transformation continues, the end-state will be a smaller, strategically mobile force postured to meet the needs of EUCOM and other geographic

combatant commanders through the GFMP. Future transformation efforts include combining USAREUR and V Corps Headquarters into a single headquarters—7th Army. In addition to the main 7th Army Headquarters, the objective command and control structure includes two rapidly deployable JTF capable headquarters. Combat capability will be provided by two permanently assigned combat brigades, the 2d SCR in Vilseck, Germany, and the 173d ABCT in Vicenza, Italy. These two brigades, along with a combat aviation brigade, an engineer brigade, a military police brigade, a sustainment brigade, an air defense artillery battalion, and a rocket artillery battalion comprise the in-theater Army forces that are available for the GFMP.

Along with the arrival of the 2d SCR in Vilseck, Efficient Basing Grafenwoehr (EB–G) project consolidates a majority of the remaining permanently stationed Army forces in Germany and co-locates them with the Army's best training facilities in Europe. Completion of EB–G infrastructure investments will allow for the repositioning of 3,500 soldiers and begins the closure of non-enduring installations.

The Government of Italy (GOI) appears committed and approves the U.S. plans to base the 173rd Brigade Combat Team (BCT) Joint Task Force at Vicenza, Italy. The explicit technical approvals should be signed by the GOI in the near future. Plans are in place for the consolidation of the six battalions of the 173d ABCT from their current positions in Vicenza, Italy, Bamburg and Schweinfurt, Germany, into new facilities at Vicenza once all required MILCON has been completed by fiscal year 2011. This consolidation better positions U.S. forces for SC in regions to the south and east of Western Europe. The 173d ABCT expanded into a full modular Airborne Brigade Combat Team in 2006. This conversion doubled the size of the brigade creating a greater capability for rapid deployment and forced entry operations and enhances the brigade's ability to sustain itself during joint and coalition operations.

Additionally, our land forces transformation efforts include returning Army personnel, family members, and units from Europe to the United States. One brigade of the First Infantry Division headquarters returned to the U.S. in 2006. A First Armored Division Brigade and the Third Corps Support Command will return to the U.S. in 2007. The headquarters and remaining units of First Armored Division will return to the U.S. when preparations for receiving installations are complete.

A key initiative for USAREUR is assisting European ground forces in their efforts to break from the Cold War model and become more expeditionary. USAREUR is playing a leading role in their transformation through a wide variety of SC programs, mission rehearsal development assistance, OIF deployment assistance, noncommissioned officer development, senior leader interaction, unit partnerships, and intelligence sharing. The conversion of USAREUR's training center in Germany into the Joint Multinational Training Command (JMTC) has greatly contributed to the acceleration of European ground force transformation. The JMTC exports high quality collective training, such as International Security Assistance Force (ISAF) mission rehearsal training to prepare NATO staffs to direct and conduct combat operations in support of OEF. The NATO Observer Mentor Liaison Training mission trained teams from Germany, The Netherlands, France, Italy, Norway, Sweden, Croatia, Slovenia, and Afghanistan to enable them to operate and survive in a counterinsurgency environment. This training and logistics support has been indispensable to allies and partners which have deployed units to Iraq and Afghanistan.

U.S. Naval Forces, Europe (NAVEUR)

In 2006 NAVEUR moved forward rapidly in executing the vision to develop partner nation maritime capability and capacity in areas south of the Mediterranean and in the Black Sea to the east and will accelerate that trend in 2007.

Africa continues as an area of increased Naval emphasis. Last year our naval presence in Africa was nearly continuous in contrast to 2004, a presence limited to some 20 days. The 2006 engagements include the deployment of the U.S.S. *Emory S. Land*, which provided training to eight Gulf of Guinea countries, consisting of over 750 African military personnel in a variety of subjects, such as: small boat maintenance, leadership, and C2 organization. Coupled with Mobile Training Teams, these deployments are representative of our future cooperation with these nations. Additionally in August 2006, U.S.N.S. *Apache* conducted harbor survey operations in the Port of Monrovia, Liberia, to significantly increase the port's capacity to support commercial maritime trade. In the summer of 2007, NAVEUR will serve as a test bed for the Global Fleet Station concept with the long-term deployment of an amphibious ship to the Gulf of Guinea to provide the U.S. an opportunity to build upon previously established relationships.

NAVEUR has made significant progress in the military-to-military cooperation with Gulf of Guinea countries. Working with the U.S. Department of State, EUCOM, and the ACSS, NAVEUR led a ministerial level conference on Maritime

Safety and Security in the Gulf of Guinea that was attended by representatives from each of the 11 Gulf of Guinea nations. The resulting communiqué provided a framework for future regional initiatives with commitments from these countries at the ministerial level. The overall goal of these efforts is to develop the capacity of Gulf of Guinea nations to provide regional maritime safety and security solutions.

Much of NAVEUR's focus is centered on activities designed to positively demonstrate our commitment to maritime safety and security by educating and exposing partners to issues and potential solutions. These missions require non-traditional skill sets of U.S. Navy professionals. Language and cultural training for Navy personnel will remain priorities in preparing them for service in the strategically important areas of Africa and the Black Sea.

Maritime Domain Awareness (MDA) is a key building block of maritime safety and security. Critical to the success of MDA is the information sharing among participating nations on the detection and identification of possible maritime threats at sea. The Automatic Identification System (AIS) is the first step to achieving MDA and will provide a critical foundation to the U.S. Navy's "Global Maritime Partnership." AIS shares data similar to the International Civilian Aeronautical Organization system used by civilian and military aircraft throughout the world. NAVEUR's goal is to bring this system to all maritime nations in the EUCOM AOR. Improving MDA and Maritime Interdiction capability will result in improved maritime safety.

In addition to engagement activities, NAVEUR conducts traditional naval operations. This was demonstrated in August 2006 when a substantial portion of the NAVEUR staff embarked on the Sixth Fleet flagship, U.S.S. *Mount Whitney*, to form the core of EUCOM's Joint Task Force-Lebanon (JTF–L). JTF–L took over from U.S. Naval Forces, CENTCOM Task Force 59, with the mission of supporting the U.S. Ambassador in Beirut during the Israeli-Hezbollah conflict in southern Lebanon. As the noncombatant evacuation operation drew to a close, JTF–L provided U.S. Embassy Beirut with security, logistical support, and contingency evacuation capability, ensuring the U.S. Embassy could continue operating throughout the crisis.

Like its fellow components, NAVEUR is maintaining its ability to execute its missions while continuing force transformation. NAVEUR has reduced its end strength from 14,000 in 2004 to nearly 8,000 today. The departure of the U.S.S. *Emory S. Land* this October and the pending closure of NSA La Maddalena continue NAVEUR's transformation.

U.S. Air Forces, Europe (USAFE)

Over the last year, USAFE continued comprehensive transformation efforts: restructuring and streamlining its major command headquarters; enhancing and improving its warfighting headquarters support of EUCOM; working on joint transformation initiatives, while continuing to conduct current operations and support the global war on terror. USAFE also continued to foster Theater SC relationships in key geographical areas.

In 2006, over 4,500 USAFE airmen deployed in support of OIF and OEF. USAFE's number one priority continues to be providing expeditionary-ready airmen. In addition to providing forces, USAFE infrastructure plays a major role in supporting global war on terror operations in the EUCOM AOR as well as in support of CENTCOM. For the majority of aircraft entering and exiting CENTCOM's AOR, USAFE installations serve as the primary en-route support for combat aircraft, as well as the mobility aircraft that sustain our ongoing operations. Ramstein Air Base, and specifically the 435th Contingency Aeromedical Staging Facility, processed over 61,000 patients since March 2003, supporting our servicemembers hospitalized at Landstuhl Regional Medical Center as well as those returned to the U.S.

USAFE supported JTF-Lebanon by deploying personnel to man the JTF Headquarters and provided medical support with initial primary care capability, a level II resuscitative surgery team, and aerial port operation, to include air terminal operations center, joint inspection, load team, in-transit visibility and equipment maintenance, and was prepared to provide KC–135 aerial refueling and C–130 transport aircraft. In November 2006, 3rd Air Force and its associated Air Operations Center effectively deployed personnel, equipment and aircraft to the Baltics to support NATO's Summit in Riga, Latvia. Augmenting and enhancing NATO's air policing function in the Baltics again demonstrated USAFE's ability to rapidly adapt to multinational airspace command and control.

USAFE, together with USAREUR, is providing warfighter integrated constructive simulations with virtual and live fire instrumented ranges. This provides theater forces and NATO allies training opportunities in both joint and combined operations at the operational and tactical level. By linking warfighters in live, virtual or constructive scenarios, the Warrior Preparation Center and Joint and Multinational

Training Center is able to link warfighters from across Europe and around the world to each other in conducting exercises and training initiatives.

Consistent with EUCOM's shifting focus to the south and east, USAFE has joined with USAREUR in leading the way toward establishment of JTF–E in Romania and Bulgaria. Leveraging 2002 OIF investments to infrastructure in Romania, USAFE will provide a small number of forward stationed personnel to support Air Force, joint and combined air and ground operations as well as to stage bilateral and multilateral engagement exercises.

USAFE's leadership in SC and the Joint Exercise Program support EUCOM's Strategy of Active Security. In 2006, USAFE participated in 438 SC events in 61 countries, including 24 Joint Staff-sponsored exercises. A key example of USAFE's SC engagement was Exercise Medflag 06, supporting Economic Community of West Africa States (ECOWAS) and the Gulf of Guinea region. This USAFE-led joint and combined exercise, with strong Reserve component participation, provided medical outreach and humanitarian assistance to approximately 14,000 patients in Ghana, Nigeria, Benin, and Senegal. Bilateral medical and civil assistance training was also conducted with 355 host nation and ECOWAS staff personnel.

SC also extends to the operational arena. In order to further interdependence and extend the capacity of limited U.S. Intelligence, Surveillance, and Reconnaissance (ISR) assets, USAFE has taken a two-pronged approach to SC. First, it has almost doubled its traditional intelligence exchanges and added new contacts with our partner nations. Second, because USAFE currently operates a limited number of airborne ISR assets in this theater, it has aggressively pursued working with partner nations who have or are developing airborne ISR capabilities. ISR collection shortfalls can be partially mitigated by building relationships and working with these nations to standardize tactics, techniques, and procedures while simultaneously pursuing methods to integrate ISR architectures and leverage coalition assets to satisfy mutual requirements.

As part of NATO assistance to the AU in Darfur, USAFE conducted airlift for African nations participating in peacekeeping operations. In February and April, 2006, USAFE supported the Botswanan Defense Force (BDF) with operational airlift mission planning, maintenance contingencies, airfield site surveys, and logistics efficiencies. These efforts directly supported successful joint BDF and USAFE airlift missions to Darfur in September 2006.

USAFE has added depth to its engagement with the Russian Federation Air Force. Starting with a visit to Moscow and their main fighter training base, USAFE is developing that high-level relationship that will lead to more cooperation along with improved transparency and trust.

USAFE's comprehensive transformation program, critical infrastructure, development, wide-ranging SC initiatives, coupled with a focus on the joint and combined prosecution of the global war on terror, continue to make lasting contributions to EUCOM's efforts throughout the AOR. USAFE will continue to be a leader of air, space, and cyberspace for EUCOM, its allies, and partners.

U.S. Marine Forces, Europe (MARFOREUR)

With a small headquarters of approximately 100 personnel, but no permanently assigned forces, MARFOREUR integrates its active duty and civilian staff with Reserve marines to augment its headquarters activities. MARFOREUR supports EUCOM's theater initiatives in OEF–TS; participates in numerous SC activities; assists with troops and equipment transiting the theater; facilitates strategic pre-positioning programs; supports the Regional Medical Center in Landstuhl, Germany; and serves as EUCOM's Executive Agent for non-lethal weapons.

Supporting EUCOM's efforts in OEF–TS, MARFOREUR has been instrumental in helping to build the operational-level capacity of the militaries in the countries of Chad, Niger, Mali, Senegal, Algeria and Morocco. MARFOREUR instituted an intelligence capacity building program to close the gap between unit-level intelligence training provided by SOF, and the headquarters-level expertise needed to employ those tactical forces. MARFOREUR is also providing tactical level support to this year's Exercise Flintlock, the premier SOF training exercise in OEF–TS.

MARFOREUR's SC activities provide maximum impact with minimal forces. In Africa, efforts are focused upon stability and capacity building in key countries through the Department of State's ACOTA program where MARFOREUR is one of the largest military contributors. MARFOREUR is an important participant in EUCOM's military-to-military programs, focusing its efforts in the OEF–TS countries, West Africa, the Gulf of Guinea states, and in the Black Sea/Caucasus region. In fiscal year 2007, MARFOREUR is expanding its involvement in Africa, and plans to conduct two to three events per month over the course of the year. MARFOREUR

will also provide support to the Humanitarian Mine Action program and the International Military Assistance Training Team in Sierra Leone.

Conducting exercises involving units up to the battalion/squadron-sized level, MARFOREUR supports EUCOM's Joint Exercise Program which relies largely on the Marine Corps Reserve. This exercise program offers U.S.-based reservists unique annual training opportunities, while offsetting the impact of limited Active-Duty Force availability. Major exercises conducted by Marine forces include Exercise Shared Accord in Senegal, Exercise African Lion in Morocco, and Exercise Sea Breeze in Ukraine. Additionally, MARFOREUR was the most active component in Exercise African Endeavor, which conducted interoperability and capacity building training in the area of communications.

MARFOREUR also facilitates Marine operations in support of OEF and OIF. The majority of deploying Marines and Marine equipment and supplies pass through Europe—via both air and maritime means—and is expedited by the MARFOREUR headquarters staff. In fiscal year 2006, some 91,000 marines and 4,000 tons of equipment and supplies flowed through the EUCOM AOR. MARFOREUR has also assisted with the deployment of our coalition partners to Iraq in support of U.S. efforts in OIF, having last year moved 1,150 troops and 40 tons of equipment and supplies from Republic of Georgia to Iraq. The two strategic prepositioning programs managed by MARFOREUR are largely committed to OIF and OEF. Of note, MARFOREUR has facilitated the current deployment of about 65 percent of the equipment from the Marine Corps Geo-Prepositioning Program-Norway (MCPP–N) to the CENTCOM AOR. MARFOREUR also helped deploy equipment from the caves of Norway in support of JTF–Lebanon.

The first faces that our wounded Marines see after being evacuated out of Iraq and Afghanistan are the MARFOREUR Hospital Liaison Team at Landstuhl Regional Medical Center. This extraordinary team facilitates the in-theater visits of family members with their wounded marines. Since January 2003, approximately 930 marines have been treated at Landstuhl.

As EUCOM's executive agent for nonlethal weapons, our forces enjoy a wider range of flexible response options. Nonlethal weapons provide another tool to help foster cooperative relationships with countries in the AOR. We will continue to expand our nonlethal weapons program through Mobile Training Teams, Professional Military Education, and the introduction of new and improved technologies.

U.S. Special Operations Command, Europe (SOCEUR)

Throughout 2006, SOCEUR remained focused on the global war on terror. By executing a series of synchronized humanitarian, train and equip, and information operations under OEF–TS, the command enhanced the security capabilities of partners in the Trans-Sahara region of Africa and thereby enabled them to better enforce their sovereignty across ungoverned border regions. SOCEUR deployed an assessment and advisory team to Chad in response to a crisis in April 2006. SOCEUR performed a key role in the interagency effort to ensure security of American citizens during the Winter Olympics in Turin, Italy. Additionally, SOCEUR components and staff continue to deploy in support of Operations OEF, OIF, and the International Security Assistance Force (ISAF) in Afghanistan. Finally, SOCEUR has a commitment to the NATO Response Force and will soon lead the transformation of NATO's SOF capability.

SOCEUR's main effort in 2006, and for 2007, is support of the Trans-Sahara Counterterrorism Partnership through EUCOM's OEF–TS. SOCEUR completed its Phase I assessments and analysis and established a Joint Special Operations Task Force-Trans-Sahara (JSOTF–TS) that will command and control all U.S. and assisting outside partner nation military elements participating in OEF–TS. In addition, liaison elements in U.S. embassies and Joint Planning and Advisory Teams linked to host nation counterterrorism units have been very successful at facilitating coordination, solidifying partner nation relationships, and ensuring continuity of effort. The austere geographic conditions and challenging political nature of working in Africa make the environment ideal for specialized SOF. U.S. Army Special Forces and Navy SEALs are continuously engaged in the role of training, advising, and assisting host nation forces to build capacity and to patrol and control vast desert regions. Marine Special Operations Command Foreign Military Training Units are adding to security capabilities in the theater and the Air Force Special Operations Command is increasing the number of Aviation Advisor forces to assist partner Air Forces. SOCEUR also deployed Military Information Support Teams to several African countries in support of U.S. public diplomacy efforts and conducted various Humanitarian Assistance and Civic Action projects targeted at reducing the underlying conditions that contribute to violent extremism.

In 2006, SOCEUR conducted a major European counterterrorism exercise in the Baltic States to improve multi-national interoperability with these new NATO members, further improving SOCEUR's contingency response capabilities. In 2007, SOCEUR plans to deploy almost 1,000 personnel to Africa for Exercise FLINTLOCK to work with our African partners on eliminating terrorist sanctuaries within their borders. With major operations ongoing in U.S. CENTCOM's AOR, SOCEUR has focused its SC efforts on coalition SOF development. In fiscal year 2006, SOCEUR executed 19 Joint Combined Exchange Training (JCET) events in 11 different countries, building the capability of U.S. and partner nations' Special Forces. The JCETs as well as other bilateral and multi-lateral engagement events, targeted primarily OEF–TS nations, with secondary emphasis on Caucasus and Baltic regional partner development and traditional NATO cooperation. In fiscal year 2007, SOCEUR plans to conduct 47 events with 21 countries across the EUCOM AOR.

SOCEUR continues to promote theater transformation, in particular the transformation of NATO SOF. Recently, SOCEUR's role was expanded to become the chief proponent for efforts to establish a NATO SOF Coordination Center and NATO Federation of SOF Training Centers, both intended to develop, organize, and train interoperable SOF across the Alliance.

As SOCEUR recognizes that many of its successes to date have resulted from the trust earned from partner nations through focused, consistent engagement, we are working closely with U.S. Special Operations Command to plan the transition from forward-stationed SOF to the new rotational Joint Special Operations Groups under the Global SOF Posture. This planning will ensure that rotational SOF are ready to support our need for persistent presence in priority countries, operational flexibility to respond to emerging crises, and supporting our NATO SOF transformation initiatives.

Theater Investment Needs

Theater Infrastructure

EUCOM's ability to transform and achieve U.S. national security objectives depends in large measure on the investment provided for military construction. This investment will also enable the U.S. to continue the recapitalization of our Main Operating Bases (MOBs), as well as establish new and, by design, relatively austere FOSs in Eastern Europe. We are not investing MILCON resources in non-enduring installations.

To continue EUCOM's effort to transform the theater in concert with the Department's Global Defense Posture, the fiscal year 2008 President's budget requests a total of $645.6 million in military construction (MILCON) funds for EUCOM (Enclosure 5). This investment will enable us to continue the recapitalization of our enduring MOBs, as well as establishing new, austere FOSs along the Black Sea. It also includes projects that will pay dividends as we divest non-enduring bases and consolidate our forces into more efficient communities.

STT and Operational Programs

The fiscal year 2008 MILCON request includes $400.1 million for five significant STT and operational programs:

- $173 million for completion of Army infrastructure at MOB Vicenza, Italy, and continued consolidation of the 173rd Airborne Brigade Combat Team (ABCT), the only split-based brigade in the Army;
- $73.6 million for completion of expeditionary Army infrastructure at FOS Mikhail Kogalniceanu (MK) Air Base, Romania and to establish a FOS in Bulgaria in support of Joint Task Force-East, (formerly called Eastern European Task Force (EETAF));
- $62 million for completion of Army operational facilities at MOB Grafenwoehr and to complete the Efficient Basing-Grafenwoehr (EB–G) program;
- $50.5 million for five USAFE operational projects at MOB Ramstein, Germany and MOB Lakenheath, U.K.;
- $41.0 million for National Security Agency (NSA) infrastructure improvements at MOB Menwith Hill, U.K.

EUCOM Quality of Life (QoL) construction investments affirm our commitment to our servicemembers and families. Our request for Family Housing renovation and replacement projects and unaccompanied service member facilities will ensure our forces are afforded quality housing and barracks. Investment in medical facilities ensures our servicemembers and their families receive first-rate medical care. In addition, continued investment in our Department of Defense Education Activity (DODEA) schools provides high quality education facilities for tomorrow's leaders.

Quality of Life

We are requesting the following QoL projects in the fiscal year 2008 MILCON request:

- $166.8 million for family housing renovation and replacement:
- $52.0 million in MILCON funds to construct 138 replacement housing units at MOB Ansbach, Germany;
- $114.8 million for new construction and renovation of 688 housing units to meet the family housing requirements at MOB Ramstein, Germany; FOS Incirlik, Turkey; and FOS Croughton, U.K.
- $14.9 million for unaccompanied dormitory at MOB Ramstein, Germany;
- $1.8 million as the U.S. cost-share for construction of a dormitory at Albacete, Spain;
- $30.1 million to construct a replacement medical/dental clinic at MOB Spangdahlem, Germany;
- $6.0 million for construction of a gymnasium and classrooms at Brussels, Belgium;
- $5.4 million for construction of a gymnasium and expansion of a multi-purpose room at MOB Ramstein, Germany;
- $20.5 million for expansion and renovation of classrooms at MOB Wiesbaden, Germany.

Family Housing in the EUCOM AOR will meet Defense Planning Guidance Standards with an additional investment in fiscal year 2009. NAVEUR and USAREUR continue to improve their housing inventory through the Build-to-Lease (BTL) program. USAREUR is in the progress of constructing over 1,600 BTL houses in the Grafenwoehr area and is planning to construct over 215 in Vicenza. All Service components continue to explore additional BTL housing opportunities throughout Europe to meet our housing requirements.

EUCOM continues to aggressively pursue the common funding of operational facilities for U.S. forces that support approved NATO plans through the NATO Security Investment Program (NSIP). NSIP has a long history of supporting NATO infrastructure in Europe. In the future it will be key to leverage the necessary resources to strategically transform NATO from a static posture to one that is flexible and expeditionary, able to meet emerging security threats thousands of miles from Europe.

Quality of Life (QOL) Programs

Taking care of our most precious resource, our people, is fundamental to the character of the American Armed Forces and a key combat multiplier that positively affects our warfighting effectiveness. The global war on terror has called for significant sacrifices on the part of our servicemembers and places a tremendous burden on their families. As we transform our defense posture in Europe, our military communities must continue to be able to provide predictability and capacity to meet the needs of our soldiers, sailors, airmen, marines, civilians, and their families.

While there are many facets to QOL, few are more important to our servicemembers, and their continued service to our Nation, than those affecting their families. EUCOM's QOL focus continues to identify and improve critical family issues. One identified area of need involves providing needed child, youth, and teen services. To that extent, we are requesting $3.2 million in "direct," non-construction supplemental funding to support the higher costs of doing business in a high deployment, transforming environment with few off-base options and unique joint service challenges. Off-base child care subsidies at remote sites and joint youth/teen summer camps to support at-risk youth would benefit from these funds. We are committed to executing MILCON requirements by identifying joint support options and construction of purpose-built facilities at enduring locations for school age, youth and teen programs which promote easy access to services and support healthy lifestyles and fitness.

Family member access to both health and dental care is challenging as military facilities must ensure a ready military force. Family members must often use services in a local community characterized by a different culture, language and medical practice standards. Additionally, family members are required to navigate complex insurance claim systems which can involve costly upfront payments. These unique circumstances overseas dictate reliance on U.S. medical care professionals and liaisons to assist in accessing care in an often cumbersome system. Our ability to strengthen programs and deploy beneficiary awareness campaigns will lead to a healthier community.

The EUCOM operational tempo has increased counseling service needs and thus created shortfalls across disciplines for servicemembers, spouses and children.

Supplementing overseas counseling through off-base providers is extremely challenging due to language differences, standards of care and the inability to access the OSD sponsored Military One Source counseling referral program. We look forward to the DOD Mental Health Task Force team visit to the EUCOM theater to assist in determining our counseling shortfalls or needed improvements. We will continue to provide any service men and women, their families, and our support personnel the right services.

Overseas spouse education and career opportunities remain a concern. As employment opportunities are limited and not expected to grow, EUCOM and the Department of Defense have partnered in the past year to broaden the focus on improving both programs and resources. As a result, the Spouses to Teachers program has expanded to include European Theater spouses. While that is a step in the right direction, there is much more that can be done. Family readiness, and ultimately force readiness, can be best served by improving tuition assistance and targeted scholarship options for OCONUS spouses.

The quality of the Department's dependent education programs is a major contributor to the quality of life of EUCOM servicemembers. The 2006 TeraNova standardized test results show DODEA students scored 10 to 26 points above the national average in all subject areas at all grade levels tested (3rd through 11th grades). We are very proud that this system is recognized as a benchmark for other public school systems and we need your continued support and funding to ensure high educational standards are maintained.

Education is not only important to our students, but also to our national interests and our NATO partners. We are most grateful for Congress' help to provide educational support for school-aged family members of foreign military personnel assigned to Supreme Headquarters Allied Powers Europe, in Mons, Belgium, which demonstrates your commitment to furthering our joint nation partnership. An international education begins the process of bridging diverse cultures and creating a joint mission-focused team.

Theater C2, Communications Systems, and ISR

In much of the EUCOM AOR, terrorist groups and support networks exploit international lines of communication with limited interference from U.S. and allied security. Moreover, the threat of a potential surprise attack on U.S. and partner nations remains very real. To minimize an adversary's use of these lines of communication and the likelihood or impact of an attack, command and control (C2) and communications systems, as well as ISR assets, provide necessary preventative and responsive safeguards against such threats. A critical investment need relates to the dissemination, analysis, and sharing of information. It is imperative that our C2 and communication system requirements include information sharing, electromagnetic spectrum access, assured information networks, and a robust and reliable satellite communications (SATCOM) architecture to operate in today's environment.

Our theater transformation plan places operational forces in regions not currently supported on a day-to-day basis by the DOD Global Information Grid (GIG). Establishing and sustaining a network and information sharing capacity with our allies and partners is a critical step to mitigate this problem. We need long-term investment in persistent ISR capability with assured electromagnetic spectrum access. Using up-to-date collection technologies to find, track, and interdict mobile and technologically competent terrorist groups and platforms operating within the vast regions of Africa, Europe, and Eurasia, including both air and maritime environments, is key to achieving information dominance with regard to ongoing and future contingencies.

SATCOM is a critical enabler to both our information sharing initiatives and ISR capabilities. However, with aging military communications satellite constellations and the high and growing demands on limited satellite availability, all combatant commanders are burdened with greater risk in their areas of operation. We need to maintain funding for SATCOM programs that meet both near-term requirements and the longer term goals of Transformational Communications Architecture, maintaining the continuity of current and future services.

Interoperability is crucial in the current operational environment because the likelihood of deploying unilaterally is low. EUCOM continues to execute the largest command, control, communications, and computer interoperability SC events in the world through Exercises Combined and African Endeavor. Both the U.S. and partner nations successfully used experiences/lessons learned from Exercise Combined Endeavor to integrate multinational command, control, and communications in Iraq, ISAF, and U.N. Humanitarian Relief missions. Likewise, Exercise African Endeavor participants successfully used skills developed to support OEF–TS C2 integration efforts. Long-term funding is essential to sustain the Endeavor series of exercises

which enhance multinational interoperability and prepare partner nations for U.S.-coalition deployments with 71 of the 92 nations in our AOR. Specifically in Exercise African Endeavor, we are working with Africans to develop and plan collaborative communications links, as well as developing a leadership capable of organizing C2 planning, execution, and modernization. In coordination with the Joint Interoperability Test Command (JITC), we provide all Endeavor exercise participants a resource guide that identifies all known compatibility issues between their collective architectures and systems. Groundwork laid today through documentation of technical interoperability issues and exercise of C2 architectures will prove to be a key enabler to future success with multinational forces.

We need to address the chronic shortage of information assurance personnel and the tools needed to defend networks that are critical to enabling theater command and control, both for warfighting and stability operations. All information professionals must be trained and certified to manage DOD networks securely. Information assurance tools must be procured in an enterprise-wide managed manner that operates across spectrum of conditions.

Strategic Mobility and Maneuver

Our ability to respond rapidly to crises depends greatly on strategic lift. The distance from central Europe to southern Africa is equivalent to that between Europe to California. This vast distance, combined with limited civilian rail, road, and air transportation infrastructure, constrains the full range of EUCOM engagement and contingency activities. Due to the expanse of the African continent and our desire to engage in Eastern Europe, we are expanding our enroute infrastructure system to respond to emerging contingencies in the underdeveloped regions of Africa and Eastern Europe.

The requirement to deploy troops and cargo rapidly across Africa and Europe has increased dramatically. The size of the EUCOM AOR and our operational experience requires strategic reach for intra-theater operations. EUCOM's fleet of C–130s does not possess the range or capacity to support rapid movement of forces throughout our theater.

Prepositioned Equipment

Continued support of the Services' Prepositioned War Reserve Materiel (PWRM) programs demonstrates commitment through presence and provides a broad spectrum of traditional crisis response and irregular warfare options globally. As EUCOM and the Services transform and transition to a more expeditionary posture, there is a heightened need for PWRM equipment sets in strategically flexible locations.

All four Services maintain PWRM in EUCOM's AOR, either on land or afloat. Attesting to the value of this program, and as validation of its continuing requirement in the EUCOM AOR, much of these stocks have been drawn down to support OEF and OIF and will not be reset prior to the end of combat operations. Over two-thirds of the Marine Corps Prepositioning Program-Norway (MCPP–N) and the Maritime Prepositioned Force (MPF) programs have directly supported OIF and OEF with weapon systems, ammunition, and equipment. Additionally, the Department of the Army's Heavy Brigade Combat Team prepositioned set at Camp Darby near Livorno, Italy, has also been used to support OIF and OEF. Reconstitution and reconfiguration of these programs are essential to support future contingency operations while improving our flexibility to support irregular warfare and Theater SC initiatives.

Continued service investment against this capability is necessary to ensure that a fully flexible range of options remains available to combatant commanders globally. EUCOM is actively involved in DOD-led studies examining the global disposition of PWRM and is working to ensure our strategic direction and operational requirements are incorporated in the study reviews and ultimately in an overarching DOD PWRM strategy.

Enhancing EUCOM's Mission

Congressional support enables EUCOM to perform a wide range of operations and engagement that advance U.S. national interests overseas. Beyond the provision of budgetary funding and authorities, your oversight has been and will continue to be indispensable as EUCOM continues to represent U.S. commitment to its European and African allies and partners.

There are three principal areas where legislative assistance would yield a considerable increase in the capabilities of combatant commands to affect change and achieve goals throughout the AOR: support a U.S. long-range Ground-Based Missile Defense site in Europe, provide combatant commanders budgetary flexibility, and reform the current SC structure to allow for more rapid and responsive activities.

Long-Range Missile Defense, a U.S. long-range Ground-Based Missile Defense site in Europe is necessary to enhance the defense of the U.S. homeland, U.S. forces stationed in Europe, partners, and allies from intercontinental and intermediate range ballistic missiles. The Department of Defense recommends continued congressional support to provide funding for a ground-based interceptor site and supporting radars in Europe. Congressional support for associated MILCON will also be needed once planning has progressed to the point that detailed estimates are available.

Combatant Command Budgetary Authority Flexibility is essential to maximize combatant command responsiveness and agility in confronting the constantly changing geostrategic landscape in which we operate. Budgetary authority flexibility does not require an increase in the DOD top line, but rather a redirection of resources to align the financial authorities with the operational responsibilities of the theater commander.

One recent example of this is the Department of Defense's consolidation of joint training resources to establish the Combatant Commander's Exercise Engagement and Training Transformation (CE2T2) program under a single Defense-wide account. The DOD, the Joint Staff and COCOMs believe this will effectively align joint training initiatives that enhance the ability of the COCOM to conduct necessary joint training. This initiative may provide an example for how to provide more effective constructs for future COCOM resource flexibility.

Reform of the SC Structure is crucial to streamline the process where geographic combatant commanders (GCCs), in coordination with the interagency, plan and conduct SC activities. We need reforms that will significantly improve our ability to help friendly nations develop capabilities to better govern and defend themselves and to work effectively in concert with our forces. A reformed SC structure must increase the speed and efficiency with which we can start programs to meet emerging requirements and ensure we have the right material on hand. It must assist our partners deploying alongside or instead of our own forces with logistical support and equipment. It must enhance mutual understanding and build relationships by increasing shared education, facilitating common doctrine, and increasing our ability to work closely with allies through international institutions. It must also increase our flexibility for both planned humanitarian and stabilization activities and for commanders to provide immediate assistance during operations to meet the critical needs of local populations.

There are a number of programs and activities over which the GCC currently has been assigned responsibility for execution but it has little to no influence or control due to its inability to control prioritization and allocation of resources. Additionally, there exist government and nongovernmental organization (NGO) programs of which the GCC has limited visibility. Better synchronized policy and legislative lines of authority are necessary to achieve greater efficiencies within the interagency. This synchronization will lead to a more effective SC process.

Specifically for the combatant commander, SC initiatives conceptualized in the field often require nearly 3 years to move through the interagency approval and resource allocation process. Additionally, our unwieldy SC processes are increasingly compelling nations to turn elsewhere for their security assistance needs, thereby reducing America's overall influence in the region and providing "strategic opportunities" for near-peer competitors, especially in Africa.

Legislation geared toward streamlining current title 10 and title 22 SC authorities would certainly increase the agility and effectiveness of the designated agency responsible for executing these programs. Section 1206, Building Capacity of Foreign Military Forces, legislation enacted in 2005, is a step in the right direction and could serve as a framework for a more comprehensive SC reform effort. An improved process will better achieve our Nation's foreign policy objectives.

AFRICA COMMAND (AFRICOM)

Africa is becoming a continent of increasing strategic importance to the U.S. and our allies. Africa's vast potential makes African stability a near term strategic imperative. It is in our national interest to help Africa achieve broadbased and sustainable economic, security, political and social development. The DOD, in collaboration with other U.S. agencies, is seeking more effective ways to mitigate or respond to humanitarian crises, sustain African unity and stability, and improve cooperation on such transnational issues as terrorism and HIV–AIDS. There is little doubt that Africa will occupy an increasingly larger amount of our national attention in the years ahead.

As announced by the President and the Secretary of Defense on February 6, 2007, the U.S. will work aggressively with our interagency partners, allied nations, and African regional organizations to advance our common interests and values through

the establishment of a new Unified Command focused on the African continent. We are currently in the throes of considering adaptive and nontraditional options to optimize collaboration with interagency and coalition partners, regional security organizations, international organizations, and NGOs. This headquarters is projected to contain an innovative mix of U.S. military, DOD civilians, U.S. Government, and international partners.

While the eventual goal is to establish Headquarters, U.S. Africa Command on the African continent, there are no plans envisioned in this effort to base operational U.S. forces in Africa. The kinds of rotational forces deployed will be largely based on the capabilities needed to counter the challenges Africa faces—among them humanitarian assistance, disaster relief, security sector reform, and counterterrorism. They will work with host nations to build up African militaries, as well as reinforce the importance of civilian control over the military.

EUCOM AND NATO

We recognize that many of the challenges in the current security environment exceed the capacity of any one nation to resolve and that today's threats require a comprehensive approach by the international community, involving a wide spectrum of civil and military instruments. EUCOM's efforts are coordinated and complementary with a broad range of national, international and regional actors. Most notably, EUCOM is the focal point of the U.S. military commitment to the NATO Alliance. Across the NATO Military Command Structure, U.S. military leaders are privileged to hold key positions of influence, helping to develop the Alliance agenda and execute its operations (See Enclosure 6).

Operational Imperatives within the Alliance

NATO's contributions to both current and future security challenges consist of a wide range of initiatives and practical activities. While political consultations among nations help sustain a unity of purpose, men and women of the Alliance plus 16 other troop-contributing nations are essentially redefining the role of NATO by their actions in operations across Afghanistan, the Balkans, the Mediterranean, Iraq, the Baltics, and Africa. The 50,000 deployed NATO military forces currently under my command as Supreme Allied Commander Europe (SACEUR) are a visible and effective demonstration of NATO's resolve to meet both in- and out-of-region security challenges collectively.

International Security Assistance Force (ISAF) remains NATO's most important and challenging mission. With over 36,000 forces, including almost 15,000 soldiers, sailors, airmen, and marines from the United States, the Alliance has responsibility for ISAF operations throughout Afghanistan. Working alongside an additional 12,000 U.S.-led coalition forces of OEF and other international actors, ISAF's mission is to provide security and stability until Afghan National Security Forces (ANSF) are trained and capable of doing so. The 25 Provincial Reconstruction Teams (PRT) under ISAF are the leading edge of NATO's efforts for security and reconstruction, supported by military forces capable of providing the security and stability.

The Kosovo Force (KFOR) mission continues under NATO leadership, with the U.S. contributing just over 10 percent of the 15,800 KFOR troops currently in Kosovo. KFOR remains committed to maintaining a safe and secure environment while the political process to determine the future status of Kosovo continues to run its course. U.N. Special Envoy Ahtisaari has presented his final report with the proposed Status Settlement to the U.N. Security Council for their consideration. NATO forces are prepared to respond quickly to security contingencies and fully expect to play a significant role in the implementation of the security provisions of a Status Settlement. We expect that NATO forces will remain in Kosovo as the designated International Military Presence (IMP) to provide a safe and secure environment, in conjunction with the International Civilian Presence (ICP) and in support of Kosovo institutions, until such time as those institutions are capable of assuming responsibility for Kosovo's security.

Operation Active Endeavour (OAE), the only operation currently conducted under Article V of the Washington Treaty, is focused on defending against terrorist-related threats in the Mediterranean. Maritime forces of OAE are patrolling sea lines of communication, sharing relevant intelligence and information with littoral nations, escorting ships, and conducting compliant boarding of suspect ships, when required. The first non-NATO contribution to this mission occurred in September 2006, when a Russian frigate was employed as part of a NATO Task Force. Additionally, we expect to integrate Ukrainian assets in OAE in 2007. Algeria, Israel, Morocco, Georgia, Croatia, and Albania are also involved in exploring ways they may contribute to this mission.

NATO's Training Mission-Iraq (NTM–I) The Alliance supports Iraqi security forces through training, both in Iraq and at educational facilities across Europe. Its training efforts complement the work of the U.S.-led Multinational Security Transition Council (MNSTC–I). NATO focuses on strategic and operational level training, strengthening the Iraqi Training and Doctrine Command, and providing command and staff training for mid-level and senior officers. Additionally, NATO has facilitated the acquisition and delivery of military equipment donated by NATO nations for use by Iraqi security forces. We expect that future efforts will likely include gendarmerie training.

African Mission in Sudan (AMIS) NATO has assisted the AU with expanding its AMIS peacekeeping mission in Darfur by providing airlift for troop rotations of peacekeepers, and staff capacity-building activities in key AU headquarters, and deploying mobile training teams to work with their AU counterparts. NATO's capacity-building approach to increase stability and security on the continent complements EUCOM's efforts to deliver long-term effects with minimal, focused resources.

NATO Transformation

In parallel to EUCOM's transformation, NATO is embracing an ambitious transformation agenda to develop more agile, flexible, and expeditionary military forces. Allied Command Transformation (ACT), NATO's strategic headquarters based in Norfolk, Virginia, has the lead role in developing concepts and managing NATO transformation programs. It is in our Nation's interests to ensure that our collective efforts are complementary and contribute to joint and multinational interoperability.

The NATO Response Force (NRF), an initiative proposed by the U.S. and adopted by the Alliance at the 2002 Prague Summit, is a vital part of the Alliance's ability to rapidly respond to emerging crises and conduct the full range of military missions at strategic distances. This joint and multinational force further serves as a catalyst for transformation and interoperability, improving NATO's expeditionary capability in key areas such as multinational logistics and deployable communications. Following a comprehensive and successful live exercise in June 2006, with further contributions of critical capabilities by nations, NATO declared at the Riga Summit the NRF to have attained Full Operational Capability (FOC). At FOC, the NRF is capable of deploying at strategic distance and supporting the full range of potential Alliance missions, to include evacuations and disaster management, counterterrorism, and acting as an initial entry force for a larger, follow-on force. The future viability of the NRF, as it is currently structured, will depend on member nations' willingness to resource the necessary forces and commit to a more realistic structure of common Alliance funding to support the NRF. Challenges remain in securing adequate Alliance commitments to fill future 6-month NRF rotations, particularly with respect to critical logistics, communications, and support capabilities. EUCOM provides a substantial part of the U.S. force and operational enabler contributions to the NRF.

At the 2006 Riga Summit, NATO nations approved the SOF Transformation Initiative, aimed at increasing the capabilities of SOF forces throughout the Alliance. EUCOM's Special Operations Command (SOCEUR) actively leads this effort to achieve closer cooperation, more effective training, and increased interoperability with the intent of strengthening NATO's SOF capacity.

EUCOM has additionally served as the lead agent in establishing an Intelligence Fusion Center, co-located with the U.S. Joint Analysis Center at Molesworth, England. This multi-national center, formally activated in 2006, will improve information and intelligence sharing in support of Alliance operations.

One of NATO's most significant transformation initiatives is the decision to develop new capabilities for strategic airlift. In 2006, nations agreed to purchase three, perhaps four, C–17 aircraft to be flown by multinational crews with a multinational command and control structure. The goal is to receive the first C–17 aircraft in late 2007, with full operational capability in 2009, operating out of Ramstein Air Base in Germany. The 16 nations participating in the program will use the aircraft to address national airlift requirements. While these airlift missions will often be used for requirements of a strictly national character, they will also support NATO operations or other international obligations.

Partnerships and Engagement

As with U.S. national engagement initiatives, there is a strategic value to NATO's partnership framework. The varied partnership mechanisms in place continue to deepen and broaden to meet both NATO's new priorities in the evolving security environment as well as the aspirations of the Nations with which the Alliance engages. Partnership programs and initiatives cover the full spectrum of efforts, to include promoting dialogue with interested nations, building stable democratic struc-

tures, and developing defense capabilities that are interoperable with those of NATO. EUCOM provides the preponderance of U.S. forces that contribute to the success of many of these Alliance programs, most notably the Partnership for Peace (PfP). Building upon the success of the program to date, Serbia, Bosnia-Herzegovina, and Montenegro are now full members of the PfP.

NATO additionally maintains special relationships with Russia and Ukraine. NATO's establishment of Military Liaison Missions in Moscow and Kiev has improved communications and facilitated day-to-day coordination of activities. Notably, Russia, a Partner Nation, has a full delegation of personnel permanently assigned to my NATO headquarters at Supreme Headquarters Allied Powers Europe. The U.S. military-to-military relationship with Russia, both bilaterally and in the NATO-Russia context, aims to develop and institutionalize the ability of Russia to operate alongside NATO forces to address common security issues, such as the defense against terrorist threats. Our ambitious agenda for practical cooperation with Russia has not yet been realized, in part due to the failure of the Duma to ratify the PfP Status of Forces Agreement, which would allow Alliance forces to exercise on Russian territory.

NATO remains an Alliance committed to the common defense of its member states. It increasingly recognizes the concept of common security, a broader and more comprehensive view of security in an interdependent world where the threats are non-traditional and more global in nature. In a strategic environment marked by terrorism, failed states, and the proliferation of WMD, common security is an absolutely essential factor in achieving individual national security. NATO is well-placed and, with the proper resources and political will, capable of accomplishing great things. It is in our national interest to ensure that NATO succeeds.

CONCLUSION

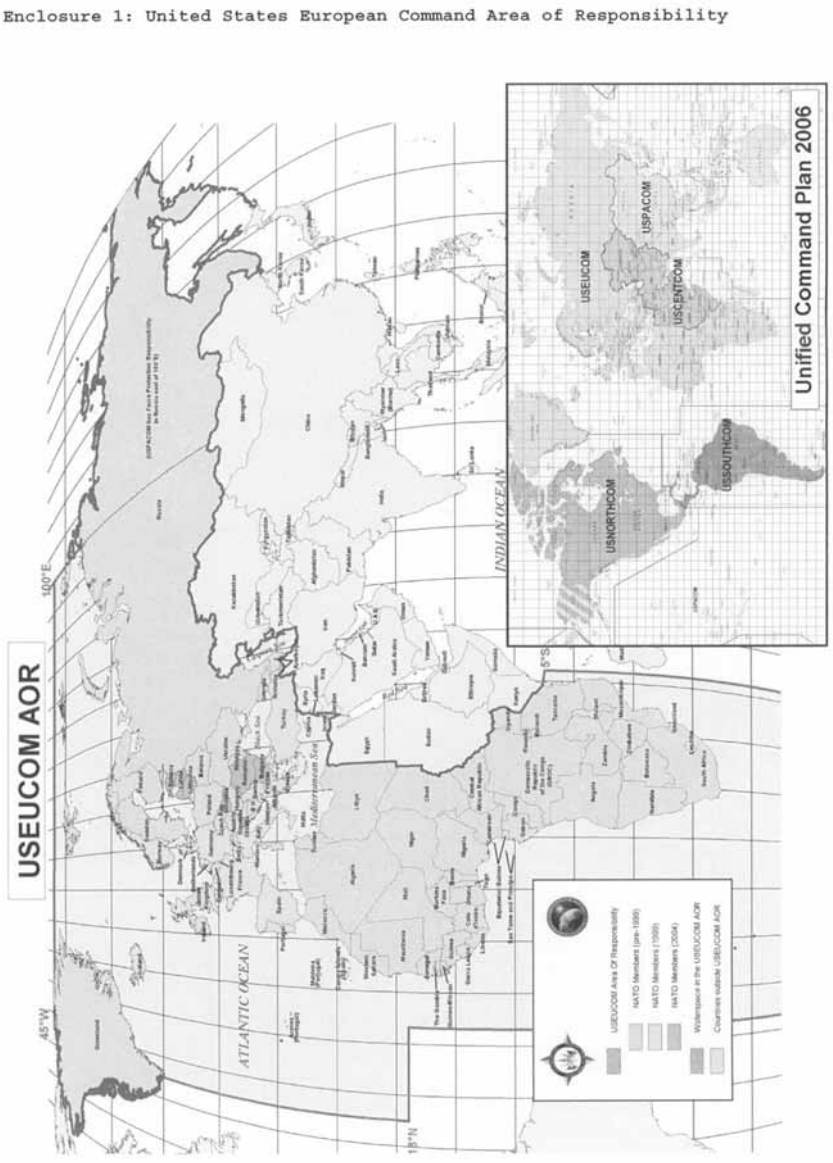
The United States EUCOM is fully and actively engaged in addressing the challenges of this diverse and expansive AOR. Even as EUCOM supports combat operations in other theaters, we are transforming our posture to shape the evolving security landscape in our AOR.

While the U.S. military can help set the conditions to create a stable environment, it is but one part of the effort required to achieve lasting, effective solutions. New and deepened partnerships within the U.S. Government and among combatant commands are required to more dynamically counter the transnational trends and issues which define our theater: threats of terrorism and WMD, frozen conflicts, unresolved territorial disputes, complex geopolitical relationships, humanitarian needs, and disease. Moreover, global partnerships are required to better counter the threats to our collective security. EUCOM remains committed to working with European, African, and Eurasian partners in collaborative efforts that meet our common security challenges. Finally, the leadership and the capabilities our Nation contributes to the NATO Alliance will remain fundamental to preserving trans-Atlantic security, now and into the future.

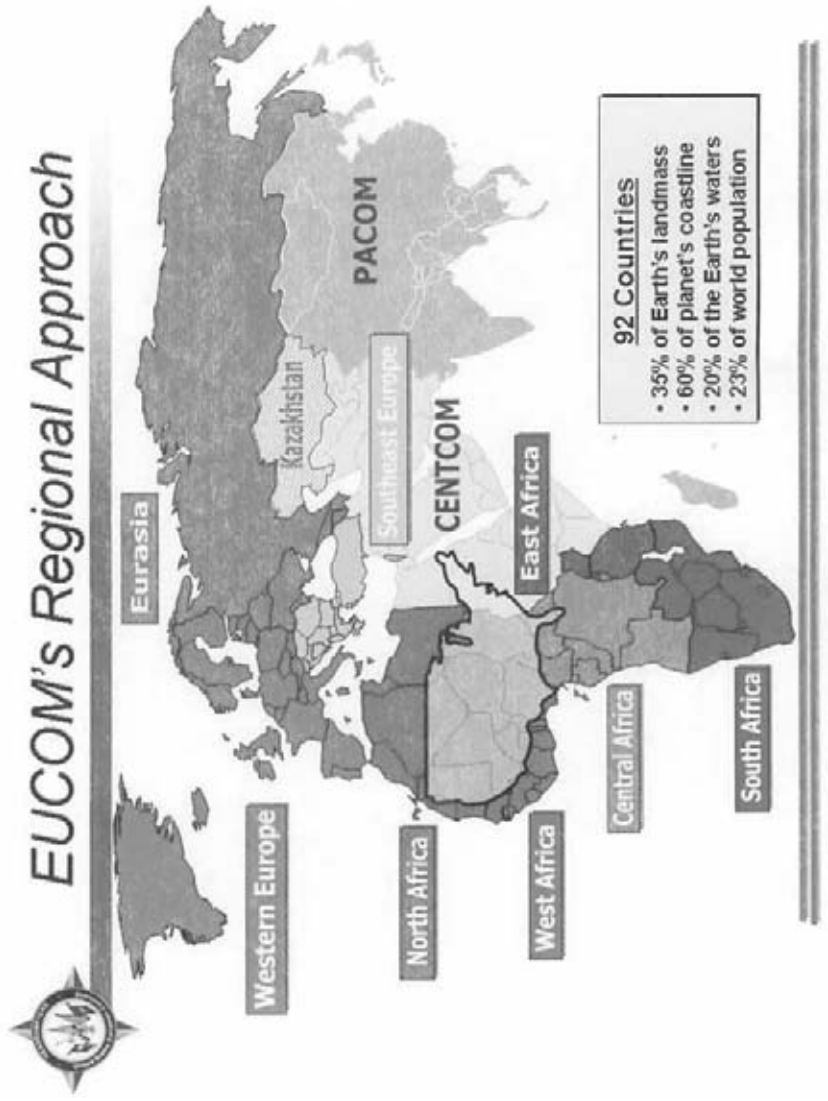
Global posture shifts and U.S. military transformation have fundamentally changed our strategic positioning in the EUCOM theater. These efforts will culminate in a force posture capable of operating across the broad spectrum of conflict. The success of our engagement hinges on ensuring the presence of relevant capabilities in our theater. In parallel to EUCOM's transformation, NATO is restructuring itself to become more expeditionary and able to operate at strategic distance, as evidenced by its current deployments of over 50,000 troops on 3 continents.

Continued congressional support for our efforts is essential to ensuring EUCOM is capable of effective engagement and sustained support to the Alliance and our regional partners to meet the broad tasks assigned to EUCOM in the National Military Strategy. The assistance of the members of this committee is essential in ensuring EUCOM's effectiveness in its ongoing programs, operations, and initiatives. The dedicated men and women of the United States EUCOM are committed to achieving our national goals and objectives.

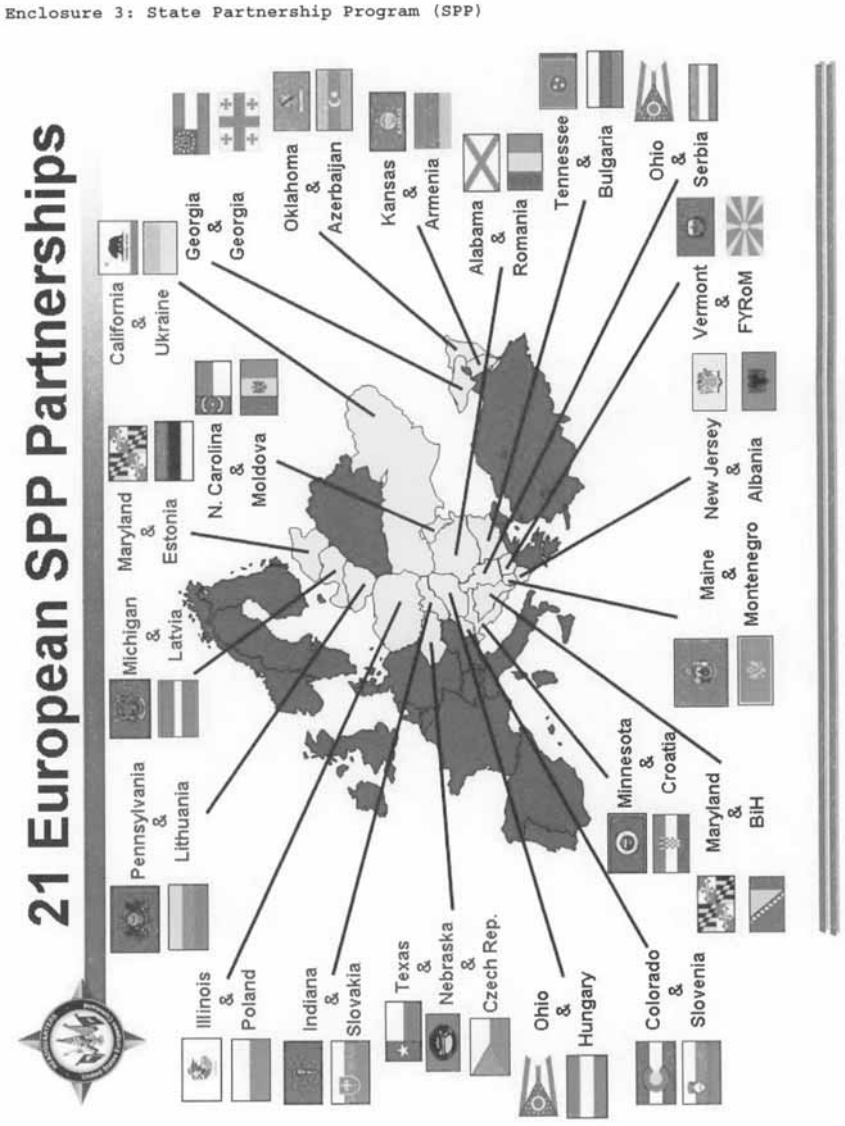
Enclosure 1: United States European Command Area of Responsibility



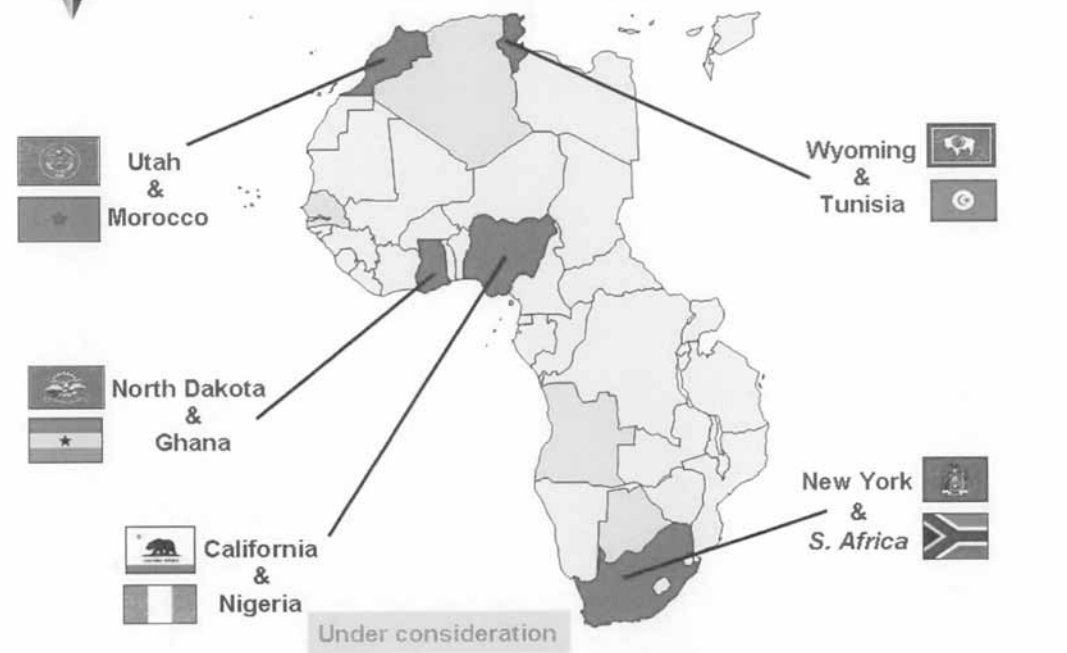
Enclosure 2: EUCOM's Regional Approach to Theater Security Cooperation



Enclosure 3: State Partnership Program (SPP)



5 African SPP Partnerships



Enclosure 4: Theater Security Cooperation by Country

Funds Requested in President's FY 2008 Budget for International Military Education and Training (IMET) and Foreign Military Financing (FMF) in the EUCOM Area of Responsibility

Country	FY 2008 IMET	FY 2008 FMF
Africa		
Algeria	700,000	0
Angola	500,000	0
Benin	150,000	0
Botswana	690,000	0
Burkina Faso	100,000	0
Burundi	200,000	0
Cameroon	295,000	0
Cape Verde	100,000	0
Central African Republic	100,000	0
Chad	100,000	0
Cote d'Ivoire	100,000	0
Democratic Republic of Congo	500,000	600,000
Equatorial Guinea	45,000	0
Gabon	200,000	0
Gambia	120,000	0
Ghana	600,000	300,000
Guinea	350,000	200,000
Guinea-Bissau	100,000	0
Lesotho	50,000	0
Liberia	300,000	1,000,000
Malawi	300,000	0
Mali	250,000	0
Mauritania	130,000	0
Morocco	1,800,000	3,655,000
Mozambique	300,000	200,000
Namibia	100,000	0
Niger	100,000	0
Nigeria	800,000	1,350,000
Republic of the Congo	100,000	0
Rwanda	400,000	0

Country	FY 2008 IMET	FY 2008 FMF
Sao Tome and Principe	200,000	0
Senegal	1,100,000	0
Sierra Leone	400,000	0
South Africa[1]	900,000	100,000
Swaziland	100,000	0
Tanzania	300,000	0
Togo	100,000	0
Tunisia	1,800,000	2,064,000
Uganda	500,000	0
Zambia	400,000	0
STATE Africa Regional	133,000	0
Total, Africa	***15,513,000***	***9,469,000***
Europe and Eurasia		
Albania	600,000	2,600,000
Armenia	300,000	3,000,000
Azerbaijan	1,000,000	4,300,000
Bosnia and Herzegovina	1,000,000	7,800,000
Bulgaria	1,700,000	13,200,000
Croatia	179,000	0
Czech Republic	1,300,000	3,000,000
Estonia	1,100,000	3,000,000
Georgia	800,000	10,000,000
Greece	590,000	0
Hungary	1,200,000	2,000,000
Kosovo	400,000	0
Latvia	1,100,000	3,000,000
Lithuania	1,100,000	3,000,000
Macedonia	500,000	4,500,000
Malta	45,000	0
Moldova	600,000	0
Montenegro	100,000	0
Poland	2,000,000	27,200,000

[1] South Africa is currently barred from receiving FMF by the provisions of the American Servicemembers' Protection Act.

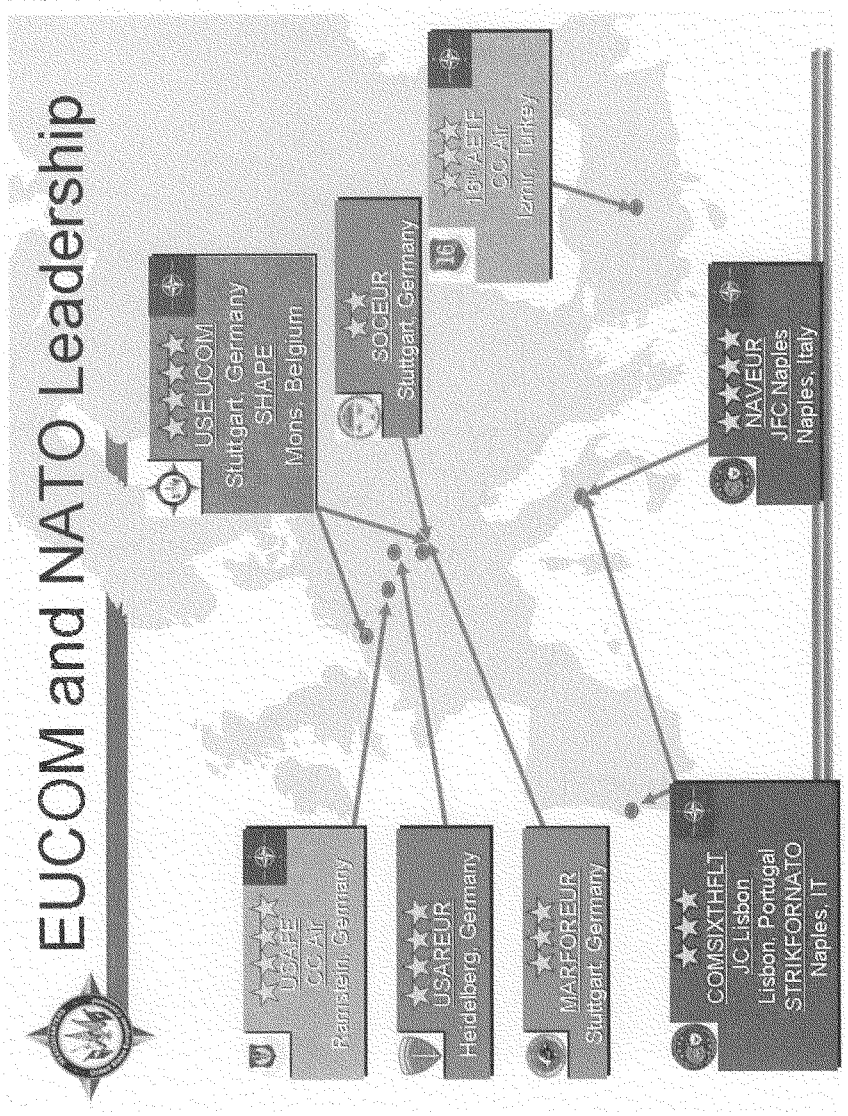
Country	FY 2008 IMET	FY 2008 FMF
Portugal	690,000	0
Romania	1,800,000	18,400,000
Russia	700,000	0
Serbia	300,000	0
Slovakia	1,100,000	3,000,000
Slovenia	885,000	500,000
Turkey	3,000,000	11,825,000
Ukraine	1,900,000	9,000,000
Total, Europe and Eurasia	***25,989,000***	***129,325,000***
Total, Africa	***15,513,000***	***9,469,000***
Total, Europe/Eurasia/Africa	***41,502,000***	***138,794,000***
Near East		
Israel	0	2,400,000,000
Grand Total, EUCOM AOR	***41,502,000***	***2,538,794,000***

Enclosure 5: Theater Investment Needs

LINE ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS				
Comp/ Agency	Country	Location	Description	Approp. Request
USAREUR	Bulgaria	Novo Selo	JTF-E Base Camp (1)	61,000,000
USAREUR	Romania	MK Air Base	JTF-E Base Camp	12,600,000
USAREUR	Germany	Grafenwoehr	RBG Brigade Complex-Maint/Opns (2)	34,000,000
USAREUR	Germany	Grafenwoehr	RBG Brigade Complex-Maintenance & Opns	28,000,000
USAREUR	Italy	Vicenza	173rd Brigade Complex-Maint and OPS (2)	87,000,000
USAREUR	Italy	Vicenza	Brigade Complex- Barracks & Support	66,000,000
USAREUR	Germany	Ansbach	New Townhouse Construction Ph I	52,000,000
USAFE	Germany	Ramstein	Construct Small Diameter Bomb Facility, Ph 2	6,260,000
USAFE	Germany	Ramstein	Construct Unaccompanied Dorm - 128 PN	14,949,000
USAFE	Germany	Ramstein	Construct Joint Mobility Processing Center	24,000,000
USAFE	Germany	Ramstein	Construct Fire Training Facility	3,000,000
USAFE	Germany	Ramstein	Replace Family Housing Phase E	56,275,000
USAFE	Germany	Spangdahlem	Medical/Dental Clinic Replacement	30,100,000
USAFE	Spain	Albacete	Tactical Leadership Program Dorm	1,800,000
USAFE	UK	Lakenheath	Construct Small Diameter Bomb Storage Igloo	1,800,000
USAFE	UK	Lakenheath	F-15C Squad Ops/AMU	15,500,000
NSA[1]	UK	Menwith Hill	Power Availability and Infrastructure Improvements	10,000,000
NSA	UK	Menwith Hill	Add/Alter Operations & Technical Facility	31,000,000
DoDEA[2]	Germany	Wiesbaden	Construct Gymnasium, Art, & Music Classrooms and Renovation	15,379,000
DoDEA	Germany	Wiesbaden	Construct Multipurpose Room	5,093,000
DoDEA	Germany	Ramstein	Construct Gymnasium; Renovate/expand Multipurpose Room	5,393,000
DoDEA	Belgium	Brussels	Construct Gymnasium, Art, & Music Classrooms	5,992,000
Total				**$587,141,000**
NON LINE ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS				
USAFE	Germany	Ramstein	Improve Family Housing Phase E	4,700,000
USAFE	Turkey	Incirlik	Improve Family Housing	41,300,000
USAFE	UK	Croughton	Improve Family Housing	12,500,000
NON LINE ITEM TOTAL				**$58,500,000**
TOTAL MILITARY CONSTRUCTION/FAMILY HOUSING PROJECT FUNDING REQUEST				**$645,641,000**

[1] National Security Agency
[2] Department of Defense Dependent Education Agency

Enclosure 6: EUCOM and NATO Command Structure



Chairman LEVIN. Thank you so much.

I think we'll try an 8-minute round and see how it goes, before we're interrupted by votes.

General, in testimony before the House Armed Services Committee—I believe it was in March 2007—you expressed reservations about the significant proposed reduction of U.S. forces that were stationed in the EUCOM AOR. Under the restructuring plan that had been announced in 2005, the number of U.S. troops stationed at the main operating bases in Europe would be cut from over 100,000 to around 60,000 soldiers. Since then, your command

has been committed to providing forces in support of rotations in Iraq and Afghanistan.

There is going to be an increase, we believe, in the size of the Army and Marine Corps, and the Army proposes to create six new light infantry combat brigades. Given the role of our forces in Europe, and the role that they play in operations in Afghanistan and Iraq, would it be in our strategic interest to base one or more of those six additional brigades in Europe, where they are easily deployable to the Central Command (CENTCOM) region, or perhaps to the new Africa Command (AFRICOM) region?

General CRADDOCK. Thank you, Mr. Chairman.

I have asked—and tasked, actually—the staff of EUCOM to do a study to determine—I call it a troop-to-task study—if the forward-deployed forces available to EUCOM are adequate to the task and missions assigned by the Department. When I took over—knowing that we were in the midst of a theater transition, in terms of downsizing, I acknowledge that—the first few months, as I went about my duties and visited other countries, I was continually asked questions, struck by the engagement with chiefs of defense and ministers of defense of nations of NATO, primarily, among others, as to why it is that we were still not—"we," EUCOM and the components there—not exercising and engaging, exchanging troop units on a regular basis for training, as we had done in the past. This was not occasionally, this was a persistent theme, both with the new NATO states and others.

I then looked at the exercise schedule over the past several years that the components and that EUCOM does, and I looked at the reduction in the number of exercises, and I looked at the cancellation rate in the execution year of the number of exercises. I became concerned that right now the major task assigned to EUCOM is theater security cooperation, and that is building partner-nation capacity, in Europe, Eurasia, and Africa. I was uncertain at the time, and remain uncertain, that we have adequate forces to do that. As you said, we are providing forces for Iraq and Afghanistan. So, I've tasked the command to study that, to come back and validate the assumptions made, and the assessment of the impact of the changing geopolitical system. I expect the results of that within about the next 10 days, and then I will look at that, and, if we have adequate forces, then we will go about engaging, to the maximum extent; if not, I'll report to the Secretary of Defense my findings.

Chairman LEVIN. Thank you. Relative to Afghanistan, now, are there shortfalls in meeting NATO's Afghanistan mission requirements?

General CRADDOCK. Yes, Mr. Chairman, the requirements for troops is governed by a combined joint statement of requirements. There is a troop list there. It has not been fully sourced by the NATO nations. We continue to engage with the nations routinely, both personally, my engagement with chiefs of defense, and through Supreme Headquarters Allied Powers Europe, my headquarters, with national entities, to gain further subscription by NATO forces to fill up that requirement.

Chairman LEVIN. How far short are you?

General CRADDOCK. I don't want to get into numbers.

Chairman LEVIN. All right, that's fair.

General CRADDOCK. But roughly three to four battalions, I think, would be main force, and there are some other shortages.

Senator WARNER. Could he give the percentage, then, of the total projected force, what that represents?

General CRADDOCK. Senator, it's very difficult, because we're dealing in capabilities here, and oftentimes, there are very small units that have enormous enabling capabilities, such as forward air controllers.

Chairman LEVIN. Are we saying roughly 5 to 10 percent? Would that be a fair estimate of the shortfall?

General CRADDOCK. I would say, as a minimum, 5 to 10 percent.

Chairman LEVIN. As a minimum, all right.

One of your first tasks as Supreme Allied Commander Europe was to provide an assessment of military requirements, as we've just talked about. The assessment which was made was promised to us—it was called a combined joint statement of requirements, and that was promised to us at a March 1 meeting, where I think Senator Warner requested that the committee be provided with a copy of that assessment. Can you make sure that we get a copy of it?

General CRADDOCK. I will, Mr. Chairman.

[The information referred to follows:]

ISAF CJSOR Priority Shortfalls

Unit(s) Required	Projected Fill	Remaining Short Feb 08
45 x OMLTs (Feb 08)	12	33
14 x RW Lift 6 x RW Atk (upon USA withdrawal in Jan 08)		**14x lift** **6x Atk**
3.5 x Maneuver Bns	2.5	**1x Bn; 1x Hq**
Dedicated Airborne ISR	2x Pred A: ITA 1x Pred B :GBR	**Theater dissemination capability**
3 x PRTs	CZE (Lowgar)	**2 x PRTs (Nimroz/DiaKundi)**
Airborne EW (C-IED)		**18 hr/day of coverage**
1x SOTG (due to pending NOR withdrawal)		**1 x SOTG**

as at 16 Jul 07

Chairman LEVIN. All right.

I'd like to ask you a question about civilian deaths. There's been a series of incidents involving U.S. air strikes, or attacks by SOFs, that are reported to have resulted in the deaths of at least 90 civilians over the last month. According to the news reports, the issue of civilian deaths is leading to tensions between our commanders and the NATO commanders who are concerned that NATO forces are being blamed for deaths resulting from U.S. counterterrorism

operations. In early May, President Karzai, of Afghanistan, declared that his government can, "no longer accept the civilian casualties resulting from U.S.-led operations." Are you concerned about this issue, this problem, and by the reports of growing Afghan resentment and NATO tension over civilian deaths? What steps are you taking in response to those concerns?

General CRADDOCK. I am always concerned about noncombatant deaths. Obviously—I hope it's obvious, it is to me and to the chain of command—we work very rigorously to ensure that the coordination that is needed is done in every instance. The fact that it happens in a combat zone is unfortunate, but it is a very complex combat zone, with asymmetrical attacks by forces that oftentimes are hard to identify, because they are not uniformed and they're not conventional forces. I do not think that there is a tension—I'm unaware of a tension, if you will, between coalition and NATO commanders. I think that there is always room for greater cooperation and coordination, and that's what we need to focus on. I know of no fingerpointing. But I do know that there are occasions where, when one or the other of those forces is surprised and engaged in an operation, and they need to call for assistance from the other force, then we have to do so, we have to coordinate it, and work it to the best of our ability. So, we've redoubled our efforts to do that. I've talked to the Commander of International Security Assistance Force (ISAF). I have talked to Admiral Fallon at CENTCOM. We both agree we need to ensure we retain good visibility on that, that we bore into the tactics, the techniques, and the procedures for that.

Now, the last part is, with regard to the feelings of the Afghan President Karzai.

Chairman LEVIN. Just add to that part of President Karzai—it would seem to me that these casualties would harm our efforts to win the hearts and minds of the people of Afghanistan for the mission. I'm sure that it's being used by the Taliban in support of their goals. Can you talk about whether or not these civilian losses have made it more difficult for our hearts-and-minds effort?

General CRADDOCK. It's my assessment that they have. I think that we need to redouble our efforts to avoid that. We need to ensure there is no collateral damage, to the extent that we can ever ensure that. I think we are working towards that end. We do know—it's documented—that people of Afghanistan are now talking about the Taliban using their homes and their villages as a safe haven when they're under duress. So, this is not a black-and-white situation, and we just need to understand it better and make better decisions.

Chairman LEVIN. Thank you. My time is up.

A 15-minute roll-call has just begun. We just need to keep that in mind, and see how this works out here.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I want to follow on the chairman's question about the civilian deaths and the impact on the image of our Nation and other NATO nations who are trying to work towards supporting the sovereignty of Afghanistan.

Are not some of the contributing causes in this complex formula, one, the shortfall in the full complement of NATO forces, and those forces were primarily ground-operated forces, so they could be doing ground operations. Given that shortfall and the complexity of the national caveats preventing those ground forces from performing the tough assignment of extracting Taliban from villages and houses, thereby necessitating a greater use of air assets, and the utilization of the air assets that apparently is contributing to a significant part of the deaths of civilians. I just see all of this interrelated.

Now, do you find it interrelated?

General CRADDOCK. Senator, to an extent, yes, I do. I agree with your first point, the shortfall of NATO forces. If we had full sourcing of the statement of requirement, I believe that would provide commanders greater flexibility, where they would have contingency reaction forces available. It is just recently that we have, for the Commander of ISAF, a theater reserve that he has available for such use, in extremis use. So, I think that is, indeed, part of it. We find that, oftentimes, when forces are out on patrol, and they are ambushed or under attack, that, because of the vast distance, because of the need for air mobility—and we're short of helicopters in part of that requirement—that there is not time, then, to move, by ground, a reaction force, and we have to call in either rotary- or fixed-wing air support. It is less precise, obviously, and that becomes an in extremis situation at high altitude, and it's more problematic. So, I agree.

With regard to caveats, the nations have agreed in Riga that there would be no caveats for in extremis support. However, as I said, it's a large country, and there is a time-distance factor that, even though there is no restriction on moving some unit from the north to the south in extremis to help a unit that's in contact, the time and distance will likely preclude that, so we will then default to close air support. So, there are contributing factors there.

Senator WARNER. It is a difficult equation for you to manage, and we've simply got to resolve it, because it's not fair to the U.S. soldier to bear the heavy burden, whether he's operating an aircraft as an airman or on the ground, that the deficiencies of NATO partners could be contributing to this problem. That's a combination of caveats and not having a full complement.

How do you view NATO as a whole in terms of their contributing forces, training forces, and particularly the necessary equipment to bring NATO up to its projected standing and capabilities? What is the curve? Is it a less and less emphasis on military training and conscription in these NATO countries? Or is it about level? Or is there some increase? Because NATO is a composite of all of the nations, and it can be really no stronger than the contributions being made.

General CRADDOCK. Senator, there is a diversity among the nations, in terms of their equipment and level of training. However, when they commit to the NATO mission in Afghanistan, to the ISAF mission, there are some stringent requirements, in terms of training and equipment, that are provided to them, they must meet. By and large, they do that.

Now, the newer nations that may not have the depth of a budget, obviously turn to the United States or to Great Britain for support and equipment and training. That is provided. So that when they come in—after days and weeks of coordination—they come in capable, by and large, assuming a mission in the area of which they are given. Partner nations, non-NATO, that come in, also go through the same process. So, I think, from that perspective, that they are very capable and can do the job. The question becomes the caveats that they come with from their capitals, and the impact of those caveats, then, on the flexibility of the commander on the ground.

Senator WARNER. All right. We have pretty well addressed that.

Chairman LEVIN. Senator Warner, if you could then put us in recess when you're done.

Senator WARNER [presiding]. Going back to NATO, as a whole, as an entity, is it growing stronger? Is there more fervor among the nations of NATO to keep it strong and viable? Or are they just accepting it, and there's really no basic threat on the European continent, and they're not really beginning to make it a strong, viable operation? These are intangibles, but we all watch it. We look at the contributions, we look at the defense budgets. They've been on a decline, the NATO nations, for some many years.

General CRADDOCK. Senator, I've said this in other forums before, I think the level of ambition of NATO is not matched by its political will. I think there is again, among the nations, a different level of ambition, some matched with will, and others not. I think the fact is that only 6 or 7 of the 26 nations meet the 2 percent benchmark we've put on the defense-budget-to-GDP, that we think is about right. We have a couple of benchmarks. NATO has decided it would like to see armed forces of the nations have about 40 percent of their force available for deployment, and be able to sustain 8 percent of their force over time in a sustained deployment such as ISAF or Kosovo. That is a mixed bag. We have probably, right now—I don't know the exact numbers, but as many do that as not, so we are continually going in to work with nations and ask them, "Here are your numbers, here's what we know you have as your capabilities. We need your contributions." We need to do that. Sometimes we're successful. Since Riga, we have either had additional contributions to ISAF, on the ground or en route, of between 7,000 and 8,000 additional soldiers in various type units, some of them very capable and needed. That's a big plus. The majority of that is not the United States.

Senator WARNER. You recognize full well that NATO's on trial. This is their first significant out-of-area, truly-combatant situation. If they don't measure up, I think that it's going to require a very serious and in-depth reexamining the nations of NATO.

Now, let's turn to the Balkans. You have a problem up there in Kosovo. Where do you fit in that situation?

General CRADDOCK. Thank you, Senator.

The Ahtisaari proposal has been submitted to the U.N. They have it under consideration. The Security Council representatives have had a factfinding visit to Europe, Serbia, Kosovo. I would tell you that, from my headquarters, my perspective is that a resolution soon is a good thing, sooner rather than later, will be helpful.

Senator WARNER. What do you mean by "resolution"? Resolution on what?

General CRADDOCK. The U.N.

Senator WARNER. The issue of statehood?

General CRADDOCK. The U.N. resolution affirming or adopting the Ahtisaari proposal on future status.

Senator WARNER. Right.

General CRADDOCK. That would be helpful. Then there will be other events that may or may not occur. But the point is we're now operating under a U.N. resolution, 1244, that we know that, upon adoption of the Ahtisaari, will be outdated, and we will have to transition to a new mode of operation for NATO. I believe that the longer the resolution is delayed, the longer it takes to come to closure in the Security Council, the greater the opportunity for mischief, and the more likely there will be civil disturbance and violence in Kosovo.

Senator WARNER. Do you have adequate forces under your supervision and control to meet the contingencies of the level of insurrection that might occur?

General CRADDOCK. Senator, at this time, we have about 16,000 NATO forces, no caveats. They are well-led, well-trained, arranged properly, and they are capable.

Senator WARNER. Thank you.

I must depart for the vote. I hope to return, and thank you very much, General, for your outstanding service, and that of your family.

General CRADDOCK. Thank you. [Recess.]

Chairman LEVIN [presiding]. We'll be back in order again.

General Craddock, thank you for your understanding of the way the Senate operates.

Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman. Let me time myself here.

General Craddock, I'll repeat what everybody else said, thank you for the individual time you've given me and the rest of this panel.

As we talked about before, I have an intense interest in both Vicenza and Aviano. I was there—and, Mr. Chairman, you're probably not aware of this—in 2003, when they had to deploy the 173rd to Northern Iraq, since we could not get through Turkey—and the staging area, of course, for Vicenza, is down in Aviano. We were down there when that happened. It occurred to me that they were sitting out in this open field. If it had been raining, we couldn't have done it, I don't believe. I asked the question, How could we do this if it's really bad weather? We couldn't. Since then, we came back right after that and inserted into the authorization bill the deployment processing facility, which I went over and viewed last week. It's a beautiful thing. It's much better and bigger than I thought it would be. It appears to me it has the capacity to take care of our long-term needs in the way of staging over there. Would you comment on that? How do you see the future of that?

General CRADDOCK. Thank you, Senator.

No, I agree. The facility, as designed and implemented, is exactly what's required. There has been some concerns here recently over

the receptivity and the approval now for the permission to proceed with the expansion of the airborne brigade into the Dal Molin facility near Vicenza. I, right now, today, would tell you I'm encouraged. I think that there's been much engagement. I think the misunderstandings, to a great extent, have been resolved. There will always be those who disagree. We understand that.

Senator INHOFE. Disagree with what?

General CRADDOCK. With the expansion of the brigade into the Dal Molin facility.

Senator INHOFE. Okay.

General CRADDOCK. In the business we're in, there will be competitors for resources and scarce facilities that obviously might have a different perspective. However, I think there's been a good engagement. I think there's an understanding by the Italian Government that it is in probably their best interest, and it will support U.S. forces there. They know that, and I think that we will see their agreement very shortly.

Senator INHOFE. I hope so. As I mentioned to you before, I think if they see all this new construction taking place, they're thinking, ''You know, there's no threat that they'd leave.'' We have to communicate to them that we need to have their cooperation. We went through this when we were trying to replace the live range at Vieques.

General CRADDOCK. Right.

Senator INHOFE. I think it was down at southern Sardinia, and at that time we were not getting cooperation.

But, anyway, I think those are great facilities. I always say to these guys that are stationed over there, they are really in a pretty good area.

Now, I want to get you on record on a couple of things that are important, because these are programs that I have been active in.

First of all, International Military Education and Training (IMET). Since you currently have most of Africa—and we're going to talk about that new command in a minute—when we first started the IMET program, it was almost as if we were doing them a favor, these countries, when, in fact—and so, we had restrictions, like in Article 98. Unless they'd sign an Article 98, we would not allow them to be in the IMET program. Now we see other countries, like China, that if they're not in our program, they're going to be in their program. This has worked since we took away that obstruction. I'd like to have a comment by you, in terms of the IMET program, and then also the 1206 and 1207 program, particularly as it works in Africa.

General CRADDOCK. Senator, the IMET program may be the most important instrument in theater security cooperation. It is our ability to work with friends and partners, to have them come to our institutions, understand our culture, understand democratic institutions. We learn from them, they go back, they have built relationships that last for years and years. I have seen that in my previous assignment as the Southern Command (SOUTHCOM) Commander. I'm convinced that when we bring those people here, when we engage in that program, everyone involved is a winner. We need to ensure we sustain it, and, where possible, we can add to it. It

is critically important; again, the most important tool in the theater security cooperation toolbox.

Senator INHOFE. All right.

General CRADDOCK. It should be sustained. I think there will be opportunities in the future, potentially, in certain areas, to grow up even more.

Senator INHOFE. Okay.

General CRADDOCK. 1206/1207, again, another important new addition, if you will, that I've found critical to the ability for us to build partner-nation capability. It gives us some authorities where we can provide capabilities, training, some levels of equipment that we did not have before. I would hope it is sustained. From my perspective, it should be enlarged, because it is so important, both from the perspective of building the capability, but also sustaining over time.

Senator INHOFE. How about the Commanders Emergency Response Plan (CERP)?

General CRADDOCK. In Afghanistan, the difference between the haves and the have-nots is startling. Those nations who provide a CERP-like capability, the quick-reaction capability, for their military forces are doing such a favor for them; and, in giving them such a critical enabler, that it's startling, the difference. If you would look at regional commanders where U.S. forces are, and the CERP investment and what it has done in reconstruction and development, and what it has done combined with the security effort, and look where that's not there, it is startling. Every nation's military who doesn't have it is jealous and wants it. We are trying to get a NATO fund in place to provide that type of capability. But it is critically important. Again, it's, in many cases, better than bullets.

Senator INHOFE. The fact that you can get to it, the commander has the discretion, he can get to it immediately. Would you agree with the statement that a dollar in that program is probably worth $5 if you have to go through the process in—of going to—wait until you can really get something done? It's a good program. You have answered the question. I appreciate it.

General CRADDOCK. I would agree, and that's the problem with other techniques. There's too many levels of approval and too much red tape; it's not instantaneous.

Senator INHOFE. I am very interested in the IMET, the 1206/1207, and the CERP programs.

Now I am also interested in Africa. I've spent a lot of time there, and I've always thought it was confusing. My last trip, which was about a week ago in Africa—it was Ethiopia, Uganda, Kenya, Djibouti, and Tanzania. Now, half of those were in one command, and half in another command. So, I'm anxious for this to take place. It's my understanding that it's going to be October 2008 by the time you actually have a segregated command. Is that about right? Is that what we're shooting for?

General CRADDOCK. Yes, Senator, that's the target date. In between October 2007 and October 2008, there will be a transfer of task, consecutive conceding over time, from EUCOM to AFRICOM. But by about October 2008, they will have the mission set complete.

Senator INHOFE. Okay. You're going to be in charge of almost all of it, except up in the Horn, during that time. Do you want to make any comments about what is ongoing there right now that is in the current command that you have assumed, in terms of the African brigades, how they're coming along, and so forth?

General CRADDOCK. EUCOM has worked for many years with the African Contingency Operations Training Assistance, which targets several countries to build battalions, then into brigades for peacekeeping operations. We have trained over the years about 75,000 African soldiers. We are now in the mode where we provide mentors to their trainers. We've trained their trainers. It's a consistent follow-up effort, if you will, to make sure that the standards are maintained, the equipment is maintained, and the effort is enduring. So, that continues, and that will transfer over to AFRICOM once they are fully mission capable.

In addition, in northwest Africa we have Operation Enduring Freedom Trans Sahel. It's a counterterrorism work that we're doing to build capacity with nations there. There's about nine nations throughout that region, where they have some terrorism problems. We nest that underneath the counterterrorism program with the State Department for that area, so that is providing some combined effects and working well.

Then, throughout the remainder of the region, the subregions, whether it's the south, the east, central Africa, we are working with unique either functional or geographical efforts, then, for train-and-equip, if you will, and some mentoring and advice to the militaries there.

Senator INHOFE. Yes, I know what you're doing in Uganda, and it's working real well all the way down.

Mr. Chairman, my time is expired, but, just for the record, I'd like to have him tell us his opinion as to the cuts that took place in both missile defense and Future Combat System, in the record.

Chairman LEVIN. Thank you very much, Senator Inhofe.

General Craddock, you would supply that for the record, please?

[The information referred to follows:]

The ballistic missile threat from Southwest Asia to U.S. forces, interests, and allies is significant and growing. The EUCOM AOR requires a mix of systems (interceptors, radars, and command and control) that provide defense against short, medium, intermediate and intercontinental missiles in all phases of flight (boost, midcourse, and terminal). Recent European Site Initiative missile defense funding reductions impede U.S. efforts to put a system in place before the arrival of longer range missile threats from Southwest Asia. It could also damage important, ongoing diplomatic initiatives with the Czech Republic and Poland. In addition, these reductions call to question our credibility within NATO and could make the U.S. approach more difficult for NATO to accept. Cutting funds also sends the wrong message to Russia—that its campaign to use missile defense as a wedge between the U.S. and our allies is working.

I defer to the Office of the Secretary of Defense or the Army regarding funding cuts to Future Combat Systems.

Chairman LEVIN. Senator Nelson?

Senator BEN NELSON. I thank you, Mr. Chairman.

General Craddock, thank you for being here today, and for your service to the United States and to our efforts to keep the world free.

I'd like to go to the missile defense system, because that is an area of some interest, particularly since I'll be leading a congres-

sional delegation to Russia over the Memorial Day weekend. In connection with the missile defense system, the House Armed Services Committee tied further advancement of the European sites with reaching agreements with the host countries and further engagement of NATO. Now, will this slow down the process? But, if it does slow down the process, will it build stronger support for the sites? That's my first question.

General CRADDOCK. Senator, thank you.

Obviously, much of the groundwork for the missile defense in Europe went on before I assumed command 5 months ago; however, I don't know if it will slow down. I think there has already been some official acceptance for the proposal from both the Czech Republic and Poland. Now it's a matter of continuing to cement the agreement, and then, from my perspective, EUCOM, we would work in a team to develop a defense cooperative agreement and then the technical arrangements under that.

I think if there were—again, this is my opinion—a perception of wavering support for such an effort in the United States, it may well create wavering support in those countries. I don't know that. But that could slow things down.

With regard to NATO, the Secretary General held a series of meetings, the end of April and early May, with the North Atlantic Council. He indicated that the allies are in agreement with regard to the nature of the threat. I think that's a significant thing in a consensus organization. So, my sensing there is, that's in the political arena of North Atlantic Council, but agreement among 26 is a positive indicator.

Senator BEN NELSON. Now, earlier this week the Washington Post quoted Secretary Rice, who is in Russia this week, as saying that "no country could veto"—and that's a quote—"U.S. plans to set up a missile defense system in Europe." It's my understanding that both Poland and the Czech Republic were chosen as sites, because they're optimal locations for combating, at least in part, some sort of an Iranian long-range ballistic missile attack.

Are you concerned with respect to Russia's position regarding this, the location in the Czech Republic, as well as the location in Poland, for those sites?

General CRADDOCK. Obviously I'm concerned when any nation has the vehement disagreement with the proposal that we have heard.

Senator BEN NELSON. Excuse me, do you think their disagreement is vehement? Because I'll be with the Russian Foreign Minister, Sergei Lavrov.

General CRADDOCK. Lavrov, yes. Senator, I'm not going to want to judge the political arena. I think, from a military perspective, there has been transparency in consultations with the Russian military. I think the physics and the geometry of this are understood. Now I think it's a political issue, not a military issue.

Senator BEN NELSON. This would call for a political resolution on your part, but if you were in my shoes, going to see Foreign Minister Lavvov, what would you suggest that I say to him?

General CRADDOCK. Oh, goodness. Is this on the record? No, just kidding. [Laughter.]

Senator BEN NELSON. I ask you not to lie, but it's going to be difficult to tell the truth, as well.

General CRADDOCK. Well, I don't know. Again, I'm not in the political arena. That's very difficult.

Senator BEN NELSON. What I was thinking is—apart from the politics, is there anything, in terms of the metrics here, or the—as you say, the geometry and the physics of it, that would argue against their concerns about the location? In other words, does this represent any significant threat to them? Or is there less threat because of the location?

General CRADDOCK. Again, I wasn't there, but, as I understand, when the initial consultations occurred between the Missile Defense Agency and the Russian experts—and I think there will be more of those expert group meetings—it was laid out as to where and why—the geometry, the physics—and there was very little pushback. The notion that the location and the orientation of this is a threat to a Russian strategic capability is mindless. It's just not there.

Senator BEN NELSON. That's what I'm getting at, yes.

General CRADDOCK. It's just not there. The notion that 10 interceptors would make a difference against the Russian strategic capability, again, is baseless.

Senator BEN NELSON. So, really, the logic behind the placement is for the purpose that we've stated, and that is to protect against something coming from Iran.

General CRADDOCK. Indeed.

Senator BEN NELSON. That should be demonstrable to the Russians, so there may be political considerations, as you have suggested, for their position right now.

General CRADDOCK. That's what I personally believe. Again, I have not been involved in the discussions and the dialogue personally, but I can't come to any other conclusion than that, and, because, again, as I've been told by those who were there, initial consultations and discussions were not of this nature.

Senator BEN NELSON. That's the main question that I had, to ask you today.

In terms of the House, the House Armed Services Committee cut $160 million, which was mostly construction funds, as I understand it, from the proposal. But that, apparently, was on the basis of some criticism from some of the NATO allies about the system. Or is that information not accurate?

General CRADDOCK. I'm not aware of the rationale for the cut. According to the Secretary General, the fact that the NATO North Atlantic Council was in agreement on the threat, I think, is a significant indicator with regard to, then, any other NATO reason for being against it—would have to be location. I'm not aware of that at all.

Senator BEN NELSON. It certainly doesn't involve not having had discussions and seeking a consultation with the NATO allies.

General CRADDOCK. There have been several. I know Ambassador Edelman, the Under Secretary for Policy, has been there; Defense Missile Agency Director, General Obering—there have been several, recently and prior. So, this has been ongoing and, as I said, late April/May, quite a few consecutive meetings.

Senator BEN NELSON. In your opinion, what will happen with a reduction from $310 million cut by $160 million, leaving a balance there of, really, less than half of what was requested? What does that do to the program?

General CRADDOCK. Directly, it will delay implementation. How long will be dependent upon how much is restored and how fast the recovery could be. I think indirectly there may be some problems created with regards to perceptions of how serious we, the United States, are about this effort.

Senator BEN NELSON. Is the cut so significant that you can't use the balance to go ahead with construction, pending additional money coming at a later time?

General CRADDOCK. Senator, I don't know, because we have yet to receive the full concept for logistics implementation, in terms of how the Missile Defense Agency would want to do it, whether it would be a government-owned/government-operated or a government-owned/contractor-operated facility.

Senator BEN NELSON. So, restoration is really what you would be seeking.

General CRADDOCK. To stay on a timeline.

Senator BEN NELSON. Yes.

General CRADDOCK. Again, the Missile Defense Agency has laid out, I don't know that restoration would allow recovery. I would have to see where the cuts were, and then have the Missile Defense Agency, the Department, decide how to do that, then we would know—EUCOM—how to proceed, then, with the technical agreements to implement that.

Senator BEN NELSON [presiding]. Thank you, General.

Senator Webb.

Senator WEBB. Thank you, Senator Nelson. General, welcome.

I'd like to ask you a few questions, General, about the implications of some of these international power shifts that are going on, and how you perceive some of these pressures from the perspective of your command. Actually, the best starting point would be to carry on a little bit from what Senator Nelson was asking about the Russian situation. We might—or there may be among us people who believe that it's mindless, to use your word, for the Russians to perceive missiles in those countries as a threat, but, at the same time, there's a lot of history in play when we see NATO expansion into those countries that traditionally have been buffer nations, or viewed by the Russians as buffer nations. It's a whole lot closer to Russia than it is to Iran, when you have a missile in Poland. So, while, on the one hand, the size of those deployments, and the nature of them, we may see as rather benign. I think certainly there's some logic from their perspective, in terms of history, that there's something of a threat of one nature or another going on. Actually, before I even heard that exchange, it was a note that I made myself that I wanted to ask you to give me your thoughts on the impact, in military terms, of United States/Russian relations as a result of these NATO expansions that have gone into areas that are fairly close to Russia.

General CRADDOCK. Thank you, Senator.

It is, indeed, a complex issue. We've had, from my perspective over the past several years, reasonably good military-to-military re-

lations. There are obviously lingering tendencies from days past, at old-timer levels like me, guys who have been around a long time and spent many years on the ground in Europe, looking across the border, and now those days are over, and we want to work together and establish those relationships to complement each other.

I know that, indeed, there is this NATO expansion and a concern that—from the Russians—they are being surrounded by NATO, if you will. I, quite frankly, look at NATO, and every nation there is a democracy. If I'm concerned about being surrounded by democratic nations, I don't know why. It may be, again, these age-old tensions and beliefs, that we have to get over.

Senator WEBB. We are seeing an escalation of rhetoric from the political leadership of Russia; it's undeniable—would you say that, since 2004, with the latest NATO expansion, that there has been any visible increase, in terms of the military attitudes of Russia? You mentioned this old-time and I'm wondering what we're seeing on the ground.

General CRADDOCK. I don't think there's been an increase of any tension or shrillness, militarily. I would say there maybe has been not as much progress as we would like to have, maybe a stagnation of progress that we had in years before that, I felt we were moving. Again, my time, previous assignments, we were engaging, we had some more exercises. Now we've been a little bit stalemated, and it's not that we're regressing or more shrill, but we're having to work harder to push the ball farther. Now, EUCOM, right now, is having a bilateral meeting with Russian Federation officers—we do this routinely—in Stuttgart, I believe, now. So, we have some things on our table, exercises we need to work through, arrangements. How can we engage? It's not getting any easier, but we're holding our own.

Senator WEBB. Would you see any visible difference in the evolution of relations with other European countries, as opposed to the United States, vis-a-vis Russia?

General CRADDOCK. I'm not sure I understand the context of "visible relations with."

Senator WEBB. The attitudinal environment, in terms of how Russia is dealing with the militaries of other European countries as opposed to the United States.

General CRADDOCK. I think there are some tensions. Obviously, Estonia, here recently, with a statue and some tensions that were raised over that—I don't know of any military-to-military tensions, if you will, or degradation of relations. But, again, I guess my assessment would be, I don't see a strengthening or an increasing embrace of those relations.

Senator WEBB. I've followed for a long time with alarm the way that China has been evolving into a world power. I've been speaking, for some 20 years really, about China's conscious strategic axis with the Muslim world, that was very apparent to a lot of people who have spent time in Asia, as I have. I've been watching, along with a lot of others, the economic expansion of China into Africa, which you mentioned in your testimony. I'm wondering if you are seeing any military implications that are coinciding with this economic expansion in Africa.

General CRADDOCK. Senator, I have not got the level of detail in the African continent now to be able to determine if the economic expansion and engagement is paralleled by military. I expect it is, and I'll dig into it to find out in the coming days and months. But let me harken back, in my previous assignment, U.S. SOUTHCOM, South America. My judgment there is, yes, there was significant military engagement, and it paralleled the economic engagement. The Chinese were economically engaged throughout the region, the Caribbean Basin, South America, not in Central America, because most of those nations still recognize Taiwan. There was considerable economic engagement, but not necessarily investment. It was extractive in nature—foodstuffs or minerals—resources. Generally, the Chinese come in, they bring their own workers, they execute the contracts that they have, they extract whatever product it is they're after. Sometimes the workers leave, and sometimes they stay. They're engaged in several—throughout the region—humanitarian projects that provide some services or capabilities to nations who have no other way to get that. Parallel with that, there was an engagement, militarily, very few strings, mostly nonlethal, in terms of equipment that was provided, and a robust training capability, which essentially opened up the doors in China for South American leaders and military forces to go to China and train. When I checked into it, I found out that the Cubans were the translators in the schools, providing the translation between Chinese and Spanish.

Senator WEBB. Fine. I have been following South America, as well, and I would agree with your assessment. Although I think that what you're going to be seeing more of is, with the incredible trade surplus that China has, and the cash reserves that they have on hand, you're going to see a lot more direct investment, even in South America.

What I would appreciate is, perhaps, rather than asking for something for the record, which sometimes happens and sometimes doesn't quite happen the way we anticipate that it might, if I might get a visit from someone on your staff who could do a look at what's going on in Africa with this respect, and come in and sit down with me and my staff so we can gain an understanding of where things are.

General CRADDOCK. Absolutely.

Senator WEBB. Thank you very much. Thank you for your testimony.

Chairman LEVIN [presiding]. Thank you, Senator Webb.

I just have a few additional questions. If you have a few additional questions, Senator Webb, we'll just turn it right back to you. Or are you all set?

Senator WEBB. Mr. Chairman, I'm fully satisfied. Thank you.

Chairman LEVIN. On the question of missile defense agreements with Europe which has been raised here, the estimate of the Missile Defense Agency is that the parliamentary approval could take until 2009 to be completed. Does that sound about right?

General CRADDOCK. Mr. Chairman, I don't know. I can't opine on that.

Chairman LEVIN. All right.

The interceptor which is proposed for deployment in Poland has not been developed yet, as I understand it. Is that your understanding, or are you not familiar with that aspect of it?

General CRADDOCK. I know there's been several tests of an interceptor. I don't know if that's the model tested or not.

Chairman LEVIN. Right. I don't think it's even planned to be tested for a year, or a couple of years, at any rate. So, we're not going to know for, actually, several years whether it's going to work effectively. As a military man, would you want to have confidence that the interceptor would be operationally effective before we would deploy it?

General CRADDOCK. Yes, I'd want it to work.

Chairman LEVIN. The question of the cost, if this is going to happen, the Missile Defense Agency's estimated the cost of the European missile defense deployments at $4 billion through 2013. I think your prepared testimony indicated there may be some additional costs related to undetermined infrastructure requirements. So, the cost could even be higher. Have there been any discussions with NATO about NATO burden sharing or NATO paying a portion of the cost if there's going to be this defense that is going to be deployed on their territory?

General CRADDOCK. Not to my knowledge. Again, there have been discussions here recently. I don't know if it's gotten into the next step, which is not what to do, but how to do it. Essentially, you said ''deployed on their territory,'' you're right, but that's Poland and Czech Republic territory.

Chairman LEVIN. Correct.

General CRADDOCK. As opposed to NATO territory.

Chairman LEVIN. Oh, I'm sorry. Okay. But it's a part of a NATO defense system.

General CRADDOCK. But it's a sovereign issue with the Czechs and the Poles both.

Chairman LEVIN. With both. No, I respect that very much. That's why we talked about parliamentary approval.

General CRADDOCK. Right.

Chairman LEVIN. But in terms of payment, in terms of any kind of apportioning of cost, of burdensharing, it's either going to be a NATO burdenshared, because it's proposed for NATO as a weapons system, or a defensive system. Before I even get to the individual countries, shouldn't there be discussion, either within NATO or those individual countries, or both, about paying the cost for the defense of territory, which is Polish and Czech territory, and which is part of a NATO defense system?

General CRADDOCK. If NATO, again, these are political decisions in North Atlantic Council, but if NATO embraces this, and approves this, and wants to be a part of it, then it would be eligible for common funding, it would seem to me. I don't know if that'll be the decision.

Chairman LEVIN. Okay. We've heard some testimony here about some real readiness problems faced by our ground forces, and the efforts of the Army and Marine Corps, in particular, to deal with these readiness challenges. I'm just wondering—and you're familiar, I know, with the situation, up close and personal—what im-

pacts have the readiness degradation had on your accomplishing, or you ability to accomplish missions?

General CRADDOCK. Mr. Chairman, in looking at the forces from EUCOM that rotate through, there are—Operation Iraqi Freedom and Operation Enduring Freedom are largely Army and Air Force—I would say that the effects on readiness of those forces has been minimal. The effects—because these forces are rotating on a continual basis into Iraq and Afghanistan, then they come back for their dwell period. There's adequate equipment to train, to get back, then, for the next rotation. Obviously, time is always the issue. The training areas are adequate in Germany at the U.S. Army training facilities there. So, from that perspective, I think that even though there is high tempo, and it is a burden, I think it's adequate, because we are in a little bit of a different set there with the overseas posture. Beyond that, I think that the fact that they are rotating through creates fewer forces available to do some of our traditional missions—theater security cooperation, the engagement. We have to work through that. Oftentimes, then, we request forces back from continental United States Reserve Forces, obviously, to do those types of missions, when we can program it out to do that. So, I think the wear and tear, if you will, is probably more on the manpower of the force than on the equipment and the training areas.

Chairman LEVIN. Okay, thanks.

Back to Afghanistan and Pakistan. In February, the Director of National Intelligence, Mike McConnell, in his written testimony to the committee, said that the elimination of the safe haven that the Taliban and other extremists have found in Pakistan's tribal areas is a necessary step to end the insurgency in Afghanistan. It's not a sufficient step, but it's a necessary step. Would you agree with Director McConnell's assessment that eliminating extremist sanctuaries in Pakistan's tribal areas is necessary to end the insurgency in Afghanistan?

General CRADDOCK. I don't know that that will end it, but it will be a necessary step to enable us to end it, yes.

Chairman LEVIN. Do you believe that Pakistan can do more to eliminate those sanctuaries?

General CRADDOCK. Mr. Chairman, I believe they are doing more, recently; and I think they can continue to do more.

Chairman LEVIN. They could do even more than they're now doing?

General CRADDOCK. I believe so.

Chairman LEVIN. Again, thank you for your testimony, for being here today, for your service. You have a huge responsibility, and we are very grateful for the way you attend to it.

General CRADDOCK. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

We stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

REDEPLOYMENT OF TROOPS FROM EUROPE

1. Senator LEVIN. General Craddock, in testimony before the House Armed Services Committee in March, you expressed reservations about the Department of De-

fense's (DOD) plans to significantly reduce the number of U.S. forces stationed in the European Command's (EUCOM) area of responsibility (AOR). Under the DOD base-restructuring plan announced in 2005, the number of U.S. troops stationed at main operating bases in Europe would be cut from over 100,000 to around 60,000 soldiers. Since then, your command has been heavily committed to providing forces in support of rotations to Iraq and Afghanistan. In addition, the administration has announced plans to increase the size of the Army and Marine Corps. As part of this increase, the Army proposes to create six new light infantry combat brigades. Given the role our forces in Europe have played in operations in both Afghanistan and Iraq, do you believe it would be in our strategic interest to base one of more of these six additional brigades in Europe where they are easily deployable to the Central Command (CENTCOM) region, or the new Africa Command (AFRICOM) region?

General CRADDOCK. I have directed EUCOM to conduct a "Troops to Task" assessment to reconcile the assigned missions and tasks of EUCOM and its components with planned force strength levels and composition. The inspiration for the study comes from the recent National Military Strategy Risk Assessment in which the Chairman of the Joint Chiefs of Staff (CJCS) stated, "We will continue to build partner capacity and strengthen unity of effort with our interagency and international partners to defeat common enemies." To ensure EUCOM is ready to meet the Chairman's expectations, I tasked my EUCOM staff to determine if the troops available to EUCOM were adequate to meet the demands of the tasks implied in the CJCS risk assessment.

The study consists of two parts, first the study determined if the assumptions and conditions that served as the basis for the 2001–2003 force structure decisions remain accurate. Where assumptions and conditions have changed, the study will identify the implications of those changes. Second, the study focuses on the capabilities required to support EUCOM missions in the future. When possible, it identifies actual forces required to meet those missions. In addition to those specific missions addressed in EUCOM Contingency Plans (CONPLANs), this study reviews requirements to execute other EUCOM missions such as Theater Security Cooperation. The study also addresses requirements associated with the maintenance of U.S. leadership in the North Atlantic Treaty Organization (NATO). The results of the study will be informed by the ongoing development of campaign plans for the EUCOM Theater Strategy for Active Security. The study is not finalized at this time.

2. Senator LEVIN. General Craddock, what role are you playing in the decision of how many, if any, of these additional 65,000 Army personnel should be based in Europe?

General CRADDOCK. Those decisions are up to the Department of the Army and the Office of the Secretary of Defense (OSD). The Troops to Task assessment will identify required capabilities, not particular units or end strengths. We will then ask the Service components to provide those capabilities as needed. It will be a Secretary of Defense and Military Service Department's decision for how best to provide the capabilities required for EUCOM.

3. Senator LEVIN. General Craddock, is DOD going to make a recommendation on where to base these forces before we make any irrevocable decisions to return property in Germany?

General CRADDOCK. I cannot comment on this for the DOD. I will provide my study findings to the CJCS and the Secretary of Defense.

4. Senator LEVIN. General Craddock, do you believe the DOD's base restructuring plan for Europe needs to be reexamined?

General CRADDOCK. EUCOM continually conducts internal assessments of base restructuring plans in Europe. The results of EUCOM's assessments may form the basis for the Secretary of Defense to reexamine the basing plan, resulting in adjustments to the size and composition of forces slated to remain in Europe under Global Defense Posture Phase I. Any adjustments to the original base structure will be communicated to Capitol Hill.

READINESS

5. Senator LEVIN. General Craddock, the lower basic readiness in our nondeployed forces has increased the costs and time required to get ready for worldwide contingencies. As EUCOM Commander, you are facing the increasing likelihood that ground forces deployed at your bases in Europe or from the United States will be slower to arrive and less prepared than your current CONPLANs assume. This lack

of strategic depth in our ground forces carries significant operational risk that it would take longer to achieve a military victory and that would result in increased casualties. What are your views of the readiness challenges faced by our ground forces and the efforts of the Army and Marine Corps to deal with them?

General CRADDOCK. Unit readiness and the resultant impacts on rapid response and the deployability of our forces are current challenges and are a concern to all the combatant commanders (COCOMs), myself included. This situation is not one that can be overcome quickly, but the Department, General Conway, and General Casey are addressing these challenges through the end strength increases and readiness funding authorized by Congress. The specifics of how and when we will be able to mitigate these challenges are of interest to me, but best articulated by the Army and the Marine Corps.

6. Senator LEVIN. General Craddock, how do these challenges impact your ability to accomplish your missions today? Is the risk acceptable and how will you know when it crosses a line and becomes unacceptable?

General CRADDOCK. The risk is significant, given the size of the EUCOM AOR, the numbers and types of activities ongoing, the continuing instability in a number of our countries/regions, and the operations that we feel are critical in meeting our Theater Strategy of Active Security. As I noted in an earlier response, the forces required to execute missions essential to our Theater Security Cooperation requirements are in the most part unavailable due to current and projected deployments of EUCOM assigned forces to support Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF).

The net result, initiatives either unexecuted or delayed, truncates both the progress we have made to date and hinders our ability to commence new actions with partners who desire improved capabilities. In real terms this denies us the leverage to either bring along others who are willing to operate with us in the Middle East or those who need our training and support to address issues within their own borders—thereby reducing the overall future demand signal for direct U.S. military involvement. With respect to our NATO partners, activities and exercises that bolster our relationship within the alliance are adversely affected by our inability to fully participate in bilateral events that reinforce our commitment, that promote NATO operational transformation, and that foster stronger relationships with key nations.

Given the current mission set U.S. EUCOM is tasked to support, the risk to our ability to address those emerging threats and challenges within the EUCOM AOR with minimal forces and resources has dramatically increased. It is important to emphasize that providing the necessary resources and capabilities now greatly reduces the very likely possibility of a significantly greater resource requirement in the future because we are unable to adequately address current threats and emerging challenges. Ongoing requirements for OIF and OEF, while real and necessary, have severely impacted our Theater Security Cooperation activities—what I see as my priority mission in this AOR.

7. Senator LEVIN. General Craddock, what are the long-term implications of these lower levels of readiness for your command? What are you doing to manage this risk and at what cost? How long can you sustain this level of risk, assuming it does not get worse before it gets better?

General CRADDOCK. The risk is manageable, but only in the short-term. The lack of adequate forces in EUCOM needed to conduct a rigorous Security Cooperation (SC) program threatens our leadership role in NATO and with the Partnership for Peace (PfP) nations. We were able to secure the robust contributions of Poland and Romania to OIF because we had acted decisively to help them rebuild their militaries from the old Soviet model to one compatible with NATO. We used U.S. forces already in Europe to develop habitual relationships with the PfP nations that built trust between our Nation's military and those of the PfP nations. These interpersonal relationships continue to be very important in securing partner cooperation. If we do not continue these programs we risk not having capable and willing partners in the future.

TROOP LEVELS IN AFGHANISTAN

8. Senator LEVIN. General Craddock, British General David Richards, former International Security Assistance Force (ISAF) Commander, has recently written that as a result of a shortage of forces in 2006, coalition forces "found it difficult to maintain security where we have gained it, and we were using the Afghan secu-

rity forces (ASF) more than is ideal for its development and growth." The town of Musa Qala in Helmand Province was overrun by Taliban forces after British troops withdrew under an agreement with local elders. Last month, it was reported that Afghan soldiers and police retook an Afghan town approximately 100 miles from Kabul, a town which had been overrun by Taliban fighters earlier. Do we have sufficient ISAF and ASF to be able not only to clear Taliban forces from provincial towns but also to hold on to those areas once they've been secured? If not, what steps are you recommending to address this shortfall?

General CRADDOCK. With the forces currently available, Commander, ISAF (COMISAF) generally has the ability to initially "secure" an area but must rely on Afghan National Security Forces (ANSF) to "hold" it. The Combined Joint Statement of Requirements (CJSOR) for ISAF still has significant shortfalls, to include maneuver battalions in the southern region, air-transport capability, counter-improvised explosive device (C–IED) equipment, and intelligence, surveillance, and reconnaissance assets. One of our most significant shortfalls and my highest priority lies in commitments of observer, mentor, and liaison teams (OMLTs), which are central to building the Afghan National Army (ANA) capacity to provide security for their own country. In my experience as SACEUR, I am continuously—along with subordinate NATO leaders—engaging with NATO members and partners for greater ISAF contributions.

MISSILE DEFENSE

9. Senator LEVIN. General Craddock, the long-range missile defense system proposed to be deployed in Europe would be part of the Ground-based Midcourse Defense (GMD) system, designed to defend the U.S. Homeland against long-range ballistic missiles. The GMD system was never designed to be integrated into any NATO missile defense system. It is designed to be controlled by the United States, from the United States. On April 19, 2007, the NATO Secretary General said that all 26 NATO allies share the view that "any U.S. system which will be negotiated with our Polish and Czech colleagues, should be complimentary to any NATO missile defense system."

The Missile Defense Agency (MDA) has estimated the cost of the proposed European missile defense deployments at $4 billion through fiscal year 2013. Your prepared testimony indicated that there may be additional costs related to undetermined infrastructure requirements. If so, the cost would presumably be higher. So far, it appears that the United States is expected to pay the full cost of this proposal to defend European territory. How will the proposed long-range U.S. system be integrated with NATO missile defense systems?

General CRADDOCK. OSD and the MDA are leading U.S./NATO Ballistic Missile Defense (BMD) cooperation. EUCOM has not received authorization or guidance from OSD/Joint Staff to engage in BMD cooperation activities with NATO.

The United States fully supports designing the U.S. missile defense assets in Europe to be compatible with future NATO BMD system. The NATO Active Layered Theater Ballistic Missile Defense (ALTBMD) program will provide a common command and control architecture to integrate systems for defending NATO deployed forces against short- and medium-range ballistic missile threats. Since the United States is considering a long-range missile defense system, whereas the ALTBMD program is focused on shorter-range systems, the U.S. system could be used to complement the NATO layered defense program. The United States has consulted closely with NATO allies and staff throughout this process and will continue to do so as we move forward.

10. Senator LEVIN. General Craddock, what role would EUCOM and NATO have in decisionmaking about the operational use of the proposed long-range system?

General CRADDOCK. Due to the short flight time of ballistic missiles (approximately 15 minutes from the Middle East to Central Europe), operational commanders are unlikely to have time to consult with NATO and host country authorities in real-time before engaging a threat. As an integral part of the U.S. BMD system tasked to protect the United States and allies both within and outside of NATO, U.S. BMD assets fielded in Europe would remain under U.S. command and control to allow them to address these multiple commitments. The United States will continue to consult with NATO and host countries in advance to share perspectives on operational issues such as command and control of U.S. interceptors based in Europe.

11. Senator LEVIN. General Craddock, have there been any discussions of NATO burdensharing, or NATO paying a portion of the costs for the defense of their territory? If not, why not?

General CRADDOCK. Burdensharing has been an important topic for the alliance over the years. For example, the emergence of a European Security and Defense Identity within NATO was prompted by alliance discussions in the 1990s on Europe taking on a greater share of the defense burden. NATO expenditures for command structure, routine and crisis management operations, and infrastructure are funded commonly by the NATO nations, with the share of funding determined by a preset formula. National defense budgets are not set by NATO, although defense spending of 2 percent of the gross domestic product (GDP) within the alliance is an agreed upon target. In this context, national defense spending or alliance expenditures are a regular topic of discussion within the North Atlantic Council.

IMPACT OF POTENTIAL MILITARY COUNTERNARCOTICS MISSION

12. Senator LEVIN. General Craddock, my understanding is that the U.S. military does not currently have a counternarcotics mission in Afghanistan. Our forces have been instructed to seize narcotics and destroy labs that they come across during the course of their normal operations, but they do not have an explicit order to seek and seize or destroy narcotics, drug lords, or narcotics labs. Should U.S. forces have an explicit counterdrug mission in Afghanistan?

General CRADDOCK. Other than the forces assigned to the ISAF mission, U.S. military units come under the control of CENTCOM. I will therefore defer to Admiral Fallon on the issue of direct use of U.S. military forces in counterdrug activities.

The Government of Afghanistan (GOA) is responsible for planning and programming the overall Afghan National Counternarcotics strategy and law enforcement elements of the counternarcotics campaign. The international community supports the GOA through a variety of bilateral and multi-national programs. NATO/ISAF supports Afghan counternarcotics efforts through the sharing of information/intelligence, logistics and transportation, and can assist with training ANSFs in related skills.

13. Senator LEVIN. General Craddock, if the U.S. military were to take on the mission of capturing drug lords and dismantling drug labs in Afghanistan, what would be the impact on the drug trade in Afghanistan?

General CRADDOCK. EUCOM defers to CENTCOM on matters concerning non-ISAF U.S. military units operating in Afghanistan.

SHIFT FROM ERADICATION TO INTERDICTION

14. Senator LEVIN. General Craddock, in November 2007, the United Nations (U.N.) and World Bank released a report on the drug industry in Afghanistan that concluded that international efforts to combat opium production—including almost $400 million just in DOD counternarcotics funds have failed. The report recommended focusing on interdiction, and targeting opium refining facilities and wealthy drug lords. Last month a Center for Strategic and International Studies (CSIS) report on Afghanistan also recommended shifting the effort from eradication to interdiction and paying farmers for poppy, and not to grow poppy. Have you read these reports, and do you agree with their conclusions?

General CRADDOCK. I have read both the CSIS and U.N./World Bank studies and believe that while many of the study's recommendations have merit, a balanced approach to confronting the drug industry on all fronts is required. As I have stated above, the United States and NATO play a supporting role to the Government in Kabul which will craft a national counterdrug strategy.

15. Senator LEVIN. General Craddock, should international forces focus on interdiction, capturing drug lords, and destroying drug facilities?

General CRADDOCK. The international community agreed that, in its support to Afghanistan, the British would undertake lead nation efforts in counterdrug activities. While the results thus far have been less than desired, success in countering this highly destabilizing condition will require the assistance of all nations committed to seeing Afghanistan succeed as an independent and capable partner in the future.

AMERICAN SERVICEMEMBERS PROTECTION ACT—IMPACT ON FOREIGN MILITARY FINANCING PROGRAM

16. Senator LEVIN. General Craddock, in your written statement you assert that a number of countries forfeit Foreign Military Financing (FMF) from the United States because a lever used by the U.S. Government in the American Servicemembers Protection Act (ASPA) is prohibiting countries from receiving FMF if they have ratified the Treaty of Rome establishing the International Criminal Court without also signing a so-called "Article 98" agreement exempting U.S. personnel from being brought before that court by their governments. Could you elaborate on the impact of the ASPA restriction on FMF in your AOR?

General CRADDOCK. The ASPA restrictions on FMF have both direct and indirect negative effects on our SC program in the EUCOM AOR. It has directly cut some countries out of the program. More significantly, it has indirectly discouraged countries from participating in FMF programs. Flexibility in applying its restrictions would help EUCOM's SC actors build partnerships that achieve our country-specific and regional goals and increase host nation support to the global war on terror.

From 2001–2003, Croatia, Malta, and Moldova, all with significant existing SC programs, received a total of $27 million in FMF funds. Since the enactment of ASPA, they have received none, to the detriment of our cooperative relations.

In Africa, following a similar pattern, more than $330,000 in allocated FMF funds were unable to be executed due to ASPA restrictions. These restrictions have put a damper on relations with key African coastline nations, such as South Africa and Tanzania.

Most directly, ASPA sanctions on FMF punish a country's military, which often has little influence over the political structure of that country. More importantly, sanctions on FMF can severely restrict our ability to positively influence events in a country and gain or strengthen U.S. strategic access.

GLOBAL PEACE OPERATIONS INITIATIVE—SUDAN AND RECENT MISSIONS

17. Senator LEVIN. General Craddock, the Global Peace Operations Initiative (GPOI) was initiated by the President in 2005 in order to ensure that the available pool of peacekeepers would be increased, especially in Africa. To your knowledge, how many of the countries who have participated in the GPOI have sent peacekeepers trained under the program to U.N. peacekeeping missions, and how many of them do we believe will contribute to the U.N. mission in Sudan or other upcoming missions?

General CRADDOCK. Currently 19 African countries are partners in the GPOI African Contingency Operations Training and Assistance Program and 18 of them are currently supporting U.N. peacekeeping missions. Of these 18 countries, 15 are supporting the U.N. mission in Sudan. There continues to be a considerable amount of support for this program and I believe contributing countries will continue the U.N. mission in Sudan and/or other upcoming missions. Current GPOI countries include: Benin, Botswana, Ethiopia, Gabon, Ghana, Kenya, Mali, Malawi, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia.

AFRICA COMMAND

18. Senator LEVIN. General Craddock, in the coming months, you and your partners on the AFRICOM transition team will be working to finalize how this new Combatant Command will operate, the composition of its command structure, and the interagency model that it follow. The committee staff has been told that the new command will have a State Department civilian in the position of deputy commander. What is your opinion of this proposal?

General CRADDOCK. I strongly support this proposal. Having a senior State Department official in the position of deputy commander is an innovative way to synchronize defense activities with diplomatic and development efforts. This is a critical function for a command whose mission includes unity of effort towards security, stability, and peaceful development.

19. Senator LEVIN. General Craddock, do you think a State Department official should be in the military chain of command?

General CRADDOCK. Our intent is that a senior State Department official will hold one of two deputy positions as the Deputy Commander for Civil-Military Affairs (DCMA), on par with the Deputy Commander for Military Operations (DCMO). The DCMA will direct and serve as the focal point for policy, planning, and execution

for AFRICOM regional Theater Security Cooperation, including humanitarian assistance, disaster relief, peace and security programs, medical and health assistance, and strategic outreach.

Per title 10 of the U.S.C., the DCMO will assume command responsibility in the absence of the commander and will issue military orders.

We will also place other interagency personnel into leadership and management positions within the headquarters structure to direct the activities of the command, but, by law, they will not be able to issue military orders.

20. Senator LEVIN. General Craddock, what decisionmaking authority do you believe interagency members of the command should be given? Should they be more than liaison officers?

General CRADDOCK. Decisionmaking authority for interagency members of the command should be the same as that of military staff, i.e., commensurate with their position, rank, and expertise. They will be more than liaison officers—they will be command staff, undertaking command duties and functions, as well as providing needed perspective and expertise from their respective home agencies. Interagency personnel in leadership and management positions will direct and guide activities within the scope of the responsibilities of their position. Interagency staff will not have special authority over home agency personnel, programs, or resources, unless that authority is granted by the home agency.

21. Senator LEVIN. General Craddock, what roles and responsibilities should the interagency members of this command have?

General CRADDOCK. Interagency members of AFRICOM will hold positions in areas where military activities overlap with the expertise of civilian agencies; e.g., in areas of Theater Security Cooperation, including humanitarian assistance, disaster relief, peace and security programs, medical and health assistance, and strategic outreach. Interagency personnel will be in functional, advisory, and management positions within the command. As with military and DOD civilian staff, their responsibilities will be commensurate with their position, rank, and expertise.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

MISSILE DEFENSE SYSTEM

22. Senator AKAKA. General Craddock, the Russians are not happy about the administration's plan to build a missile defense system in Poland and the Czech Republic. Administration officials have stated publicly that the system is relatively small and designed to protect the United States and its allies from a missile attack from Iran. Russian officials, however, have stated their suspicions that the system could ultimately be expanded and become a defense against Russia's huge strategic missile forces. Secretary Rice said the United States would build the system with or without Russia's agreement, although she says we want to do it ''in a cooperative way.'' Have you had any discussions with senior Russian military officers regarding the proposed missile defense system? If so, have they indicated any concerns to you from the military perspective?

General CRADDOCK. EUCOM's discussions with Russian military officers have been focused on practical bilateral cooperation and developing military interoperability. During the U.S.-Russia General/Flag Officer Consultations 22–23 May 2007, leadership from both sides agreed to leave discussion of the U.S. Europe-based BMD initiative to the political level.

23. Senator AKAKA. General Craddock, in your opinion, has there been any impact on the military-to-military relations between our two countries since we announced our intention to build these systems in Europe?

General CRADDOCK. EUCOM has not noted any substantive impact in our practical military-to-military relations with Russia since we announced our intentions to establish a BMD system in Europe. Despite media reporting on the Europe-based BMD issue, the Russian legislature approved observance of the NATO–PfP Status of Forces Agreement on 23 May 2007. President Putin signed this agreement and it will enter into force 1 month after submission to the Department of State. During U.S.-Russia General/Flag Officer Consultations 22–23 May 2007, the senior Russian delegate (a two-star general) stated that U.S.-Russia military cooperation continues on a positive trend.

24. Senator AKAKA. General Craddock, if you were a Russian general, what do you think your reaction would be to our plan to build this system next door to your country?

General CRADDOCK. [Deleted.]

25. Senator AKAKA. General Craddock, in the spirit of building the system "in a cooperative way," what type of assurances do you think we could give the Russians that might reduce their discomfort over the plan to build this system in Europe?

General CRADDOCK. The United States has consulted with the Russians at senior levels on numerous occasions regarding U.S. BMD plans, including the NATO-Russia Council and several bilateral discussions. In those discussions, the United States offered to explore Russian participation and contributions to missile defense initiatives. The U.S. consultative process has been transparent and has actively engaged Russia regarding our missile defense policy, plans, and programs. The proposed European system is not technically capable of threatening Russia's ballistic missile assets. Russia's ballistic missiles could easily overwhelm the United State's limited number of deployed interceptors. Also, the physics and trajectories of Russian launches toward the United States make it clear that interceptors placed in Central Europe could never catch a Russian missile. European MD assets are designed to address a threat that comes from the Middle East, not from Russia. Of particular note, Secretary of Defense Gates recently sent a letter to Minister Serdyukov asking him to carefully consider a U.S. invitation for Russian experts to visit missile defense facilities in the United States Secretary Gates also suggested that a Russian expert-level delegation provide the United States with Russian views about possible areas of missile defense cooperation.

26. Senator AKAKA. General Craddock, in a March 26 interview with Der Spiegel Online International (see attached article), Philip E. Coyle, who had been in charge of weapons testing and evaluation under President Clinton, indicated that he had strong reservations about the administration's deployment of anti-missile systems in Europe. Specifically, when asked "who would a U.S. missile defense system in Poland protect? Europe or the East Coast of the United States?", he responded, "For all we know, neither one. The missile defense systems already deployed in California and Alaska have not demonstrated the capability to destroy enemy missiles under realistic conditions. The equipment to be deployed in Poland is no different." When the interviewer pointed out that "The U.S. military claims that the system has been tested and works fine," he responded that, "all you have to do is look at their most recent test. It was successful, but it was also the least difficult test they have ever conducted. They are no further along today than they were back when I was in the Pentagon during the Clinton administration." Do you agree with the statements made by Mr. Coyle? If not, why not? If you do agree, then do you believe that it is a good policy to risk antagonizing the Russians (and potentially the Chinese) in order to field a system that has not been demonstrated to be very effective?

SPIEGEL INTERVIEW WITH US MILITARY EXPERT

'I'm Against Deploying Systems that Don't Work'

In the Clinton administration, Philip E. Coyle was in charge of weapons testing and evaluation. SPIEGEL spoke with the 72-year-old about Bush's planned missile defense system, why Russia feels threatened and how shooting down missiles is like playing golf.

AP

Philip E. Coyle is a senior advisor to the Center for Defense Information. In the Clinton administration, he oversaw weapons testing at the Pentagon.

SPIEGEL: Mr. Coyle, who would a US missile defense system in Poland protect? Europe or the East Coast of the United States?

Coyle: For all we know, neither one. The missile defense systems already deployed in California and Alaska have not demonstrated the capability to destroy enemy missiles under realistic conditions. And the equipment to be deployed in Poland is no different.

SPIEGEL: The US military claims that the system has been tested and works fine.

Coyle: I understand that they say that, but all you have to do is look at their most recent test. It was successful, but it was also the least difficult test they have ever conducted. They are no further along today than they were back when I was in the Pentagon during the Clinton Administration.

SPIEGEL: Why is it so difficult to hit a missile in space?

Coyle: It is like trying to hit a hole-in-one in golf. Only the hole is going 15,000 miles an hour. The US military has done it in some carefully scripted tests. But those were simulations and the mock enemy also did not use realistic decoys.

SPIEGEL: What sort of decoys are you talking about?

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How the missile defense system is supposed to work.

Coyle: For example, they could be balloons which look like warheads. But a country capable of building intercontinental ballistic missiles with nuclear weapons on board will also know such decoy techniques. And, to return to the golf analogy, that would be as if the hole and the green were both going 15,000 miles mph, the green covered with black circles, and you do not know what to aim for.

SPIEGEL: During Bill Clinton's presidency you were responsible for evaluating the technical feasibility of the project. Why did the President decide against it?

Coyle: He decided not to deploy the system because it could not do what it promised. One of President Clinton's criteria was to be able to shoot down an accidental launch of a nuclear missile from Russia or China rather than immediately starting World War III. In those days, we were not so worried about Iran and North Korea. The Bush Administration has not really set any criteria as to what the missile defense system actually has to be capable of doing.

SPIEGEL: But why does the US spend so much money for a system which, as you say, does not

work?

Coyle: That is a good question. If you add it all up, the administration since 2002 has spent over $10 billion annually. The Pentagon has never before tried to build such a difficult system -- it is much more complex than any ship or aircraft. I support the research, but I am against deploying defense systems that do not work under realistic operational conditions.

SPIEGEL: Russia is sharply critical of the missile defense plans and feels threatened. Justifiably?

Coyle: If Russia were installing missile defense systems in Canada or Cuba, we would react pretty much the same way. We are surrounding them and getting closer to their territorial boundaries.

FROM THE MAGAZINE

DER SPIEGEL

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SPIEGEL: The current administration of George W. Bush claims that missile defense serves as a deterrent. Long-term, the argument goes, such a system would lead to states abandoning the development of such weapons.

Coyle: All this will not lead to a safer world. Countries will simply build up so many missiles that they could overwhelm the most futuristic missile defense system. So far, the Chinese do not believe that our technology works. Who knows what they would do if that changes.

SPIEGEL: Should Poland agree to the deployment of the missile defense system on their territory?

Coyle: I certainly would not advise them to.

SPIEGEL: In addition to land-based deterrence, the United States is counting on a fleet of specially-equipped warships capable of launching ballistic missiles. Would such ships, positioned in the Eastern Mediterranean, be an alternative to missile silos in Europe?

Coyle: Yes. The Navy has a higher rate of success in their flight-intercept tests than the ground-based system has achieved so far.

General CRADDOCK. I am not familiar with the allegations made in this article, nor can I question the methodology the MDA employs to design the most effective missile defense systems possible. However, based on the threat we face, I believe it is vital that we field and continue to update/improve missile defense technology as it becomes available to ensure we are doing everything within our power to protect U.S. interests at home and overseas.

27. Senator AKAKA. General Craddock, in your view, is deployment of two of these systems to Europe, as well as in Alaska, really an effective use of tax dollars? If so, please explain why.

General CRADDOCK. The EUCOM AOR requires a mix of systems (interceptors, radars, and command and control) that provide defense against short, medium, intermediate, and intercontinental missiles in all phases of flight (boost, mid-course, and terminal). The European Site Initiative, one component in this "mix of systems," would supplement defense of the United States and defend most of Europe, deployed forces, friends, and allies from emerging long-range ballistic missile threats in Southwest Asia.

28. Senator AKAKA. General Craddock, the 1972 Anti-Ballistic Missile (ABM) treaty was developed between the Soviet Union and the United States in order to reduce nuclear proliferation. The idea being that if we and the Soviets were not developing ABM systems, we would not need to keep increasing the numbers of intercontinental ballistic missiles (ICBMs) in our inventories in order to maintain a capability to overwhelm the opponent's ABM systems. It seems safe to say that history has shown this to have been an effective treaty. Strategic deterrence or fear of nuclear retaliation prevented aggression between the two nations. The administration has changed the U.S. posture on ABM systems, withdrawing from the ABM treaty and developing a layered approach to missile defense. What are your views of the changes in our missile defense policy?

General CRADDOCK. Withdrawal from the ABM treaty 5 years ago was not a change in our missile defense policy as it pertains to Russia—the United States re-

mains committed to limiting the strategic inventories of both nations, and is not intending to pursue ABM systems to defend against Russian missiles. As is stated in the question, historically, it was the threat of strategic retaliation that prevented aggression between Russia and the United States, not the development of ABM systems. The impracticality of any ABM system to defeat a nuclear inventory such as is possessed by Russia has been acknowledged by both nations. This is still true today, and any current or future ABM system would therefore not logically be designed for defense (or conversion to offense) against an overwhelming number of Russian missiles.

Withdrawal from the ABM treaty was a recognition of, and response to, an entirely different and new threat—that of missile attack by rogue nations and/or terrorist organizations. Pursuit of a missile defense program is an appropriate and necessary response to this threat. Although the treaty was with Russia, we withdrew from it not to develop weapons against Russia, but to free us to develop defenses against a very real and emerging threat.

29. Senator AKAKA. General Craddock, if fear of a nuclear retaliatory response from the United States was enough to keep the Soviet Union from attacking the United States, and the Soviets were a super power, why do you think that rogue nations like Iran and North Korea would be unafraid of the same type of response were they to launch a missile against the United States? In other words, why is nuclear deterrence an inadequate policy for protecting our Nation now when it was a central basis for our security for decades?

General CRADDOCK. Against the Soviet Union, nuclear deterrence was based on the assumption that both sides, when faced with the potential consequences of nuclear conflict, would make the rational and responsible decision that the outcome of such a conflict would leave both sides devastated. The Soviets could be trusted to "do the right thing." Whether or not nuclear deterrence was by itself responsible, the fact is that not only were there no nuclear engagements, there also were no direct conventional conflicts between the two nations. It could be said that nuclear deterrence forestalled any conventional conflicts over fears of escalation.

In today's environment, the threat of rogue nations and terrorist organizations cannot be dealt with in the same manner as the Soviet Union because they cannot be counted on to act according to the U.S. concepts of rationality. There is a significantly lower confidence level in the idea that the threat of a nuclear retaliation by the United States would prevent an attack, nuclear or otherwise, on our country, our allies, or our interests by a rogue nation or nonstate actor. In fact, we have been attacked despite the fact our enemies knew of our nuclear strike capabilities. There is less reason to believe a non-state actor or even perhaps a rogue nation would not employ weapons of mass destruction (WMD)—if not by a rogue nation directly, then via the transfer of such weapons to entities with little to lose by using them. Deterrence will not work against an adversary that has nothing to lose. We therefore must focus our efforts on nonproliferation and defense against potential attacks. Such efforts will provide a layered alternative to nuclear retaliation.

30. Senator AKAKA. General Craddock, in your opinion, does our backing out of the ABM treaty have any negative consequences? For instance, what does it tell our allies, or other nations in the world, when we back out of a successful anti-proliferation treaty, such as the ABM treaty?

General CRADDOCK. The ABM treaty was not directly a nonproliferation treaty. It was not designed to prevent the spread of nuclear weapons to other countries, but rather to maintain the balance of power between the United States and Soviet Union and prevent the need for massive weapons buildup, as was stated in a previous question. In any event, our withdrawal from the treaty occurred 5 years ago and at the time it seemed the biggest potential consequence was that without the treaty, the events it was designed to prevent would begin to occur. This has not happened. The most significant impact has been the perception by Russia and a few others nations that the United States wishes to gain an advantage, and that perception has created some negative political ramifications. In the 5 years since the end of the treaty, we have been able to, through dialogue and by our actions, convince most parties that we only want to respond to the emerging rogue and terrorist threats we now face. The current need for a missile defense system affects not only us but our allies and partners, including Russia. We want to work together on this issue, and as a result we continue to invite a cooperative approach.

EUCOM AND NATO

31. Senator AKAKA. General Craddock, what are the views of our NATO allies (both military and civilian) regarding our missile defense actions implemented under the Bush administration?

General CRADDOCK. I believe that there is a shared perception amongst allies of a common threat from ballistic missiles and that any U.S. and NATO systems deployed should be complementary. The issue of missile defense is not new to NATO and the position of the alliance is clear. NATO is pursuing a three-track approach to missile defense, to include: (1) the ongoing NATO project to develop by 2010 a 'theater missile defense' for deployed troops; (2) NATO's 26 nations have agreed to assess by February 2008 the implications for the alliance of the U.S. missile defense system; and (3) NATO will continue its existing cooperation with Russia on theater missile defense as well as on related issues.

32. Senator AKAKA. General Craddock, according to a new State Department report, terrorists are changing their tactics. Specifically, the report states that early terrorist attacks were largely expeditionary, with terrorists selected and trained in one country, then secretly inserted into the target country to conduct their attack. The report further states that the new trend is toward guerilla terrorism, where the terrorist team is grown close to its target, using target country nationals. Finally, the report states that this trend is a shift in the nature of terrorism, from traditional international terrorism into a new form of transnational, non-state warfare that resembles a form of global insurgency. According to the report, this represents a new era of warfare.

This report, as well as information you provided in your statement, suggests that the battlefield for the war on terror can no longer be limited to Iraq and Afghanistan. Indeed, while our military is tied down in Iraq and Afghanistan, the terrorists are expanding the battlefield throughout the world. How do you think the change in terrorist strategy should affect our military strategies in Iraq and Afghanistan, and what do you think we should do to adapt?

General CRADDOCK. I would refer the committee to Commander, U.S. CENTCOM, regarding evolving threats in Iraq and Afghanistan and any intended changes in the U.S. approach. Throughout the 92 sovereign countries in EUCOM's AOR, we are actively engaged with allies and partners to defeat violent extremist organizations and their supporting infrastructure.

In North Africa the U.S. Government is currently focused on capacity building activities aimed at changing the strategic environment in order to deny terrorists freedom of action and access to safe havens. As a supporting element of the Department of State's Trans-Sahara Counterterrorism Program, EUCOM near-term efforts are focused on the nine OEF Trans-Sahara (OEF–TS) nations, building their capability to combat terrorism and promoting regional stability. EUCOM continues to conduct operations and activities in support of Combined Joint Task Force-Horn of Africa. Throughout the EUCOM AOR, our SC activities continue to support U.S. Government efforts to address sources of instability and populations susceptibility to extremist messaging and calls to violence.

In the long-term, I recommend a forum between U.S. Government agencies and key partners be established to develop solutions to the expansion of operational trans-national networks. The U.S. Government must also strengthen legal institutions to better enable countries to prosecute terrorists. We will be successful through effective cooperation with partners and allies, and with unity of effort across all elements of U.S. national power.

33. Senator AKAKA. General Craddock, has EUCOM's or NATO's strategies in the war on terror adjusted to the new terrorist tactics? If so, how? If not, why not?

General CRADDOCK. EUCOM recognizes that the war on terrorism is continually evolving. In studying the diverse characteristics of the EUCOM AOR, I am convinced that EUCOM has to make a strategic shift from "prediction" to "positioning." The strategic shift to positioning includes not only predicting where the next event will occur but also postures the U.S. Government to act in an agile and flexible manner with the appropriate authorities. Additionally, the U.S. Government strategy to combat the global terrorist must encompass more than just largely a DOD approach—it will take a full governmental effort, over time, to preclude the conditions that give rise to terrorist organizations and activities.

EUCOM AND THE GLOBAL WAR ON TERROR

34. Senator AKAKA. General Craddock, what changes to our overall national strategy in the global war on terror would you recommend?

General CRADDOCK. We will be successful through effective cooperation with partners and allies, and with unity of effort across all elements of U.S. national power. In January 2007, the National Security Council's Counterterrorism Security Group directed the DOD and the Department of State to lead interagency efforts to develop regional priorities for the global war on terror. EUCOM supports efforts aimed to: make hard, logical choices for where and how to focus U.S. Government efforts in a world of scarce resources; define regional priorities according to violent extremist threat and capability, U.S. interests, and the capabilities of partner nations; and integrate regional prioritization into agency budget formulation processes and the Office of Management and Budget review of agency budgets.

35. Senator AKAKA. General Craddock, since September 11, the United States has relied heavily on our military for prosecuting the war on terror. Our invasions of Afghanistan and Iraq have placed a heavy toll on the readiness of our military, and on the ability of the National Guard to provide disaster relief at home. What has been the impact of the Iraq and Afghanistan wars on the readiness of troops in the EUCOM AOR?

General CRADDOCK. The question for EUCOM is more one of availability versus readiness. The frequent deployments and need to provide adequate dwell time affect all forces sourced to OEF and OIF. However, in this case EUCOM is actually more fortunate than other commands in that we have excellent facilities at Grafenwohr and Hohenfels for our units to conduct their pre-deployment training. The negative impact upon EUCOM is that forces are unavailable to conduct Theater Security Cooperation with potential partner nations. We cannot expect these nations to continue to support us in Iraq and Afghanistan if we cannot provide training and equipment they need to fight effectively alongside the United States and other wealthy NATO nations. To build partner capacity we must have forward positioned forces able to set the example and train with our partners. By stationing them in Europe, our forces develop the habitual relationships that build the trust and confidence so vital in combat operations. When we take these units out of Europe to conduct operations in the short-term, we give up many times their number in partner nation capacity in the long-term.

36. Senator AKAKA. General Craddock, the United States does not have unlimited resources to fight the war on terror. As such, I am interested in your views on our approach to the global war on terror so far. In your opinion, has the war in Iraq been the most effective and efficient use of our taxpayer resources in fighting the global war on terror?

General CRADDOCK. We will be successful in fighting the global war on terror through effective cooperation with partners and allies, and with unity of effort across all elements of U.S. national power. In January 2007, the National Security Council's Counterterrorism Security Group directed the DOD and the Department of State to lead the interagency effort to develop regional priorities for the global war on terror. EUCOM supports efforts aimed to make hard, logical choices for where and how to focus U.S. Government efforts in an environment of constrained resources; define regional priorities according to violent extremist threats and capabilities, U.S. interests, and the capabilities of partner nations; and integrate regional prioritization into agency budget formulation processes and Office of Management and Budget review of agency budgets.

37. Senator AKAKA. General Craddock, do you think we have implemented the best possible strategy for this war? For instance, do you think we might have gotten a bigger bang for our buck by using an alternate strategy instead of using the military as the primary weapon against terrorists?

General CRADDOCK. The military has an important role in supporting U.S. Government efforts to disrupt or defeat violent extremist attacks at home, to disrupt their networks and support infrastructure abroad, to deny them possession or use of WMD and associated technology, and in building partner capabilities. The aim of these efforts is to establish a global environment inhospitable to violent extremism. While the DOD has an important role to play, the U.S. Government will be successful in fighting the global war on terror through effective cooperation with partners and allies, and with unity of effort across all elements of U.S. national power.

38. Senator AKAKA. General Craddock, could we have utilized our limited resources more efficiently by stepping up our efforts in other areas, such as law enforcement, intelligence, and support to allies and partner nations, to fight terrorist organizations, with surgical use of our military to make strikes when needed (e.g., for destruction of rogue nation weapons production facilities, terrorist training facilities, or WMD research facilities, et cetera)? In your answer, I would like you to consider not only the monetary and military readiness impacts of the war in Iraq, but the effect that U.S. efforts in the Iraq war has had politically and militarily on our allies in the EUCOM AOR and their willingness to support us in the war on terror.

General CRADDOCK. I would defer to Admiral Fallon, Commander U.S. CENTCOM, to address specific questions on Iraq.

There remains considerable support for U.S. efforts in the global war on terror. Most recently, the Government of Georgia announced plans to increase their military presence in Iraq—nearly tripling the number of Georgian coalition forces providing support to OIF. Additionally, all 26 NATO member nations have deployed personnel to support the ISAF in Afghanistan. However, our time there is finite—the military capacity of the Afghanistan government must at some point be capable of defending itself and its people. Getting the Afghanistan government on its feet is the fundamental prerequisite to our eventual exit from that country.

39. Senator AKAKA. General Craddock, the President says we must fight them in Iraq or else they will follow us back. Given the successful al Qaeda attacks in Spain and the UK, as well as attacks that have been foiled, it seems they have already followed us back. Do you agree? If not, why not?

General CRADDOCK. Our nation is at war with violent extremist organizations who pose a threat to our security and to that of all societies that cherish the principles of pluralism and self-government. As evidenced by numerous attacks and disrupted plots, violent extremist organizations continue to seek weakness in the national security structure of the United States and our allies. Where they find such weakness, I am confident they will seek to strike with all means at their disposal.

INTERNATIONAL SECURITY ASSISTANCE FORCE

40. Senator AKAKA. General Craddock, how much are the national caveats placed on allied forces in the ISAF hindering the effectiveness of the operations in Afghanistan compared to what ISAF capabilities could be if there were no national caveats?

General CRADDOCK. The effects of caveats have been reduced in the past year, providing Commander ISAF (COMISAF) with more flexibility. COMISAF has been able to work around existing caveats to successfully conduct his mission. Caveats regarding in-extremis support were removed by all nations and provide for a greater degree of security for NATO forces in Afghanistan. Removal of all caveats would provide COMISAF with greater flexibility in the conduct of ISAF's mission.

41. Senator AKAKA. General Craddock, why have our allies placed caveats on the use of their troops in support of ISAF operations in Afghanistan?

General CRADDOCK. The reasons for caveats vary from nation to nation. In general there are several major reasons:

Use of a force only in a specific area:

- Too expensive/no logistic mechanism to support the unit at a distance from their home base
- Inability to provide effective command and control at extended distances from their base

Use of force for specific types of missions:

- National decisions on the types of missions they provided their forces to perform—security, support for development, et cetera

Use of force only in conjunction with another specific country's force:

- Some nations lack the enablers to support their forces in theater; therefore, they made bilateral agreements with another nation for support
- Some nations have confidence in working with other nations due to previous experiences, shared languages, or shared cultures.

42. Senator AKAKA. General Craddock, have you, your staff, or your predecessors attempted to negotiate with our allies to have these restrictions lifted or reduced? If not, why not? If so, what has been the basis for our allies refusing to remove or relax these restrictions?

General CRADDOCK. Deputy SACEUR, the SHAPE staff, together with the Military Committee Chairman, the Secretary General, and I work continuously with representatives of NATO member nations to reduce or remove caveats, where possible. In some cases, nations have very specific reasons why they apply a caveat to their force contribution. See Question 41 above.

43. Senator AKAKA. General Craddock, have we placed similar restrictions on the use of our troops in support of U.N. peacekeeping missions?

General CRADDOCK. I know of no similar restrictions placed on U.S. troops assigned to support U.N. peacekeeping missions. U.S. command over U.S. forces is maintained while supporting U.N. peacekeeping missions and all details concerning U.S. participation, as to logistics and rules of engagement (ROE) (to include required supplements—may allow the use of riot control agents and various forms of mines, for instance) is in place prior to U.S. forces execution of the mission.

44. Senator AKAKA. General Craddock, during the hearing, you stated that our allies had not fully resourced the statement of requirements for the ISAF, and that you believe that being under-resourced may have contributed to the significant number of recent Afghan civilian casualties incurred while the United States is conducting operations against the Taliban. Please provide a list of unfilled requirements from the statement of requirements. Include which nations were committed to filling each requirement and what their original scheduled deadline was.

General CRADDOCK. Force generation by NATO is an ongoing process, with nations producing and deploying capabilities to the theater on a constant basis. The statement of requirements is a document approved by NATO nations of forces needed to execute the mission. It, too, undergoes modification over time as my strategic headquarters reviews and updates the CJSOR in coordination with ISAF headquarters. The current CJSOR for ISAF still has significant shortfalls, to include maneuver battalions in the southern region, air-transport capability, counter-IED equipment, and intelligence, surveillance, and reconnaissance assets. One of our most significant shortfalls and my highest priority lies in commitments of OMLTs, which are central to building the ANA capacity to provide security for their own country. With regard to commitments from nations—it is not a case of unfulfilled promises by individual nations, but rather a case of no nation signing up for some specific requirements.

45. Senator AKAKA. General Craddock, have you inquired with our allies as to why they have not fulfilled their commitments? If so, what was their explanation?

General CRADDOCK. NATO nation contributions to NATO agreed operations vary with each nation, as do the reasons behind their respective level of contribution. Several common reasons include:

- Nations may simply not have the needed asset
- Nations do not have the financial ability to support the requested force in theater
- Nations do not have the backing of their people for further support—risk aversion
- Nations resources are committed to other NATO and non-NATO operations

The formal decision to commit and sustain forces to a NATO operation is a national one, taken at the highest levels of civilian and political leadership of our respective nations. In addition to our efforts to work with allied militaries to determine the most effective resources and means to accomplish the missions assigned by our governments, I would encourage members of this committee to talk to their counterparts in allied and partner parliaments, urging them to contribute to our common objectives.

DEPORTATION OF AFGHANS FROM IRAN

46. Senator AKAKA. General Craddock, the BBC reported on May 2 that the U.N. estimates that Iran had deported 36,000 Afghans back to Afghanistan in the previous 10 days. In addition, it appears that they intended to deport an additional 14,000 of what they call "illegal" Afghans in the near future. Have you received any confirmation that this mass deportation occurred? If so, what are the repercussions to our operations in Afghanistan from Iran's sudden deportation of large numbers of Afghans?

General CRADDOCK. The return of displaced Afghans is a complicated economic, social, and political process. This matter requires the concerted effort of all govern-

ments involved and international organizations that wish to assist and facilitate the return of Afghans. It would be unwelcome and unfortunate, if this process of returning Afghans to Afghanistan would also facilitate the insertion of militants or opposition military forces with the goal of destabilizing the important gains achieved by the international community in Afghanistan.

47. Senator AKAKA. General Craddock, do our troops, or the ISAF, need additional resources? If so, what do they need?

General CRADDOCK. Speaking from a NATO perspective, I believe that the greatest current equipment need for ISAF is intelligence, surveillance, and reconnaissance capabilities to support our expanding operations. ISAF air-transport capability, both fixed wing and rotary wing, are highly valuable in this operation and always in need. NATO nations could also enhance their national forces deployed by improving their C–IED equipment, and expanding their armored truck capacity. With respect to the NATO Provincial Reconstruction Teams (PRTs), the non-U.S. PRTs could benefit from increased financial resources to fund reconstruction and development projects similar to the way U.S. PRTs use Commanders Emergency Response Program funds for quick impact projects.

48. Senator AKAKA. General Craddock, there are an estimated 1.5 million Afghans living in Iran. If Iran is deporting large numbers of Afghans, and continues to do so, what would the impacts be on ISAF or U.S. operations in Afghanistan?

General CRADDOCK. Speaking from a NATO perspective, I believe the return of displaced Afghans is a complicated economic, social, and political process. This matter requires the concerted effort of all governments involved and international organizations that wish to assist and facilitate the return of Afghans. It would be unwelcome and unfortunate if this process of returning Afghans to Afghanistan would also facilitate the insertion of militants or opposition military forces with the goal of destabilizing the important gains achieved by the international community in Afghanistan.

IMPACT OF CIVILIAN DEATHS IN AFGHANISTAN

49. Senator AKAKA. General Craddock, Reuters reported on May 2 that President Karzai stated that Afghans are losing patience over killing of civilians by western forces hunting Taliban guerrillas. According to the report, approximately 50 civilians were killed in raids by U.S.-led troops in the previous week, sparking 4 days of anti-American, anti-Karzai protests. Reuters further reported that ''Karzai said he had repeatedly told U.S. and NATO commanders to coordinate their anti-Taliban raids with his government, stop searching civilian houses, and exercise caution to avoid civilian deaths.'' Can you confirm the information in this report? If so, can you explain what the problems are that are getting so many civilians killed in our raids on the Taliban, and what is being done to fix the problem?

General CRADDOCK. I have read these press reports, but cannot confirm the specific information referred to in the 2 May report. Speaking from a NATO perspective, civilian casualties are an important matter to the Afghan government and for ISAF. During ISAF planned operations, ISAF conducts a very rigorous process to avoid civilian casualties. ISAF has cancelled or postponed military operations when they clearly posed a risk to civilians. While every attempt is made by our soldiers to predict and ascertain the location of civilians, unforeseen situations occasionally occur, which find a civilian in an unexpected location. In these ''in-extremis'' situations ISAFs are invariably at risk of injury, death, or capture. We rely on the judgment and ability of commanders and soldiers on the ground to operate with the ISAF ROE and use proportional force to maneuver out of the situation. Our priority must be to maintain their safety while doing everything possible to minimize civilian deaths. We review every incident, and in all cases our reviews have shown that ISAF has operated within the approved ROE.

50. Senator AKAKA. General Craddock, have we coordinated our raids with the Afghan government as requested by President Karzai? If not, why not?

General CRADDOCK. Speaking from a NATO perspective, I believe that COMISAF, his staff, and regional commanders work and coordinate with Afghan forces to ensure that their operations are conducted in harmony with ISAF operations. ISAF operations routinely include ANSFs which are increasingly capable of both supporting ISAF, and conducting more independent operations. There is extensive consultation with senior Afghan military officials on ISAF and ANA operations, and numerous, routine meetings between COMISAF and Afghan Ministry of Defense and

Chief of Defense staff. As the ANSFs grow in capability and competence they will conduct more independent operations.

SECURITY SITUATION IN THE EUCOM AREA OF RESPONSIBILITY

51. Senator AKAKA. General Craddock, on May 22, Reuters reported that the leaders of Belarus and Iran pledged to act jointly to counter attempts to exert pressure on either of the individual nations. In your opinion, does this pact potentially impact the security situation in the EUCOM AOR? If so, what is your assessment of the impacts?

General CRADDOCK. Belarus and Iran's pledge will not significantly affect security in the EUCOM AOR. Minsk and Tehran continue to strengthen financial, political, and possibly military ties. Their collaboration will likely include restrictions on diplomatic ties with western countries involved in the disruption of oil/gas supplies through its territory to Europe or suspension of trade with U.S. allies altogether. The current poor state of Belarusian finances, its already strained relations with the west, and existing western sanctions preclude Minsk from responding with a significantly economically damaging response.

52. Senator AKAKA. General Craddock, what is your assessment of the recent cyber attacks on the Estonian government? Are there implications for regional security? If so, what are they?

General CRADDOCK. The Estonian cyberspace attacks are best characterized as a Cyber Riot, an emotional and violent response by ethnic-Russian professional and amateur hackers inside Estonia and Russia, instigated in response to Estonia's decision to move a Russian World War II memorial. Attacks were launched at three categories of targets: Web sites and internet servers operated by the government of Estonia, Information Technology (IT) infrastructure owned and operated by telecommunications firms, and commercial targets such as online retail banking Web sites and news corporations. Overall, effects of the Cyber Riot were moderate. Web sites were defaced or briefly taken off line, there were brief outages of network routers, and some sites suffered sustained denial of service attacks. Since peaking on 9 May, the attacks have diminished in intensity and the combined efforts of the government of Estonia and its commercial partners are sufficient to mitigate the attacks' effects. Most Estonians have not been affected by the attacks and likely would not have been aware of the attacks absent press reporting. Finally, the intensity of attacks did not rise to a level sufficient to pose a serious threat to Estonia's internet operations. Although the Kremlin's direct role as facilitator is unknown, there are indications that Moscow has resorted to cyber attacks during previous disputes with other countries. Future disputes between Russia and its neighbors will likely involve similar cyber attacks, particularly if the issue resonates with the Russian populace. However, the frequency and sophistication will probably be limited and carry little implication for regional security.

53. Senator AKAKA. General Craddock, it was recently reported that President Nursultan Nazarbayev was effectively declared Kazakhstan's president-for-life in a move condemned by the nation's opposition as undemocratic. The Kazakhstan parliament voted overwhelmingly to allow Nazarbayev, in power since 1989, to run for the presidency an unlimited number of times. Kazakhstan has never held elections considered to be free and fair by western monitors. Could you please provide your assessment of the significance of this move by the Kazakhstan government?

General CRADDOCK. I would defer to Admiral Fallon and the CENTCOM assessment on this with respect to specific military equities as Kazakhstan lies in the CENTCOM AOR.

RUSSIA

54. Senator AKAKA. General Craddock, Vladimir Putin has also taken actions to consolidate his power in recent times, obviously having a negative effect on democracy in Russia. How many other former Soviet states are pulling back from democratic principles, and is this a trend over which you believe we should be concerned?

General CRADDOCK. [Deleted.]

55. Senator AKAKA. General Craddock, with democratic principles being threatened in Russia and other former Soviet states, Putin's willingness to use energy as a weapon, Russia's problems with some former Soviet states (e.g., Estonia), and Russian relations with the United States and NATO becoming ''frosty'' over our

anti-missile system, is there potential, in your opinion, for U.S.-Russian relations to slide back into a Cold War mode?

General CRADDOCK. [Deleted.]

56. Senator AKAKA. General Craddock, what is your assessment (political and military) of the implications for EUCOM regional security, if Russia follows through on its threat to withdraw from the Treaty on Conventional Armed Forces in Europe?

General CRADDOCK. [Deleted.]

57. Senator AKAKA. General Craddock, what is your assessment of the implications if Moscow follows through on its threat to opt out of the treaty with the United States banning intermediate-range missiles?

General CRADDOCK. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

QUALITY-OF-LIFE AND FAMILY READINESS

58. Senator MCCAIN. General Craddock, the Subcommittee on Personnel and the Subcommittee on Readiness and Management Support had a joint hearing this year on military family readiness. It is clear from the testimony received that families and volunteers, though resilient, are under high stress as a result of 5 years of war, and multiple, lengthened deployments. Could you comment on the impact of funding family readiness programs principally through supplemental appropriations, rather than in the core budget of the Services; the need for additional professional counseling services; and the perception that when resources are stretched, family readiness support programs suffer?

General CRADDOCK. While families, volunteers, and community support staffs continue to shoulder the burden of maintaining supportive, safe, and productive communities in the wake of extended deployments, they cannot continue to do so while programs and resources are impacted by Services' mission resource priorities. Additional and consistent support is needed in the European theater for Chaplain-led marriage and reintegration retreats, Family and Community Support Center staffs, Family Readiness Group assistants, Ombudsmen, as well as child, youth, and teen programs, particularly in the area of clinical child and adolescent mental health services, to help children deal with longer and more frequent deployments of their parents. Such programs are the first line of defense to ensure families are supported. The impact of funding such programs through supplemental appropriations results in uneven levels of support and uncertainty regarding the future of these programs. The perception that family readiness support programs are suffering directly impacts troop readiness and retention. While Services are forced to make hard choices in stretching core budgets to meet competing mission priorities, we are asking much from our servicemembers and their families.

59. Senator MCCAIN. General Craddock, do you agree with these concerns, and how are you addressing them in EUCOM?

General CRADDOCK. I strongly agree with these concerns and will continue to stress the need for the consistent support of programs such as those discussed above. One specific action taken by EUCOM earlier this year was to identify the need and ask the OSD for an allocation of $3.2 million to provide additional child, youth, and teen program support. EUCOM is working with OSD to ensure appropriate programs and activities are available for children of deployed servicemembers, improve current childcare resources, and extend support resources for children of wounded servicemembers.

MILITARY HEALTH AND MENTAL HEALTH CARE ASSETS IN EUROPE

60. Senator MCCAIN. General Craddock, your testimony indicates that families are having problems accessing health care services overseas, and that increased counseling services are needed. What are your overall requirements for health and mental health care? Are the medical facilities adequately maintained?

General CRADDOCK. EUCOM military healthcare professionals are doing an outstanding job balancing the medical requirements of preparing our warfighters for deployments while simultaneously serving the needs of our beneficiary community. Due to our own medical deployments, military treatment facilities experience fluctuations in appointment availability—particularly in the specialty areas—and rely on host nation medical facilities and providers to fill appointment voids. While over-

all access to healthcare is good, the challenge is for our beneficiaries to understand their local country's cultural differences. We continue to strengthen awareness programs through the media and health care access marketing campaigns.

In the area of counseling, EUCOM has utilized several Quality-of-Life Conferences, Tiger Teams, and the recent EUCOM Deployment and Community Counseling Support Conference to identify, resource, and process requirements to improve counseling support to servicemembers and their families. Our early analysis has been provided to the DOD Mental Health Task Force, but current clinical child and adolescent mental health resources are not sufficient to meet the growing need as children deal with the deployment of their parents. Throughout the EUCOM AOR we closely monitor and assess the condition of our facilities.

61. Senator MCCAIN. General Craddock, where are the shortfalls in facilities or services? How can the committee assist in meeting those shortfalls?

General CRADDOCK. In addition to funding currently planned medical military construction projects, clinical mental health resources supporting servicemembers, spouses, and dependents dealing with the deployment of their parents, are not sufficient to meet the growing need. As in the United States, we are caring for a population under stress that is beyond the norm. Additionally, by being in Europe, we have unique challenges in hiring the professionals needed to supplement our mental health specialists. While we rely on host-nation healthcare partners, the particular nature of mental and behavioral health requires special dependence on both cultural and language familiarity. EUCOM and our components have developed an initiative to contract child care and adolescent mental health special needs. Finally, we continue to seek improvements in the healthcare process to better manage appointment systems and track access. This ensures family members get timely healthcare services they need when not available on base because of the deployment of our medical servicemembers.

QUESTIONS SUBMITTED BY SENATOR MEL MARTINEZ

MOROCCO AND THE WESTERN SAHARA

62. Senator MARTINEZ. General Craddock, last month, Morocco announced a plan for autonomy of the Western Sahara region, a proposal that the State Department characterized as "a serious and credible proposal to provide real autonomy for the Western Sahara." I share the view of the international community that the Western Sahara dispute is long overdue for settlement. Morocco receives considerable United States SC assistance. Can you comment on the military-to-military relationship we have with the Moroccan armed forces?

General CRADDOCK. The United States and Morocco maintain a strong military-to-military partnership, with annual and biannual joint force exercises including land, sea, and air forces, and a model State Partnership Program executed by the Utah National Guard. The United States has completed 19 military-to-military events with Morocco and 11 more are scheduled for the remainder of this fiscal year. The Utah National Guard State Partnership Program sponsored 13 of the 30 events.

Morocco is the United States' oldest ally in North Africa. It possesses a significant regional military capability and the ability to operate in a multi-national environment, as demonstrated by its participation in U.N. peacekeeping operations worldwide. Morocco currently supports the U.N. missions in Democratic Republic of Congo, and Ivory Coast. Earlier Moroccan peace keeping operation deployments went to Zaire (current Democratic Republic of Congo (DROC)), Somalia, Bosnia, Haiti, and Kosovo. Additionally Morocco sent troops to support Operation Desert Storm.

63. Senator MARTINEZ. General Craddock, can you give any insight on the possibility for compromise based on what you are seeing on the ground?

General CRADDOCK. I do not expect settlement of the Western Sahara issue in the near-term. However, Morocco's formulation of a viable autonomy plan and the commitment of the Saharawi Arab Democratic Republic (SADR) government and the leadership of the POLISARIO Front (Frente Popular para la Liberacion de Saguia El-Hamra y Rio de Oro) to participate in bilateral talks with the Government of Morocco to discuss these issues is a major breakthrough and can serve as the basis for an eventual compromise.

The SADR government and POLISARIO continue to express their opposition to any imposed solution that does not involve their ability to exercise the right of self-determination. The status quo favors Morocco and I believe the SADR and

POLISARIO recognize this and are formulating a strategy to move things in the direction of an eventual settlement.

MILITARY SPENDING IN NATO COUNTRIES

64. Senator MARTINEZ. General Craddock, in your testimony, you note with concern that the defense budgets of many of our NATO partners have fallen to levels that jeopardize their ability to meet their commitments to the alliance. Can you give an update on the effort to get the members of NATO to invest adequately in their defense structure?

General CRADDOCK. NATO nations have agreed to a defense budget target of 2 percent of GDP. These national defense budget decisions are taken by sovereign nations at the highest level of government. NATO nations are frequently encouraged to meet the agreed 2 percent target during North Atlantic Council meetings at the level of defense ministers. However, a very small number of nations within the alliance meet this 2 percent target and inadequate defense budgets can directly and indirectly impact on NATO's collective ability to meet alliance goals with respect to 'useable land force' targets of 40 percent and 8 percent for the deployability and sustainability (commitment to operations). These ambitious 'useable force' goals, combined with national force transformation objectives, require substantial defense budgets to maintain capabilities and finance the necessary transformation of national forces to meet 21st century security requirements. Defense spending and the need to meet the 2 percent target will continue to be an essential part of the transatlantic security dialogue.

65. Senator MARTINEZ. General Craddock, can you give some examples of how this lack of investment may be constraining the alliance in Afghanistan or elsewhere?

General CRADDOCK. Robust defense budgets that meet the 2 percent targets of GDP would be better able to sustain modern force capabilities, including those forces that are deployable for NATO operations, and adequately finance the transformation of national defense structures. NATO nations have unevenly implemented defense transformation, and in so doing not fully developed the capabilities to meet and sustain deployable force levels. For operations like those in Afghanistan, modern forces capable of operating at strategic distance are required. NATO's force requirements for the ISAF mission are significant and diverse. PRTs, observer, mentor, and liaison teams, rotary wing aircraft, fixed-wing transport aircraft, and maneuver battalions are examples of the diverse force capabilities identified to support the ISAF mission. Unfortunately the alliance has been unable to source all the forces and capabilities for the overall operation. Enhanced defense budgets would contribute to addressing shortfalls in the ISAF pool of forces and capabilities, including those capabilities and infrastructure projects that the alliance funds on a common basis.

66. Senator MARTINEZ. General Craddock, how can Congress assist in gaining further support from NATO member countries?

General CRADDOCK. Members of the U.S. Congress could provide assistance in U.S. efforts to convince the 20 of 26 NATO alliance nations that do not spend the agreed upon 2 percent of their GDP on their militaries to increase defense spending. Members of Congress should take advantage of opportunities, including NATO Parliamentarian Assembly meetings, to articulate the alliance's military spending goals, both in public and in private. These opportunities also include office calls during congressional delegation trips to Europe, conferences with alliance leadership in both the United States and Europe (such as the annual Davos World Economic Forum and the Munich Security Conference), and meetings Members of Congress take from European leadership visiting Washington, DC. Additionally, submission of editorials by influential Members of Congress to European newspapers such as the International Herald Tribune (U.S.), Financial Times (UK), the Times of London (UK), Corriere Della Sera (IT), Le Monde (FR), and Der Spiegel (GE) could influence the European public and leadership.

LEGISLATIVE ASSISTANCE WITH UNITED STATES SECURITY ASSISTANCE PROGRAMS

67. Senator MARTINEZ. General Craddock, you note in your written statement that you have three concerns that you would appreciate congressional assistance with. One area of concern is that the SC system structure needs to be streamlined. You note that you are concerned that the current system is slow and inefficient. It is not clear what the problems are or how to fix them. You note that there are a num-

ber of U.S. Government Security Assistance programs and activities that the COCOM is assigned responsibility for execution of that you have little or no influence/control of. It is well known that the U.S. Foreign Military Sales (FMS) system is slow and cumbersome. Is that what you are referring to? How would you recommend changing the current arrangements?

General CRADDOCK. My concerns regarding TSC reform extend beyond that of FMS. The FMS process is complicated by statutory requirements (Foreign Assistance Act, Arms Export Control Act, and annual appropriations acts) as well as being impacted by foreign affairs issues (e.g., human rights). In addition, technology transfer issues can delay major system sales in both FMS and Direct Commission Sales. The processing time requirements within different agencies have extended some FMS cases over 1 year. This time needs to be shortened. There should be one person selected for the oversight and management of a program from initiation to completion.

68. Senator MARTINEZ. General Craddock, if your concerns are more than FMS, then what are those concerns and what would you like to see change?

General CRADDOCK. EUCOM lacks the ability to efficiently and effectively meet TSC objectives due to legal restrictions, complex funding sources, and multiple program authorities. Reforming our TSC processes would promote greater efficiencies, and expand U.S. influence, agility, and competitiveness in accordance with the National Military Strategy and OSD Security Cooperation Guidance (SCG). Within DOD, a variety of strategic guidance documents, including the SCG and Contingency Planning Guidance (CPG), are being merged into the Force Employment Guidance (FEG) to better integrate planning activities and streamline objective prioritization and resource allocation.

We need to create unity of effort with respect to title 10 and title 22 authorities to allow efficient execution of train and equip programs. Title 22 FMF/IMET money is bilateral, so if regional priorities change, the GCC does not have the authority to redistribute funds as necessary. The GCC needs expanded discretionary authority to fund emergent needs within the AOR. The long lead time of budgetary processes coupled with the current legislative restrictions limits COCOM flexibility.

GCCs have insufficient influence over the vast majority of SC funding and require more visibility among TSC activities within their AORs. An interagency process that synchronizes strategies and engagement plans would be indispensable for effective TSC execution.

IRAN

69. Senator MARTINEZ. General Craddock, while Iran is not in the EUCOM AOR, it is in your area of interest, since its policies and actions affect the countries in your AOR. Can you outline your assessment of the threat Iran poses today in terms of sponsoring terrorist organizations, and in the future as they continue their effort to develop nuclear weapons?

General CRADDOCK. The main threat to EUCOM from Iran's continued sponsorship of terrorist organizations is from Lebanese Hizballah. Since the 1980s, Hizballah, as Iran's proxy, has historically directed its actions against Israel, though we cannot rule out operations against other countries at Iran's behest. Today, Iran remains Hizballah's main source of funding and supplies and some militias receive training in Iran. However, the Iranian-Hizballah relationship has evolved past the point where Hizballah's Secretary General Nasrallah takes direction from Iran's Supreme Leader and would not act unless directed by Supreme Leader Khamenei. Today, the relationship is much more of a partnership. I would agree Nasrallah does take some direction from Khamenei, but I would also say in some situations Nasrallah will act in Lebanese Hizballah's best interest even if that means going against Iranian desires.

Additionally, it is likely Iran has other proxy networks worldwide capable of conducting terrorist operations upon Tehran's orders.

Regarding the Iranian nuclear threat, I will focus my response on the most probable systems which could be used to strike targets within EUCOM. Currently, the Iranians possess an indigenously produced missile, the Shahab–3, which is based upon a North Korean missile design. Depending upon the specific variant and payload, the Shahab–3 has a range of 1,100–1,500km, which at the outer ranges would enable Iran to target Turkey, Cyprus, and Israel as well as Egypt and Saudi Arabia in CENTCOM. Taken in conjunction with Iran's nuclear program, the Shahab or the acquisition of other medium range ballistic missile systems represent a clear and serious threat.

COMPETITION FOR MILITARY-TO-MILITARY RELATIONSHIPS FROM CHINA

70. Senator MARTINEZ. General Craddock, in your testimony, you express concern about the effort that China is making to establish relationships with the countries/militaries in the EUCOM AOR. Can you give an update on China's effort to establish military-to-military relationships in your AOR?

General CRADDOCK. China is using enhanced military relationships with African states as a means to pursue its economic and diplomatic interests. China uses a range of military programs, including arms sales, military training, exchanges of military attaches, military infrastructure projects, medical and maintenance assistance, and contributions to African peacekeeping missions, to gain access to natural resources (oil, copper, cobalt, et cetera) and markets, and political leverage in many African states in support of these interests.

Although Beijing was sub-Saharan Africa's number one supplier of military arms and equipment from 2002 to 2006, China is not intentionally creating, encouraging, or supporting conflicts in Africa or seeking to start a regional arms race.

Chinese military sales, programs, and development projects rarely compete directly with U.S. initiatives in Africa, but they sometimes interfere with U.S. objectives by undermining sanctions against rogue regimes and increasing the military options of some African rulers. African countries prefer the higher quality western and U.S. military equipment, but they often opt for China's low-to-mid technology weapons, including aircraft, heavy weapons, small arms, and patrol boats. Most African countries only consider the initial purchase cost as the primary criteria, and long-term maintenance is often not taken into consideration.

China's training and military assistance in Africa includes equipment maintenance programs, professional military training, education, aviation training, barracks construction, and sending Chinese doctors to military hospitals. Chinese training tends to be superficial, designed to engage foreign military officers more than to develop military skills. Additionally, China supports all ongoing U.N. peacekeeping operations in Africa. 1,300 of the 1,800 Chinese U.N. peacekeepers are in Africa, mostly in engineering, transportation, and medical units.

71. Senator MARTINEZ. General Craddock, where is China focusing their efforts to compete for access to the militaries in your AOR?

General CRADDOCK. Within the EUCOM AOR, China is also focused on Africa, although Chinese military sales, programs, and development projects rarely compete directly with U.S. military initiatives. African needs are so great for the kinds of assistance favored by the United States, such as capacity building, professionalizing militaries, and technical assistance, that African states cannot afford to refuse either American or Chinese help. Given a choice, most African states show a strong preference for U.S. and other western equipment and training.

Since China uses military engagement activities as one tool to gain access to African resources and markets, it focuses those efforts on countries with the most resources and mature markets. Topping the list are Sudan, Nigeria, Equatorial Guinea and Angola for their hydrocarbons, and Zimbabwe, the Democratic Republic of the Congo, Kenya, Tanzania, and Zambia for their minerals. Among these, Nigeria, Angola, and Kenya, along with South Africa are important trading partners and markets for Chinese goods and businesses. Many of these countries, especially the energy rich states, have strained or, as in the case of Sudan, hostile relations with the west.

72. Senator MARTINEZ. General Craddock, is our cumbersome FMS system part of the handicap you face?

General CRADDOCK. It is true that the current FMS system is often slow, cumbersome, and, at times, unwieldy. However, the FMS system was not designed as a contingency procurement process. Instead, it was designed to ensure that technology is protected and sensitive items are safeguarded from inappropriate release.

A military-to-military FMS program can often be delayed by a single approval authority in the chain. The need for a deliberate process is understandable and justified given the frequent importance of swift action and the nature of the items sold. Without question, the current security environment requires a more responsive and flexible system and the recent authority given to COCOMs in section 1206 comes closest to providing that responsiveness. The section 1206 program allows the DOD to address urgent and emergent needs in the realm of SC. This tool enables "phase zero" operations that alleviate the underlying conditions for terrorism by addressing the capacity of partner nations to ensure their own defense. By allowing rapid employment of resources, through an integrated interagency approach, section 1206

funding enables the U.S. Government to adapt and respond to the rapidly changing threat environment characteristic of the global war on terror.

EUCOM is successfully using this authority to fund infrastructure improvements for information sharing among partner nations in Africa collaborating with the U.S. on counterterrorism. Additionally, it has enabled certain African nations to build maritime awareness capabilities along the West African coastline.

Improvements to the FMS process to make it more transparent and valuable are still required. Managers at every step of the process need to be empowered with the ability to interface with both the requestors and providers to rapidly correct data and correspondingly adjust decisions. As an example, a sale of unmanned aerial vehicles to a NATO partner is facing delays of up to 2 years over communications security issues. Such delays directly affect the ability to enhance partner capacity. This capacity is vital to the sustainment of both coalition contributions to the global war on terror, as well as the U.S. ability to interoperate with willing partners.

73. Senator MARTINEZ. General Craddock, are China's moves primarily commercial or political or both?

General CRADDOCK. China's main interests in Africa are both commercial and economic. Chief among these are gaining and maintaining access to the natural resources needed to drive China's rapidly growing economy. As the world's second largest oil consumer (behind the United States), hydrocarbon interests dominate China's agenda in Africa. China leads the world in the demand for copper, cobalt, steel, and aluminum, and it is investing heavily in the mineral sectors of Africa's mineral rich countries. China uses military arms sales, military grant aid, training, and other programs to build good will and gain favor with the elites of those countries to facilitate access to Africa's oil and mineral wealth.

While China's political and diplomatic interest is promoting its "One China" policy, it no longer dominates Beijing's agenda on the African continent. In Africa, China has largely succeeded in isolating Taiwan as only five of the 50 African states recognize Taiwan diplomatically. China also looks to Africa to shore up its influence in the Non-Aligned Movement and in the United Nations, where Africa comprises about a third of the General Assembly.

MILITARY-TO-MILITARY RELATIONSHIP WITH THE ARMED FORCES OF GEORGIA

74. Senator MARTINEZ. General Craddock, we have in place a robust SC program with the Armed Forces of Georgia (Georgia Sustainment and Stability Operations Program). It appears that this is a successful program and I note that Georgia is the largest per capita contributor of forces to OIF. Can you give an update on the successes of our SC programs with Georgia and tell about progress on Georgia's NATO Membership Action Plan?

General CRADDOCK. The success of our SC programs in Georgia has allowed Georgia to increase its OIF contribution from 858 to 2,000 personnel. When this force deploys this summer, Georgia will not only be the largest per capita contributor, but they will also be the third largest coalition contributor (behind the United States and United Kingdom). The Georgian brigade will be integrated as a complete brigade within a U.S. infantry division area of operation and be able to execute any missions that could be assigned to a U.S. brigade. We intend to build upon this success by training and equipping Georgia's Special Forces battalion for service in Afghanistan, training the Afghanistan National Army. We are also enhancing the capabilities and infrastructure of Georgia's national training center at Krtsanisi, giving them the capacity to sustain their training and to eventually utilize this facility to help train other coalition members for future operations.

Georgia continues to make significant progress in achieving its NATO Individual Partnership Action Plan (IPAP) objectives in pursuit of receiving a NATO Membership Action Plan. Georgian units are operating successfully as coalition members in Iraq and Kosovo. Moreover, Georgia has made important improvements across a broad range of the defense sector to include financial management, training, logistics, and infrastructure.

75. Senator MARTINEZ. General Craddock, how close is Georgia to meeting the military requirements of being admitted to NATO?

General CRADDOCK. NATO is pleased with the progress Georgia is making in achieving its IPAP objectives. Georgia is making significant headway in establishing systems for English language skills training, human resources management, and defense planning, programming, and budgeting, though more work is still required. Moreover, they have made noteworthy improvements in establishing civilian control

of the military and restructuring their joint staff. Georgia is also enhancing their professional military education system and developing the necessary concepts and training to establish a professional Noncommissioned Officer Corps. If Georgia maintains this level of commitment, the potential for NATO membership is good. That decision is, of course, one of political nature by member nations.

BALLISTIC MISSILE DEFENSE

76. Senator MARTINEZ. General Craddock, we've heard a lot in the news and you mention in your testimony about the proposed missile defense installations in Poland and the Czech Republic. Our friends in Russia have made their displeasure with our plans quite apparent and it has even been claimed that our efforts will plunge the world back into a second Cold War. Could you outline why the proposed missile defense sites are not a threat to Russia?

General CRADDOCK. The United States has consulted with the Russians at senior levels on numerous occasions regarding U.S. BMD plans, including the NATO-Russia Council and several bilateral discussions. In those discussions, the United States offered to explore Russian participation and contributions to missile defense initiatives. Contrary to Russian public claims, the United States has been transparent and actively engaged with Russia regarding our missile defense policy, plans, and programs. The Russians have been told on numerous occasions that the proposed European system is not technically capable of threatening their ballistic missile assets. Russia's ballistic missiles could easily overwhelm the U.S. limited number of deployed interceptors. Also, the physics and trajectories of Russian launches toward the United States make it clear that interceptors placed in Central Europe could never catch a Russian missile. European missile defense assets are designed to address a threat from the Middle East, not from Russia. Of particular note, Secretary Gates recently sent a letter to Minister Serdyukov asking him to carefully consider a U.S. invitation for Russian experts to visit missile defense facilities in the United States Secretary Gates also suggested that a Russian expert-level delegation provide the United States with Russian views on possible areas of missile defense cooperation.

77. Senator MARTINEZ. General Craddock, how do these installations differ from those built during the height of the Cold War?

General CRADDOCK. The European Site Initiative is purely defensive in nature and focused on a ballistic missile threat from a specific geographic region, Southwest Asia. Cold War-era installations were generally offensive or both offensive and defensive in nature and were designed to defend against or counter a range of threats.

78. Senator MARTINEZ. General Craddock, do you feel that this line of defense will adequately protect our allies and interests in the region from rogue states?

General CRADDOCK. The EUCOM AOR requires a mix of systems (interceptors, radars, and command and control) that provide defense against short, medium, intermediate, and intercontinental missiles in all phases of flight (boost, mid-course, and terminal). The European Site Initiative, one component in this "mix of systems," would supplement defense of the United States, and defend most of Europe, deployed forces, friends, and allies from emerging long-range ballistic missile threats in Southwest Asia.

RUSSIA

79. Senator MARTINEZ. General Craddock, in late April, Russian President Vladimir Putin proposed a moratorium on the treaty on Conventional Armed Forces in Europe. This is a concerning action by the Russian government and could be viewed as a response to our plans to build ABM sites in Poland and the Czech Republic. Do you believe that the Russian President's comments are potentially threatening to our interests abroad and those of our allies?

General CRADDOCK. Russia has consistently stated that it values the CFE Treaty as much as the Europeans and wants to move on to the Adapted CFE Treaty. Russia argues that any loss of the Treaty's viability is due to U.S. moves. Despite these comments, there has been no impact thus far on CFE Treaty implementation activities.

Political consultants in Russia have noted that President Putin is just tired of perceived accumulated U.S. slights, including: missile defense, Secretary Gates' testimony placing Russia and North Korea in the same threat category, U.S. criticism

over Russian efforts to transition Belarus to market prices for gas, and western failure to condemn Estonia's removal of the Soviet-era World War II monument as feeding this anger. Despite the rhetoric, President Putin continues to characterize the United States as a friend, to dismiss anti-Americanism as harmful, and to reiterate his respect and friendship for the President.

80. Senator MARTINEZ. General Craddock, should we be concerned that President Putin may desire to increase Russian military presence on the European continent?
General CRADDOCK. [Deleted.]

[Whereupon, at 11:39 a.m., the committee adjourned.]

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