

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2004**

WEDNESDAY, MARCH 19, 2003

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

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

Present: Senators Stevens, Domenici, Shelby, Hutchison, Inouye, Leahy, and Dorgan.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENTS OF:

HON. THOMAS E. WHITE, SECRETARY OF THE ARMY

GENERAL ERIC K. SHINSEKI, CHIEF OF STAFF, UNITED STATES ARMY

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. We just received word that Senator Inouye is stuck in traffic, as many of us have been this week, and he asked us to proceed without him, so I am pleased to have a chance to hear testimony from the Secretary of the Army and the Army Chief of Staff for the fiscal year 2004 budget request. We welcome you, General Shinseki.

General SHINSEKI. Thank you, Sir.

Senator STEVENS. I am informed that this may be your last time to come before us.

General SHINSEKI. Very likely.

Senator STEVENS. Or at least this year will be your last time.

General SHINSEKI. Yes, sir.

Senator STEVENS. With what is going down in Iraq we may see you again, but I do want to tell you it is just such a short time ago you came for the first time, General, and we have enjoyed very much, all of us, the chance to be with you and to have your vision on transformation of the Army, and we have done our best to pursue that. I am certain that Senator Inouye will have some statements when he comes, but I want to thank you on behalf of our committee for all your cooperation with us.

And Mr. Secretary, nice to have you back with us again.

Mr. WHITE. Thank you, sir.

Senator STEVENS. We now find ourselves conducting a global war on terrorism, and quite close to war in Iraq, and we are obviously very much in need of a strong, modern, prepared military. It is important to us today, more important, probably, than it has been in many, many years to be sure that you have the resources that you need, and that we support the President and your men and women as they respond to the Commander in Chief's directions and commands.

We have people from the Army deployed all over the world now. I am told that the Army has 262,000 soldiers now deployed somewhere in the world outside of our country.

General SHINSEKI. That is correct.

Senator STEVENS. The Guard and Reserve now, under the total force concept, share this burden, with 139,000 Reservists and Guardsmen mobilized and on active duty. There are many issues that we face this year, there is no question about it, but we want to pursue today, if possible, the direction that we should go on Army Transformation.

I think you have demonstrated to the Congress and the people of this country that the Transformation concept is not just simply a new weapons platform, but a new doctrine and organizational concept for the Army, and it is a whole new way of life for the Army and new way to fight and win wars. You have managed to shake up the industry and the military bureaucracy with your concepts, and Transformation has shattered the old paradigm of business as usual in the military, so we congratulate you.

I think Congress must continue its commitment to this Army Transformation and continue the commitment we made to our soldiers in 1999, when you first brought us this new concept of Transformation, so it is the intention of this committee, at least for this chairman and I am certain Senator Inouye, to urge this committee to give you our full support to make certain that this goal is totally accomplished. We look forward to hearing your plans today not only on transformation, but to further strengthen the entire Army.

I will put the balance of my comments in the record so that I do not prolong this, but I do thank each of you for visiting with me and my staff yesterday to make certain we had coordination of our concepts and our resolve to be certain that the Army of today and tomorrow will be the best that it can be.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

This morning the subcommittee will receive testimony from the Secretary of the Army and the Army Chief of Staff on their fiscal year 2004 budget request.

General Shinseki, welcome to you. Unfortunately, this will be your last time testifying before the committee as the Chief of Staff.

It seems like a very short time ago when you first testified before this committee and introduced us to your vision of transformation for the Army.

The Army is well on its way towards the future. Transformation is a success. You have proven your critics wrong.

Much has happened since our first meeting. As we find ourselves conducting a global war on terrorism, preparing for a possible war to disarm Iraq, America is reminded of the need for a strong, modern, prepared military.

It is as important today as it ever was to have a military who has the resources it needs and the support of the President and the entire country.

The United States Army is deployed all over the globe. Today, the Army has over 262,000 soldiers deployed or forward stationed.

The Guard and Reserve are also sharing in this burden with more than 139,000 reservists and guardsmen mobilized and on active duty.

While there are many important issues facing the Army, one of the most critical decisions Congress will make this year will be the direction we go on Army transformation.

You have demonstrated to the Congress, and the country, that the transformation concept is not simply a new weapons platform, but a new doctrine and organizational concept for the Army. It is a whole new way for the Army to fight and win wars.

You have managed to shake up industry and the military bureaucracy with your concepts. Transformation has shattered the old paradigm of "business as usual".

Congress must continue its commitment to Army transformation and continue the commitment we made to our soldiers in 1999 when you introduced the concept of transformation.

It is the intention of this committee to give you the resolve and support to see your goal through.

I look forward to learning of your plans to not only continue transformation, but to further strengthen it, and the entire Army.

This committee will continue to adamantly support your plan to deploy 6 Stryker brigades. In fact, I will seek your insight momentarily on how this committee can best protect that plan.

In addition, I would welcome any comments you might have on current funding requirements for the Army for fiscal year 2004, and your views on the scope and timing of any needed supplemental appropriations for this fiscal year.

Let me now turn to our mutual friend, and partner, the distinguished ranking member of the subcommittee, Senator Inouye.

Senator STEVENS. Senator Leahy, you are first.

Senator LEAHY. Mr. Chairman, are we going to questions now, or are these just—

Senator STEVENS. Opening statements, if you have them.

STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. No. I will put an opening statement in the record.

I would just tell you, Mr. Chairman, what I had said to Secretary White and General Shinseki here earlier, right before this started, that no matter how anybody feels one way or the other on war, at least we can take comfort in the fact that our people, our troops in the field are the best-trained, best-equipped in the world, and as I told both the Secretary and the General, what I have been saying to families in Vermont who have either members of their family who are already deployed or being called up to be deployed, take comfort in the fact that our people are so well-led, so well-trained, and so well-equipped.

And as the General pointed out to me, that is not something you do overnight. It requires years and years of preparation and Mr. Chairman, you and Senator Inouye and this committee have done a lot of that to make sure we bought a lot of equipment we hope we will never have to use, but when we have to use it, at least it is there, and so I compliment you both.

Thank you, Mr. Chairman. I will put my whole statement in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

I would like to welcome back General Shinseki and Secretary White to the Subcommittee. As U.S. forces are poised to enter Iraq, it is good to know that they have such competent, steadfast leadership back at the Pentagon. We face many challenges in the days and weeks ahead. The men and women of the U.S. Army and

the entire armed forces are ready for any eventuality. I look forward to the question and answer period.

Senator STEVENS. My great friend from Hawaii, do you have an opening statement, Senator?

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Mr. Chairman, I thank you very much. I have the excuse that half of this city has, the traffic, but before I proceed, sir, I would like to, as a citizen of the United States, commend and thank the Secretary and General Shinseki for the service they have rendered us at this time in our history by preparing our men and women so that they are in full readiness upon the command of our Commander in Chief. I think this is very important, and for that we will be eternally grateful.

Mr. Chairman, I have a prepared statement here, but since time may be of the essence, may I put this in the record, sir?

Senator STEVENS. Without objection, it will be put in the record as though read.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Secretary White, General Shinseki, I would like to welcome you once again, as we consider the fiscal year 2004 Defense appropriations request for the Army. General Shinseki, since this will probably be your last appearance before this committee as Chief of Staff of the Army, I would like to take this opportunity to recognize your invaluable contributions to the U.S. Army.

General Shinseki assumed his duties as the 34th Chief of Staff of the U.S. Army on June 22, 1999. Just three months later, he announced his plans to transform the Army into a force that could better meet future defense requirements to be both rapidly deployable and lethal.

During your tenure, General, you institutionalized transformation and with it brought about a fundamental cultural and technological shift in the U.S. Army—a difficult challenge for an institution as large, diverse, and steeped in history and tradition as the United States Army.

Four years after assuming your duties as Chief of Staff of the Army, the term “transformation” not only encompasses plans and programs for building the Army’s future force, but the term is now synonymous with the efforts of the entire Department of Defense as it seeks to enhance its capabilities to fight and win wars in the 21st century.

Congratulations General on a long and decorated career, and thank you for your service to the Army and to the country. Although you are retiring this June, this committee hopes and plans to continue to call on you for your counsel.

Gentlemen, since our last hearing, the Army continues to play a critical role in the global war on terrorism, while at the same time transforming its forces for the 21st century.

Our Nation’s soldiers are busy—mobilization of the Army Reserve and Guard has reached 210,000 with forces deployed around the world to combat terrorism, to honor our commitments in Bosnia, Kosovo, the Sinai, and Saudi Arabia, and to prepare for a potential war with Iraq. Gentlemen, we need you to tell us how long we will be able to sustain these deployments and mobilizations, and whether you have sufficient forces to meet these requirements.

I look forward to hearing about these issues and how the Army’s fiscal year 2004 budget request supports the Army’s current and future missions.

Senator STEVENS. Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Mr. Chairman, thank you for calling this hearing. Secretary White, I want to commend you for your service both as a soldier and as a Secretary, and General Shinseki, we know what you mean to the Army. We know what you mean to the Na-

tion, and I appreciate that very much. I look forward to both of your testimony here today, especially on the eve of the impending conflict.

Senator STEVENS. Senator Dorgan.

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, let me thank the Secretary for being here, and let me thank General Shinseki, and General Shinseki, I know that you are slated to retire, and let me echo the words of my colleagues in thanking you for your service.

Senator STEVENS. Thank you very much, and I would ask that you both turn on your mikes, as I have just turned mine on, and I am reminded sitting here of the times that Senator Stennis talked to us about changing the Army and about trying to work the Guard and Reserve into the total force. I think he would be delighted if he were here with us today because if there were any pioneer in, really, modernization of the Army, it was Senator Stennis.

I do again thank you very much for the hard work you have put into making this Army as good as it is, and as good as the world will see it is in the near days. Please proceed with your statements, whoever wishes to go first. Mr. Secretary.

STATEMENT OF SECRETARY WHITE

Mr. WHITE. Thank you, Mr. Chairman, and with your permission I will submit a statement for the record and keep my opening remarks short.

Senator Inouye, Mr. Chairman, I am grateful for the opportunity to talk with you today about the United States Army. Our priorities remain the same as they were a year ago, win the global war on terrorism, and transform the Army to prepare it for future wars.

First and foremost, I wish to thank this committee for your continued support for the Army. The fiscal year 2003 budget has allowed us to make significant improvements in many key areas. We have structured our budget request for fiscal year 2004 in the same fashion as fiscal year 2003, based on our top priorities of People, Readiness, and Transformation.

On the people front, thanks to your support we are making significant strides, and this does include a fully funded pay raise for all soldiers, targeted pay raises in selective cases, significantly reduced soldier out-of-pocket expenses for housing, and an accelerated Residential Communities Initiative (RCI) to improve on-post quarters for our families.

This year, we are examining options, under an initiative called personnel transformation, to shift away from our individual replacement system to a unit manning approach that will enhance cohesion and combat readiness of our formations while improving the predictability of assignment patterns for Army families.

As you know, we have had over 30,000 National Guard and Reserve soldiers on active duty consistently since September 11 of 2001, some 18 months now, and as of today, we have activated over 151,000 soldiers for current and potential future Federal operations in addition to over 2,700 soldiers currently activated for State service. These Reserve Component soldiers are performing magnificently on a "One Army" basis, and we appreciate the tremendous

support they have received from their employers as well as the American public. We recognize the unique sacrifices made by these citizen soldiers as they step up to do their duty as citizens and patriots.

On the readiness front, the Army is ready for any additional operations we are ordered to perform in the future, and our great soldiers are successfully meeting our many current obligations around the world. With your help in fiscal year 2003 and again in our fiscal year 2004 budget request, we gave priority to funding training requirements for the force, significantly improved our spare parts availability, accelerated fielding of soldier support systems and unit communications equipment to make our units as ready as possible. Having said that, our operations tempo (OPTEMPO) has never been higher in my nearly 40 years of experience with the Army. We are indeed an Army that is on the move.

While we have fully funded normal OPTEMPO and training, including the full complement of pre-9/11 missions such as Bosnia and Kosovo, the Sinai, and Korea, we have many other obligations as we pursue the global war on terrorism as part of the joint force. Post-9/11 missions of the past 18 months include Operations Noble Eagle here at home, Enduring Freedom in Afghanistan, as well as operations in the Philippines and elsewhere. Finally, we have a significant flow of Army forces into the Persian Gulf in support of potential future operations to ensure the disarmament of Iraq.

Given this level of activity, it should come as no surprise that supplemental funding in fiscal year 2003 will be required. We are working hard to balance our readiness imperative for realistic training with our obligation to be good stewards of the environment. That balance is reflected in the Department of Defense's Range Preservation Initiative that we ask your support for. It is essential for us to maintain the balance between the use of military lands for their uniquely military purposes and the need for environmental protection and species preservation.

The readiness of our soldiers going into harm's way depends upon that balance, so we ask for your help with this important initiative. We are transforming our Army even as we execute combat operations and prepare for future contingencies. This simultaneity is not only a necessity, it is an imperative. We are transforming the business side of the Army as well as the operational force, and we are transforming within the joint context, not merely in a service-centric manner.

We have held steady to the azimuth established by the Chief of the Army, General Shinseki, all the way back in 1999, and in my personal opinion, one of the reasons we have been successful in that Transformation is the courage he showed in laying that marker down and then not deviating from that azimuth, and you have supported that azimuth consistently since he spoke of it.

In fiscal year 2004, we request funding for our fourth Stryker Brigade to be fielded at Fort Polk, Louisiana, the Second Armored Cavalry Regiment, and we remain fully committed to fielding six Stryker Brigades on our established time line. We remain focused on the Objective Force with the restructured Comanche armed reconnaissance helicopter program. We are postured to successfully meet acquisition Milestone B in May for the Future Combat Sys-

tem (FCS). FCS includes the non-line of sight (NLOS) variant and the initial fielding increment which will meet the cannon requirement previously addressed by the Crusader program. We remain on a glide path to field the first Objective Force units in fiscal year 2008 with an initial operational capability (IOC) in 2010.

On the business side of the Army, we fully solicit your support for the Department of Defense (DOD) transformation package, which will greatly streamline our operations and give us the flexibility to manage the Department in the most efficient manner. In the same vein, our business transformation initiatives are designed to achieve greater value for the taxpayer dollar.

Our Residential Communities Initiative to privatize family housing continues to be an enormous success. By fiscal year 2007, the Army will have established partnerships to bring every set of family quarters up to standard. I cannot think of a better thing to do for a married Army. We are able to do this because with an investment of \$620 million we have attracted over \$7 billion in private capital. This is a tremendous value for the taxpayer, and we believe a model of how better business practices can help us with noncore functions such as housing.

We are seeking to apply the same model of public-private partnership to the challenge of on-base utilities, for example, by consolidating all installation management under one command, and by centralizing the Army-wide contracting, for contracts over \$500,000, in our Army Contracting Agency. We are seeking to regionalize utilities contracting, achieving economies of scale that were not possible with our previous business management structures. Private capital will be required to fix the utilities infrastructure on our bases, and we are setting the conditions to attract it just as we have with family housing.

Finally, we are conducting what we call our Third Wave Initiative, which seeks to eliminate or transfer all noncore functions currently consuming Army people and dollars. Rest assured, as we progress this initiative, we will pursue this business initiative in full consultation with the Congress.

Now, finally the matter of risk. Balancing the risk associated with near-term modernization and mid-term transformation has required us to make some tough choices. We have had to terminate or restructure numerous current force modernization programs to generate the capital to fund transformation. In a nutshell, our fiscal year 2004 budget submission funds people, readiness, and transformation at the expense of some of our infrastructure accounts and current force modernization. We made these judgments only after a careful balancing of both operational risk and the risk of not transforming to provide the capabilities the Army needs to meet the obligations of our near-and mid-term strategy.

In conclusion, I wish to return to those who I mentioned first in my remarks, our soldiers. Their performance in Afghanistan speaks volumes. In the dead of winter, a landlocked country, toughest terrain imaginable, the collapse of the Taliban put Al Qaeda on the run and they are still running. It has been my privilege to visit them in Afghanistan, see our soldiers in Kuwait and Bosnia and Kosovo, all around our country. You could never meet a finer group of young Americans. They are flat out, in my 40 years, the best sol-

diers I have ever seen, and we are all very, very proud of them. Rest assured they stand ready, along with our sister services, to accomplish any task ordered by our Commander in Chief.

PREPARED STATEMENT

Thank you, Mr. Chairman, very much for the opportunity to discuss the fiscal year 2004 budget submission. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HONORABLE THOMAS E. WHITE AND GENERAL ERIC K. SHINSEKI

Mr. Chairman and distinguished members of the Committee, thank you for this opportunity to report to you today on the Posture of the United States Army.

America's armed forces are the most powerful in the world. And America's Army remains the most respected landpower to our friends and allies and the most feared ground force to those who would threaten the interests of the United States.

Since before the birth of the Nation, American Soldiers have instilled hope in a noble dream of liberty. They have remained on point for the Nation through nine wars, and the intervals of peace in the years between—defending the Constitution and preserving freedom. Magnificent in their selfless service, long in their sense of duty, and deep in their commitment to honor, Soldiers have kept the United States the land of the free and the home of the brave. This is our legacy. Our Soldiers who serve today preserve it.

In October 1999, we unveiled our vision for the future—"Soldiers, on point for the Nation, transforming this, the most respected army in the world, into a strategically responsive force that is dominant across the full spectrum of operations." The attacks against our Nation on September 11, 2001, and the ensuing war on terrorism validate The Army's Vision—People, Readiness, Transformation—and our efforts to change quickly into a more responsive, deployable, agile, versatile, lethal, survivable, and sustainable force.

While helping to fight the Global War on Terrorism, The Army is in the midst of a profound transformation. Readiness remains our constant imperative—today, tomorrow, and the day after. Transformation, therefore, advances on three broad axes: perpetuating The Army's legacy by maintaining today's readiness and dominance; bridging the operational gap with an Interim Force of Stryker Brigade Combat Teams; and fielding the Objective Force to fight and win conflicts in the years beyond this decade.

As they have throughout The Army's 227-year history, Soldiers remain the centerpiece of our formations. Versatile and decisive across the full spectrum of joint missions, land forces have demonstrated time and again the quality of their precision in joint operations. Our responsibility is to provide Soldiers with the critical capabilities needed for the tough missions we send them on.

After three and a half years of undiminished support from the Administration and the Congress, and the incredible dedication of Soldiers and Department of the Army civilians, we have begun to deliver The Army Vision. With continued strong support, we will win the war against global terrorism, meet our obligations to our friends and allies, remain ready to prevail over the unpredictable, and transform ourselves for decisive victories on future battlefields.

We have achieved sustainable momentum in Army Transformation; the framework is in place to see the Objective Force fielded, this decade.

THE ARMY—AT WAR AND TRANSFORMING

The United States is at war, and The Army serves the Nation by defending the Constitution and our way of life. It is our nonnegotiable contract with the American people—to fight and win our Nation's wars, decisively.

In the weeks immediately following the attacks of September 11, 2001, Special Operations Forces (SOF) infiltrated Afghanistan, penetrated Al Qaida and Taliban strongholds, and leveraged all available long-range, joint fires, enabling the Northern Alliance to begin dismantling the Taliban. By January 2002, U.S. and Allied conventional force reinforcements began to set the stage for Operation Anaconda, where Soldiers, demonstrating courage and determination under the most challenging conditions, defeated Al Qaida at altitude on the escarpments overlooking the Shah-e-kot Valley.

Today, more than 198,000 Soldiers remain deployed and forward stationed in 120 countries around the globe, conducting operations and training with our friends and allies. Decisively engaged in the joint and combined fight against global terrorism, Soldiers are serving with distinction—at home and abroad. Soldiers from both the Active and the Reserve Component have remained “on point” for the Nation in the Balkans for seven years, in Saudi Arabia and Kuwait for 12 years, in the Sinai for 21 years, and in Korea and Europe for over 50 years. At the publication of the Army Posture Statement, there were more than 110,000 Reserve Component Soldiers mobilized for active federal service in support of Operation Noble Eagle and Operation Enduring Freedom. Even as we transform, Soldiers will remain ready to answer the calls of the Nation to defeat well-trained, determined, and dangerous adversaries who miscalculate in taking on the best led, the best-equipped, and the best-trained army in the world.

At war and transforming, The Army is accelerating change to harness the power of new technologies, different organizations, and revitalized leader development initiatives to remain at the head of the line. To accomplish this, Army Transformation advances along three major axes towards attainment of the Objective Force. We selectively recapitalize and modernize today’s capabilities to extend our overmatch in staying ready to defend our homeland, keep the peace in areas important to the Nation, and win the war against global terrorism. Stryker Brigade Combat Teams—our Interim Force—will bridge the current operational gap between our rapidly-deployable light forces and our later-arriving heavy forces, paving the way for the arrival of the Objective Force. By 2010, The Army’s Objective Force—organized, equipped, and trained for ground dominance, cyber-warfare, and space exploitation—will provide the Nation the capabilities it must have to remain the global leader, the strongest economy in the world, and the most respected and feared military force, by our friends and allies and our enemies, respectively.

The surprise attacks against our Nation and Operation Enduring Freedom, in response to those attacks, validated The Army Vision and provided momentum to our efforts to transform ourselves into an instrument of national power that provides full spectrum operational capabilities that are strategically responsive and capable of decisive victory. In a little over three years, we have begun to realize The Army Vision—People, Readiness, and Transformation.

The transforming Army is enriching as a profession and nurturing to families whose sacrifice has borne the readiness of the force for the past 10 years. Our Well-Being initiatives are our commitment to reverse this trend by giving our people the opportunity to become self-reliant; setting them up for personal growth and success; aggressively investing in family housing; and revitalizing Single-Soldier living space in our barracks. Our manning initiatives have filled our line divisions and other early deploying units to dampen the internal turbulence of partially filled formations and help put a measure of predictability back into the lives of our families.

The Army has carefully balanced the risk between remaining ready for today’s challenges and preparing for future crises. With unwavering support from the Administration, the Congress, our Soldiers, and Department of the Army Civilians, The Army has made unprecedented progress in its efforts to transform.

We will achieve Initial Operating Capability (IOC) for the first Stryker Brigade Combat Team (SBCT) this summer and demonstrate the increased responsiveness, deployability, agility, versatility, lethality, survivability, and sustainability that SBCTs provide to Combatant Commanders. In a little over three years from initial concept to fielded capability, the SBCTs will allow us to glimpse the potential for acquisition reform in paving the way for delivery of the Objective Force.

We have constructed the framework for achieving the Objective Force this decade: a Transformation Campaign Plan with Roadmap; the Objective Force White Paper; the Operational and Organizational plans for the Objective Force Unit of Action; and the Operational Requirements Document for the Future Combat System of Systems.

Additionally, The Army is poised to fill ground maneuver’s most critical battlefield deficiency—armed aerial reconnaissance—with Comanche, a capable, survivable, and sustainable aircraft that is a cornerstone of the Objective Force.

All along the way, we have tested our concepts in wargames and experiments, checked and rechecked our azimuth to the Objective Force weekly and monthly, and look forward to a successful Future Combat System Milestone B Defense Acquisition Board decision in May of this year.

However, we cannot accelerate Army Transformation without transforming the way The Army does business—from transformation of logistics and acquisition to personnel and installation transformation. Revolutionizing Army business management practices achieves the best value for taxpayers’ dollars; conserves limited resources for investment in People, Readiness, and Transformation; enhances manage-

ment of personnel systems, installations and contracting; and augments our potential to accelerate arrival of the Objective Force. Changing The Army is first about changing the way we think, and better business practices represent practical application of common sense initiatives that best serve The Army and our Nation.

We are proud of our progress. We are grateful for the strong Congressional support that has helped put The Army on its approach march to the Objective Force. The Army 2003 Posture Statement describes our tremendous progress in Transformation—an orchestrated campaign, synchronized with OSD and Joint Transformation, to achieve the Objective Force and keep America's Army the dominant landpower in the world.

STRATEGIC ENVIRONMENT—THE REQUIREMENT TO TRANSFORM

During the last two decades of the 20th Century, information-age technologies dramatically changed the political, economic, and military landscapes. Desert Shield, Desert Storm, and operations in Kuwait, Bosnia, and Kosovo illustrated the requirement for transforming our forces to meet the evolving, strategic requirements of our Nation. Survivable and extremely lethal, our heavy forces effectively met the requirements for which they were designed; yet, they were slow to deploy and difficult to sustain. Conversely, our light forces were rapidly deployable, but they lacked the protection, lethality, and tactical mobility that we seek across the spectrum of military operations. We were successful in winning the Cold War and, as a result, smaller than we had been in 40 years. The Army no longer had the luxury of specialized forces built to confront a single and narrowly defined threat like the Warsaw Pact countries.

Today's challenges are more complex; threats are elusive and unpredictable. The fight against international terrorism has overshadowed, but not eliminated, other potential crises. Tension between India and Pakistan persists; stability between China and Taiwan is tenuous; and concern over North Korea escalates. Threats of transnational terrorism and the proliferation of weapons of mass destruction (WMD)—often financed by organized crime, illicit drug transactions, trafficking in women and children, and the sale of arms—further complicate the security environment. Geopolitical trends such as scarce resources, youth population-spike in underdeveloped countries, aging populations in developed countries, and the growth of mega-cities, among others, presage a future strategic environment of diverse and widely distributed threats.

Fully appreciating the internal and external difficulties that profound change engenders, we assessed the operational challenges of the new century against the capabilities of our Cold War Army, recognized the opportunity to leverage the inherent combat power of the technological revolution, and set a clear path ahead—The Army Vision.

The 2002 National Security Strategy (NSS) reaffirms our military's highest priority—defending the United States. To do this effectively, we assure our allies and friends; dissuade future military competition; deter threats against U.S. interests, allies, and friends; and decisively defeat any adversary, if deterrence fails. The NSS directs the military to transform to a capabilities-based force ready to respond to unpredictable adversaries and security crises. The Objective Force meets these NSS requirements, and Army Transformation will enhance our ability to conduct rapid and precise operations, achieve decisive results at the time and place of our choosing, and safeguard the Nation's ability to exercise our right of self-defense through preemption, when required.

The 2001 Quadrennial Defense Review describes a capabilities-based approach to defense planning that provides broader military options across the operational spectrum, from pre- to post-conflict operations. The force-sizing construct—1-4-2-1—takes into account the number, scope and simultaneity of tasks assigned the military: it sizes the force for defense of the U.S. homeland (1), forward deterrence in four critical regions (4), the conduct of simultaneous warfighting missions in two regions (2)—while preserving the President's option to call for decisive victory in one of those conflicts (1)—and participation in multiple, smaller contingency operations.

THE ARMY—SERVING TODAY, BALANCING RISK, MANAGING TRANSFORMATION

Soldiers are the most precise and responsive means to strike and then control enemy centers of gravity on the ground—where people live, work, and govern. American Soldiers are disciplined, professional, and trained for success in diverse missions; they are the foundation of a flexible force that accomplishes its missions in the non-linear battlespace by integrating new, innovative technologies and techniques with current systems and doctrine. Our people adapt under the harshest con-

ditions, whether in the deserts of Kuwait and the Sinai, the mountains and rice paddies of Korea, or the tropics of the Democratic Republic of Timor-Leste.

These demanding commitments mean we must nurture a balance between current and near-term readiness and our Transformation to meet future challenges. The Army has accepted reasonable operational risk in the mid-term in order to fund our Transformation to the Objective Force. To avoid unacceptable risk, we are monitoring closely the current operational situation as we support the Combatant Commanders in the war against terror, conduct homeland defense, and prosecute the long-term effort to defeat transnational threats. We have designed and implemented the Strategic Readiness System (SRS) to provide a precision, predictive tool with which to monitor The Army and make appropriate adjustments to preserve current readiness. Our surge capacity in the industrial base further reduces current risk by keeping production lines warm and responsive. And our first Stryker Brigade Combat Team will provide the Combatant Commanders with a new capability to further mitigate operational risk—even as we transform to the Objective Force.

REALIZING THE ARMY VISION—PEOPLE, READINESS, AND TRANSFORMATION

In 1999, The Army announced its vision to transform into a more strategically responsive force, dominant across the full spectrum of military operations. The Army Vision addresses three essential components: People, Readiness, and Transformation. Soldiers are the heart of The Army, the centerpiece of our formations, and the foundation of our combat power. Readiness remains our overarching imperative; it is the means by which we execute our nonnegotiable contract with the American people—to fight and win our Nation's wars, decisively. To preserve readiness while rapidly changing, Transformation advances on three major axes: preserving our Army legacy by maintaining readiness and dominance today; bridging the operational gap with Stryker Brigades—the Interim Force; and fielding the Objective Force this decade to keep The Army dominant in the years beyond this decade.

Realizing The Army Vision requires the concerted effort of the entire Army, across all components—from warfighting to institutional support organizations. The Army published its Transformation Campaign Plan in April 2001 to synchronize and guide this complex undertaking. The November 2001 Objective Force White Paper describes the advanced capabilities and core technologies needed to build the Objective Force. The Army's June 2002 Army Transformation Roadmap defines Transformation as a continuous process—with specific waypoints—that increases our contributions to the Joint Force while achieving the six Department of Defense (DOD) critical operational goals. The result will be a more strategically responsive and full spectrum dominant force capable of prompt and sustained land combat operations as a member of the joint force.

In support of the emerging joint operational concepts and architectures, The Army—as the major landpower component—continues to develop ground concepts for a full spectrum, and multidimensional force. These concepts are producing a Joint Force that presents potential enemies with multiple dilemmas across the operational dimensions—complicating their plans, dividing their focus, and increasing their chances of miscalculation.

In future joint operations, Objective Force units will be capable of directing major operations and decisive land campaigns with Army headquarters. Objective Force headquarters at all levels will provide the Joint Force Commander (JFC) with seamless, joint battle command and decision superiority. The modularity and scalability of our Objective Force formations will provide an unprecedented degree of flexibility and adaptability to the Combatant Commander—providing the right force at the right time for decisive outcomes.

PEOPLE—OUR MOST VALUABLE RESOURCE

The Army Vision begins and ends talking about people. People are central to everything else we do in The Army. Platforms and organizations do not defend this Nation; people do. Units do not train, stay ready, grow and develop leadership—they do not sacrifice and take risks on behalf of the Nation. People do. Institutions do not transform; people do. People remain the engine behind all of our magnificent moments as an Army, and the well-being of our people—the human dimension of our Transformation—is inextricably linked to Army readiness.

In our Vision, we recommitted ourselves to doing two things well each and every day—training Soldiers and civilians and growing them into competent, confident, disciplined, and adaptive leaders who succeed in situations of great uncertainty. We are dedicated to preparing our Soldiers to lead joint formations, to enabling our headquarters to command and control joint forces, and to providing to those joint

formations the capabilities only The Army can bring to the fight: the ability to control terrain and populations.

Manning the Force

The objective of our manning strategy is to ensure we have the right people in the right places to fully capitalize on their warfighting expertise—this is The Army's commitment to the Nation, Army leaders, Soldiers, and our families. Correctly manning our units is vital to assuring that we fulfill our missions as a strategic element of national policy; it enhances predictability for our people; and it ensures that leaders have the people necessary to perform their assigned tasks. In fiscal year 2000, we implemented a strategy to man our forces to 100 percent of authorized strength, starting with divisional combat units. The program expanded in fiscal year 2001 and fiscal year 2002 to include early deploying units. In fiscal year 2002, we maintained our manning goals and continued to fill our Divisions, Armored Cavalry Regiments, and selected Early Deploying Units to 100 percent in the aggregate, with a 93 to 95 percent skill and grade-band match. We remain on target to accomplish our long-term goal of filling all Army units to 100 percent of authorized strength.

Recruiting and Retaining the Force

In 1999, The Army missed its recruiting goals for the Active Component (AC) by about 6,300 inductees, and for the Reserve Component by some 10,000. Our recruiting situation was simply unacceptable, and we committed ourselves to decisive steps and reversed that trend.

In fiscal year 2002, The Active Component achieved 100 percent of its goal in recruiting and retention—for the third consecutive year. The Army exceeded its AC 79,500 enlisted accession target in fiscal year 2002 and exceeded our aggregate fiscal year 2002 retention objective of 56,800 Soldiers in all three categories by 1,437. We are poised to make the fiscal year 2003 accession target of 73,800, and we expect to meet our Active Component fiscal year 2003 retention target of 57,000. The fiscal year 2004 accession target is set at 71,500.

The Army Reserve has met mission for the last two years, and its recruiting force is well structured to meet fiscal year 2004 challenges. The Army Reserve continues to maintain a strong Selected Reserve strength posture at 205,484 as of January 17, 2003—over 100.2 percent of the fiscal year 2003 End Strength Objective. Overcoming many recruiting and retention challenges in fiscal year 2002, the Army National Guard (ARNG) exceeded endstrength mission, accessions were 104.5 percent of goal, and we exceeded reenlistment objectives.

To ensure that we continue to recruit and retain sufficient numbers, we are monitoring the current environment—the global war on terrorism (GWOT) and frequent deployments—to determine impact on morale, unit cohesiveness, combat effectiveness, and support of Well-Being programs that draw quality people to The Army. We continue to examine innovative recruiting and retention initiatives. The challenges we face in fiscal year 2003 and 2004 are two-fold: increase recruiter productivity and recruiting resources necessary to maintain recruiting momentum when the economy becomes more robust. Resourcing recruiting pays dividends well beyond accessions in the year of execution. For example, Army advertising in fiscal year 2002 influenced not only fiscal year 2002 accessions, but also potential recruits who will be faced with enlistment decisions in fiscal year 2003 and beyond.

RESERVE COMPONENT FULL-TIME SUPPORT (FTS)

Today, more than 50 percent of our Soldiers are in the Reserve Component (RC). The GWOT and Homeland Defense are significant undertakings that demand a high level of resourcing. The RC has been key to our success in these operations. To ensure The Army's RC continues to meet ever-increasing demands with trained and ready units, The Army plans to increase Full-Time Support authorizations 2 percent each year through fiscal year 2012, increasing the FTS from the current level of 69,915 to a level of 83,046. The Army recognizes additional Full-Time Support authorizations as the number one priority of the Army National Guard and Army Reserve leadership.

CIVILIAN COMPONENT

As a comprehensive effort to consolidate, streamline, and more effectively manage the force, The Army has begun an initiative to transform our civilian personnel system. High quality, well-trained civilians are absolutely essential to the readiness of our force and our ability to sustain operations today and in the future. Recruiting, training, and retaining a highly skilled, dedicated civilian workforce is critical in meeting our obligations to the Combatant Commanders and the Nation. Aggressive transformation of our civilian force—in which projections through fiscal year 2005

indicate a 16 percent annual turnover due to retirements and other losses—will ensure we continue to meet those obligations.

As of fiscal year 2002, The Army employed 277,786 civilian personnel. To forecast future civilian workforce needs with precision, we developed the Civilian Forecasting System, a sophisticated projection model that predicts future civilian personnel requirements under various scenarios. The Army is working closely with the Office of the Secretary of Defense (OSD) and other federal agencies to demonstrate the power of this system so they can fully leverage its capabilities, as well.

The Civilian Personnel Management System XXI (CPMS XXI) has identified the reforms necessary to hire, train, and grow a civilian component that supports the transforming Army. To achieve this, we have redefined the way civilians are hired, retained, and managed. Mandatory experiential assignments will become the vehicle by which we develop future leaders. CPMS XXI fully responds to current mandates in the President's Management Agenda and incorporates the results of the Army Training and Leader Development Panels. For example, two initiatives for recruiting well-trained civilians are:

- The Army Civilian Training, Education, and Development System—a centrally managed program that accesses and trains civilian interns and grows a resource pool of personnel who can accede to senior professional positions.
- The DOD Appropriations Act for fiscal year 2002 and fiscal year 2003 provided Direct Hire Authority for critical, hard-to-fill medical health care occupations and enabled the reduction in average fill-time for these positions to 29 days.

ARMY WELL-BEING

The readiness of The Army is inextricably linked to the well-being of our people, and Army Well-Being is the human dimension of our Transformation. Well-Being responds to the physical, material, mental, and spiritual needs of all Army people—Soldiers, civilians, retirees, veterans, and their families. We recognize the fundamental relationship between Well-Being programs and institutional outcomes such as readiness, retention, and recruiting. To support mission preparedness as well as individual aspirations, Well-Being integrates policies, programs, and human resource issues into a holistic, systematic framework that provides a path to personal growth and success and gives our people the opportunity to become self-reliant. We recruit Soldiers, but we retain families—Well-Being programs help make The Army the right place to raise a family. And when our families are cared for, Soldiers can better focus on their mission—training, fighting, and winning our Nation's wars, decisively.

Soldiers appreciate the Nation's devotion to them, and they are grateful for the country's recognition of their service and sacrifices. Recent improvements to the Montgomery GI Bill, Tricare for Life, Tricare Reform, Retired Pay Reform, the 4.1 percent general pay increase, and additional pay increases in 2003, are all important to Soldiers and their families. These initiatives have helped The Army respond to the well-being needs of our people. Army voluntary education programs improve our combat readiness by expanding Soldier skills, knowledge, and aptitudes to produce confident, competent leaders. Other Well-Being initiatives include:

- Spouse Employment Summit*.—The Army is developing partnerships with the private sector to enhance employment opportunities for Army spouses and provide improved job portability for them.
- Spouse Orientation and Leader Development (SOLD)*.—SOLD connects Army spouses and enhances their opportunity to serve as valued leaders who contribute to the readiness and future of The Army and our Nation.
- Army University Access Online*.—Army offers Soldiers access to a variety of online, post-secondary programs and related educational services. www.Army.com is a comprehensive web-portal widely accessible to Soldiers, including those in Afghanistan, Bosnia, and Kuwait.
- In-State Tuition*.—To level the playing field for access to education opportunities, The Army is working to encourage states to grant in-state status for military personnel and families at public colleges and universities in their Soldier's state of legal residence and state of assignment.
- High School Senior Stabilization*.—This policy enhances predictability by allowing families to request stabilization at their sponsor's current duty location if they have a child who will graduate from high school during that year.
- Secondary Education Transition Study (SETS) Memorandum of Agreement (MOA)*.—Facilitated by The Army, this agreement among participating school superintendents is their commitment to partner and improve high school transitions for DOD children. Currently, over 110 school superintendents have signed the SETS MOA.

LEADER DEVELOPMENT—TRAINING SOLDIERS AND CIVILIANS, AND GROWING LEADERS

The Army is a profession—the Profession of Arms. Conducting decisive ground combat operations in defense of the United States and its interests is a core competency of this profession. The development of each member of The Army is the foundation of lifelong devotion to duty—while in uniform and upon returning to the civilian sector.

By its nature, our profession is extraordinarily complex and dangerous. The American people entrust The Army with the sacred responsibility to apply lethal force in defense of U.S. interests. As such, the Profession of Arms must remain firmly grounded in constitutional values and must constantly change and grow to preserve its competitive advantage in an evolving strategic environment. At all levels, our leaders—military and civilian—must apply their professional knowledge in increasingly varied and unique situations that are characteristic of today’s strategic environment. Ultimately, we must grow professional Army leaders who provide wise and discerning military judgments founded on long experience and proven professional expertise. This capacity is developed only through a lifetime of education and dedicated service—in peace and in war.

Soldiers serve the Nation with the full realization that their duty may require them to make the supreme sacrifice for others among their ranks. Soldiers fighting the war on terrorism today, those who will fight our future wars, and those who have fought in our past wars are professional warfighters and a precious national asset. To ensure we remain the greatest landpower in the world defending the greatest country in the world, The Army and the Nation rely upon their unique and hard-earned experiences and skills. To develop the operational skills required to defend the Nation, training must remain our number one priority.

The evolving strategic environment, the gravity of our responsibilities, and the broad range of tasks The Army performs require us to review and periodically update the way we educate, train, and grow professional warfighters. The Army’s strategic responsibilities to the Nation and Combatant Commanders now embrace a wider range of missions. Those missions present our leaders with even greater challenges than previously experienced. Therefore, leader development is the lifeblood of the profession. It is the deliberate, progressive, and continuous process that trains and grows Soldiers and civilians into competent, confident, self-aware, and decisive leaders prepared for the challenges of the 21st Century in combined arms, joint, multinational, and interagency operations.

In June 2000, we convened the Army Training and Leader Development Panel (ATLDP). The ATLDP’s purpose is to identify skill sets required of Objective Force Soldier and civilian leaders. Further, ATLDP assesses the ability of current training and leader development systems and policies to enhance these required skills. In May 2001, The Army Training and Leader Development Panel Phase I (Officer Study) identified seven strategic imperatives and generated 89 recommendations. With those, we validated the requirement to transform our Officer Education System (OES)—from the Officer Basic Course through the Command and General Staff Officer Course. Additionally, the panel reconfirmed the value of Joint Professional Military Education II (JPME II) in preparing our leaders for joint assignments. The most significant product of the officer ATLDP is our OES Transformation.

ATLDP Phase I (Officer Study) identified three high-payoff institutional training and education initiatives for lieutenants, captains, and majors. The first of these is the Basic Officer Leader Course (BOLC). BOLC will provide a tough, standardized, graduate-level, small-unit leadership experience for newly commissioned officers. The second of these initiatives is the Combined Arms Staff Course for staff officers, and the Combined Arms Battle Command Course for company commanders. Both courses will capitalize on advanced distributed learning and intensive resident training methods. The third initiative, Intermediate Level Education (ILE), will provide all majors with the same common core of operational instruction, and it will provide additional educational opportunities that are tailored to the officer’s specific career field, branch, or functional area. Beyond ILE, Army officers continue to attend Joint or Senior Service Colleges to develop leader skills and knowledge appropriate to the operational and strategic levels of the profession.

Completed in May 2002, the ATLDP Phase II (NCO Study) resulted in 78 findings and recommendations extending across six imperatives—Army culture, NCO Education Systems (NCOES), training, systems approach to training, training and leader development model, and lifelong learning. Among others, the ATLDP Phase II recommended building new training and leader development tools for NCOs to replace current methods, as required. The ATLDP Phase III (Warrant Officer Study) culminated with 63 recommendations extending across four crucial imperatives. Recommendations included clarifying the warrant officer’s unique role in The Army

and improving the Warrant Officer Education System to ensure timely training and promotion. The Civilian Training and Leader Development Panel (Phase IV) study results are complete, and we are forming the Implementation Process Action Team (I-PAT). I-PAT will identify actions The Army must take to increase the professional development of our civilian workforce. At the senior leader level, The Army initiated the Army Strategic Leadership Course (ASLC). The program is aimed at teaching principles of strategic leadership, with emphasis on visioning, campaign planning, leading change, and Transformation. To date, we have completed twelve of the foundation courses and three alumni courses, training the majority of The Army's general officers.

READINESS—WINNING OUR NATION'S WARS

Homeland Security (HLS)

Defending our Nation—abroad and at home—against foreign and domestic threats is fundamental to The Army's legacy, and our warfighting focus provides capabilities relevant to HLS requirements. HLS missions range from traditional warfighting competencies that defeat external threats to the non-combat tasks associated with supporting civil authorities in domestic contingencies. Operation Noble Eagle mobilized over 16,000 Army National Guard Soldiers to protect critical infrastructure. These Soldiers assisted the Department of Transportation in securing our Nation's airports while also playing a vital role in securing our Nation's borders. The Army is moving forward to provide one Civil Support Team to each state, as required by the National Defense Authorization Act for fiscal year 2003. The Civil Support Teams support Incident Commanders and identify Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) agents and substances, assess current and projected consequences, advise on response measures, and assist with appropriate requests for additional support. To date, OSD has certified 30 of 32 teams, and The Army is working to establish additional teams. Collectively, the certified teams have performed 890 operational missions since September 11, 2001. The Army remains committed to HLS, dedicating Active Component (AC) and Reserve Component (RC) staffs to focus on training, doctrine, planning, and execution of DOD missions in support of civil authorities.

Missile Defense

Robust Missile Defense is a vital warfighting requirement that protects both our homeland and our deployed forces. Missile Defense includes far more than a reactive capability to shoot down missiles in their reentry phase. Missile Defense requires a coherent system of sensors; battle command; weapons systems; and active, passive, proactive, and reactive operational concepts, all aimed at destroying enemy missiles—not only during their reentry phases. Missile Defense must also be able to destroy enemy missiles on the ground, before they launch or during their boost phase once launched. Missile Defense is inherently a joint capability to which The Army is a major contributor.

The Army is deploying and employing Ground Mobile Defense assets to contribute to this warfighting capability, accelerating the fielding of the Patriot Advanced Capability 3 (PAC3) system, and developing directed energy weapons that will bring new defense measures to The Army and the Nation. We are postured to assume control of the Medium Extended Air Defense System (MEADS) program in fiscal year 2003 and intend to begin fielding by fiscal year 2012.

MEADS is a transformational program of Objective Force quality and a significant improvement on Patriot's capabilities. It will be more mobile and more deployable (C-130 capable) than Patriot and cover a 360-degree radius to Patriot's 120 degrees. It will be effective against low radar, cross section cruise missile targets; and require only 30 percent of Patriot's manpower. And MEADS will be more accurate and more sustainable than Patriot.

Chemical Demilitarization

In Section 1412 of Public Law 99-145, Congress directed the DOD to destroy the United States' chemical weapons stockpile. In turn, the Secretary of Defense delegated management of all chemical munitions disposal to the Department of the Army. On November 29, 2000, the Johnston Atoll Chemical Agent Disposal System, using incineration-based technology, completely destroyed the last stockpiles stored at the Atoll, and closure operations began in January 2001. The Tooele Chemical Agent Disposal Facility has incinerated 44 percent of the chemical agents and 81 percent of the munitions stored there. Disposal operations at these two sites destroyed 30 percent of the total U.S. chemical weapons stockpiles. Construction of incineration facilities at Anniston, Alabama; Umatilla, Oregon; and Pine Bluff, Arkansas, is complete. Systemization activities are on-going at Aberdeen, Anniston,

Umatilla, and Pine Bluff. The plan to accelerate the disposal of bulk agents using a neutralization process at Aberdeen, Maryland, and Newport, Indiana, has been approved. Anniston and Aberdeen are scheduled to start destruction in second quarter fiscal year 2003, and Newport is scheduled to begin in first quarter fiscal year 2004.

To comply with treaty agreements and the Congressional mandate, we must complete the destruction of these weapons by 2007. The treaty allows for a one time, five-year extension to this deadline. With continued funding and minimal schedule changes, we will safely destroy the U.S. stockpile of lethal chemical agents and munitions at eight existing CONUS sites.

Training the Force

In October 2002, The Army released Field Manual (FM) 7-0, Training the Force. Synchronized with other field manuals and publications being updated to respond to changes in Army, joint, multinational, and interagency operations, FM 7-0 is the capstone doctrinal manual for Army training and leader development. It provides the developmental methodology for training and growing competent, confident Soldiers, and it addresses both current and future Objective Force training requirements.

We are transforming the way we fight future wars, and The Army is participating fully in a DOD-sponsored program to transform how forces train to fight. This effort involves four major initiatives: building upon existing service interoperability training; linking component and joint command staff planning and execution; enhancing existing joint training exercises to address joint interoperability; and studying the requirement for dedicated joint training environments for functional warfighting and complex joint tasks. The Army is scheduled to host the first joint National Training Center (NTC) event at Fort Irwin, California, in May 2003. During June 2003, the U.S. Army Forces Command will execute the second joint NTC event—JCS exercise Roving Sands.

During the late 1990s, funding for the recapitalization and modernization of The Army's Combat Training Centers was reduced, eroding their capability to support their critical missions. Additionally, the Multiple Integrated Laser Engagement System equipment and current force instrumentation systems have become difficult to maintain. The Army's Combat Training Center modernization program will ensure that our premier training areas (NTC at Fort Irwin, Combat Maneuver Training Center in Germany, the Joint Readiness Training Center (JRTC) at Fort Polk, and the Deep Attack Center of Excellence near Gila Bend, Arizona) are modernized to provide high quality, realistic, full-spectrum joint training. To address these problems, The Army will invest nearly \$700 million over the next six years to modernize these training centers.

OPTEMPO

In accordance with Congressional directives, The Army developed a new methodology to prepare budget requests that accurately reflect Operations and Maintenance requirements. In the report submitted in July 2002, The Army outlined updated processes that ensure consistency in reporting of tank miles and reflect requirements and execution with more precision. Management controls initiated in fiscal year 2001 to prevent migration of OPTEMPO funds to other areas were highly successful and remain in effect.

The Army's combined arms training strategy determines the resourcing requirements to maintain the combat readiness of our forces. For the Active Component, The Army requires 800 ground OPTEMPO miles per year for the M1 Abrams tank and corresponding training support; the Active Component flying hour program requires an average of 14.5 live flying hours per aircrew each month. Both Army National Guard and the Army Reserve aircrew training strategies require 9.0 hours per crew each month. The ARNG ground OPTEMPO requirement is a composite average of 174 miles in fiscal year 2004, and the Army Reserve (USAR) ground OPTEMPO requirement is 200 tank-equivalent miles in fiscal year 2004.

While this describes The Army's training strategy, actual execution levels from unit to unit have varied depending upon factors such as on-going operations, safety of flight messages, and adequate manning of combat formations. To this end, The Army has fully funded its AC ground OPTEMPO requirement, while its AC flying program is funded to its historical execution level of 13.1 flying hours. The RC air and ground OPTEMPO are similarly funded to their execution levels, rather than their requirement. Although The Army has not always been able to execute the training strategy, we have taken steps to have all units execute the prescribed training strategy in fiscal year 2003, fiscal year 2004, and beyond.

Force Protection and Anti-terrorism

Force protection consists of those actions to prevent or mitigate hostile actions against Department of Defense personnel and includes family members, resources, facilities, and critical information. In the war on terrorism, the area of operations extends from Afghanistan to the East Coast and across the United States. Naturally, Force Protection and Antiterrorism measures have increased across Army installations in the Continental United States (CONUS) and overseas.

Findings from the Cole Commission, the Downing Report on the Khobar Towers bombing, and Army directives to restrict access to installations have all led to thorough assessments by the Department of the Army Inspector General, the Deputy Chief of Staff for Operations, and commanders. Our efforts focus on improved force protection policy and doctrine; more rigorous training and exercises; improved threat reporting and coordination with national intelligence and law enforcement agencies; enhanced detection and deterrence capabilities for Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) threats; increased capabilities and protection for access control; and expanded assessments of Major Commands (MACOM) and installation force protection programs. Both operational and installation environments rely upon secure, networked information infrastructure to execute daily enterprise-wide processes and decision-making, so the parameters of force protection include contemporary and evolving cyber threats, as well.

The Army's Information Systems Security Program (ISSP) secures The Army's portion of the Global Information Grid, secures the digitized force, and supports information superiority and network security defense-in-depth initiatives. ISSP provides the capability to detect system intrusions and alterations and react to information warfare attacks in a measured and coordinated manner. To the greatest extent possible, it protects warfighters' secure communications—from the sustaining base to the foxhole.

Soldiers, Active and Reserve, are heavily engaged in force protection and anti-terrorism missions. Soldiers guard military installations, nuclear power plants, dams and power generation facilities; tunnels, bridges, and rail stations; and emergency operations centers. During the 2002 Winter Olympics in Salt Lake City, Utah, nearly 1,500 ARNG Soldiers provided security, and Soldiers guarded key infrastructure sites during Super Bowl XXXVII in January 2003. Over 12,500 Reserve Component Soldiers are currently mobilized for Operation Noble Eagle to fulfill Force Protection requirements, and in February 2003, over 8,000 Army National Guard Soldiers will support Air Force security requirements—a requirement that could reach 9,500 Soldiers. Security of detention facilities and detainees at Guantanamo Bay Detention—a long-term detainee mission—requires approximately 1,500 Army personnel, 50 percent of whom are Military Police. Army Reserve Internment and Resettlement battalions on 6-month rotations impact military police availability to CONUS Force Protection requirements.

Sustainment

The Army is revolutionizing its logistics process. One initiative, the Single Stock Fund (SSF), redirected more than \$540 million worth of secondary items from stocks to satisfy customer demands between May 2000—SSF inception—and November 2002. During that same period, we redistributed more than \$218 million worth of secondary items from the authorized stockage levels to meet higher priority readiness requirements. By extending national visibility of stockage locations and capitalizing inventories into the Army Working Capital Fund, we reduced customer wait time by an average of 18.5 percent. The SSF will continue to reduce inventory requirements and generate even more savings for The Army by creating greater flexibility for the management of inventories.

Another initiative, the National Maintenance Program (NMP), enhances weapon system readiness, reliability, and availability rates by bringing Army Class IX repair parts to a single national standard. Ultimately, increased reliability will reduce overall weapon system Operating and Support cost. Additionally, the NMP centralizes the management and control of Army maintenance activities for components and end items. NMP will produce appropriately sized Army maintenance capacity that still meets total maintenance requirements.

Strategic Readiness Reporting

The National Defense Authorization Act for fiscal year 1999 requires the Secretary of Defense to implement a comprehensive readiness reporting system that objectively measures readiness to support the NSS. The Army's Strategic Readiness System (SRS) responds to and provides a baseline in achieving this critical initiative.

SRS is a precision readiness measurement tool that provides Army leadership with accurate, objective, predictive, and actionable readiness information to dramatically enhance resource management toward one end—strategic readiness to defend the United States. The Army Scorecard—a product of SRS—will integrate readiness data from the business arena and the operating, generating, and sustaining forces of both the Active and Reserve Component. Army Scorecard methodology focuses on four critical areas: People—investing in Soldiers and their families; Readiness—maintaining the support capability to the Combatant Commanders’ operational requirements; Transformation—transforming The Army into the Objective Force; and application of sound business practices.

SRS markedly improves how we measure readiness. It gathers timely information with precision and expands the scope of the data considered. We are further developing this system to leverage leading indicators and predict trends—solving problems that affect readiness before they become problems, from well-being to weapons platforms. SRS will help enable The Army preserve readiness to support Combatant Commanders, invest in Soldiers and their families, identify and adopt sound business practices, and transform The Army to the Objective Force.

Installations

Army installations are our Nation’s power projection platforms, and they provide critical training support to The Army and other members of the joint team. Additionally, Soldiers, families, and civilians live and work on Army installations. The quality of our infrastructure directly affects the readiness of The Army and the well-being of our Soldiers, families, and civilians.

The Army has traditionally accepted substantial risk in infrastructure to maintain its current warfighting readiness. However, a decade of chronic under funding has led to a condition in which over 50 percent of our facilities and infrastructure are in such poor condition that commanders rated them as “adversely affecting mission requirements.” Our facilities maintenance must improve. Over the past two years, with the help of the Administration and Congress, The Army has begun to rectify this situation with significant increases in funding and innovative business practices. These efforts have been dramatically successful as we continue to correct a problem that was 10 years in the making. Thus, in an effort to prevent future degradation of our facilities, The Army has increased its funding for facilities sustainment to 93 percent of requirement beginning in fiscal year 2004.

Transformation of Installation Management (TIM)

Recognizing the requirement to enhance support to commanders, the Secretary of the Army directed the reorganization of The Army’s management structure. On October 1, 2002, The Army placed the management of Army installations under the Installation Management Agency (IMA). IMA is a new field-operating agency of the Assistant Chief of Staff for Installation Management (ACSIM). Its mission is to provide equitable, efficient, and effective management of Army installations worldwide to support readiness; enable the well-being of Soldiers, civilians and family members; improve infrastructure; and preserve the environment. This new management approach eliminates the migration of base operations funds to other operational accounts below the HQDA level. It also enables the development of multi-functional installations to support evolving force structure and Army Transformation needs. The Army is poised to capitalize on opportunities TIM gives us to provide excellence in installations.

Two programs that significantly increase the well-being of our Soldiers and their families are the Barracks and the Family Housing programs. The Army established the Barracks Upgrade Program (BUP) in the late 1990’s to improve single Soldiers’ housing conditions. Through 2002, we have upgraded or funded-for-upgrade 70 percent of our permanent party barracks to Soldier suites that consist of two single bedrooms with a shared bath and common area. The Army will continue the BUP until all permanent party barracks achieve this standard.

With the strong support of Congress, The Army established the Residential Communities Initiative (RCI) for our families. This program capitalizes on commercial expertise and private capital to perform a non-core function for The Army—family housing management. The program provides greater value to The Army by eliminating the housing deficit at our first eleven sites, while leveraging a \$209 million Army investment into \$4.1 billion of initial private development. The Army’s privatization program began with four pilot projects and will expand to 18 active projects by the end of fiscal year 2003. Pending OSD and Congressional approval, 28 projects are planned through 2006 that will impact over 72,000 housing units or 80 percent of Army Family Housing in the United States. By the end of 2007, we will have the programs and projects in place to meet the OSD goal of eliminating inadequate

family housing. We will accomplish this goal through RCI and increased Army investment in family housing Military Construction (MILCON) at non-privatized installations. The Reserve Component (RC) enhances RCI through real property exchange authority that is only available to the RC. This legislative authority allows the exchange of RC owned property with public or private entities and has a tremendous potential to improve future Reserve Component infrastructure at no governmental cost.

The Army has also aggressively reduced its financial burden and physical footprint by disposing of 34 percent of its facilities from a 1990 high of 116 billion square feet. The Army anticipates that the Congressional fiscal year 2005 Base Realignment and Closure (BRAC) authority will permit additional appropriate reductions. BRAC will enable The Army to dispose of excess infrastructure and realign the remaining facilities with the requirements of the transforming Army and the Objective Force. BRAC will also allow The Army to re-allocate resources from closed or realigned installations to other high priority requirements.

The Army continues to improve its utilities infrastructure by divesting itself of non-core utility systems' operation and maintenance through privatization. As of December 2002, we had privatized 64 of the 351 systems in the program, and we have an additional 104 presently under negotiation.

As part of our Army Knowledge Management (AKM)—described later in more detail—we are modernizing our Installation Information Infrastructure—infrastructure—to support a network centric, knowledge-based Army. The Installation Information Infrastructure Modernization Program (I³MP) executes a multi-year, \$3.2 billion program for upgrades to optical fiber and copper cable, installation of advanced digital equipment, and upgrades to Defense Global Information Grid gateways. This program will ensure worldwide, high-speed data connectivity at Army installations. To date, we have completed 22 of 95 CONUS installations and initiated upgrades at four installations outside of the continental United States (OCONUS). We plan to complete I³MP in 2009.

Transformation—Changing the Way we Fight

The Army is fundamentally changing the way we fight and creating a force more responsive to the strategic requirements of the Nation. We are building a joint precision maneuver capability that can enter a theater at the time and place of our choosing, maneuver at will to gain positional advantage, deliver precise joint fires and, if necessary, close with and destroy the enemy.

The Objective Force is an army designed from the bottom up around a single, networked, integrated C⁴ISR architecture that will link us to joint, interagency, and multi-national forces. It will be a rapidly deployable, mounted formation, seamlessly integrated into the joint force and capable of delivering decisive victory across the spectrum of military operations. Consolidated, streamlined branches and military operational specialties comprised of professional warfighters will be poised to transition rapidly from disaster relief to high-end warfighting operations.

The Objective Force and its Future Combat System of Systems will leverage and deliver with precision the combat power of joint and strategic assets. It is a capabilities-based force that rapidly responds to the requirements of the strategic environment in which our Soldiers will be the most strategically relevant and decisively capable landpower—no matter the mission, no matter the threats, no matter the risks.

In the final analysis, The Army's combat power does not wear tracks or wheels—it wears boots. No platform or weapon system can match a Soldier's situational curiosity and awareness. It is the Soldiers' ability to discern and to think, their ingenuity and resourcefulness, their endurance and perseverance, and their plain grit that make them the most reliable precision weapon in our inventory. Soldiers remain the centerpiece of our formations.

To help guide our Transformation efforts, The Army leverages lessons-learned from extensive experimentation and wargaming. We are working to harness the power of knowledge, the benefits of science and technology, and innovative business solutions to transform both the Operational and Institutional Army into the Objective Force. The Army's annual Title 10 Wargames provide critical insights for developing the Objective Force. Likewise, results from joint experiments—Millennium Challenge 2002 and other service Title 10 Wargames like Global Engagement, Navy Global, and Expeditionary Warrior, to name a few—also inform these efforts.

The Army is fully committed to joint experimentation as a means to examine and assess Objective Force contributions to the strategic, operational, and tactical levels of joint warfare. The Army has established a joint/Army Concept Development and Experimentation (CD&E) Task Force to ensure that Army CD&E efforts are synchronized with joint CD&E. This task force makes certain that joint experiment lessons-learned inform the design and development of the Objective Force. This year,

The Army's Title 10 Wargame—co-hosted by Commander, Joint Forces Command—will focus on the Joint Force that will fight the next battle. Linked to Joint Forces Command's Pinnacle Impact 03 experiment, it will be conducted within the context of a future 1-4-2-1 global scenario and the emerging Joint Operations Concept. The Army is committed to these efforts, and in this budget we have nearly doubled last year's funding of these exercises.

Joint, interagency, multinational, and Army warfighting experiments provide invaluable opportunities for The Army to experiment with innovative approaches to warfighting and to test new tactics, techniques, procedures, organizations, processes, and technology. In Millennium Challenge 2002, the largest joint experiment in U.S. history, The Army demonstrated four vital capabilities it brings to the joint fight: the ability to attain and maintain information superiority (knowledge); the ability to conduct decisive maneuver to enable dominant joint maneuver; the ability to defeat the opposition in an anti-access environment through rapid entry and employment capabilities; and the ability to support and sustain rapid combat power efficiently by reducing the operational and tactical logistics footprint.

To evaluate the effectiveness of the Stryker Brigade Combat Team (SBCT) concepts for battalion and company operations in a Joint Force, The Army employed a SBCT unit during Millennium Challenge. Less than four weeks after Stryker vehicles were delivered to the first unit at Fort Lewis, the unit demonstrated rapid air and sealift deployability and integrated into the exercise well. Additionally, when given a mission on short notice to support a Marine Corps unit in ground operations, the SBCT unit demonstrated its agility and versatility.

Balancing Risk as we Manage Change

Balancing risk is integral to Army Transformation. To maintain current readiness while we transform, we are managing operational risk: risk in current readiness for near-term conflicts with future risk—the ability to develop new capabilities and operational concepts that will dissuade or defeat mid- to long-term military challenges. The Army has accepted risk in selective modernization and recapitalization, and we continue to assess these risks as we balance current readiness, the well-being of our people, Transformation, the war on terrorism, and new operational commitments. Since 1999, The Army has terminated 29 programs and restructured 20 others for a total savings of \$12.8 billion. These funds were reallocated to resource the Stryker Brigades and essential Objective Force research and development.

In Program Budget 2004 and its associated Five-Year Defense Plan (FYDP), The Army has generated an additional \$22 billion of savings by terminating 24 additional systems and reducing or restructuring 24 other systems. To accelerate achieving the Objective Force capabilities and mitigating operational risk, The Army reinvested these savings in the development of transformational capabilities in these and other programs:

- Future Combat System—\$13.5 billion
- Precision Munitions—\$3.2 billion
- Sensors and Communications—\$2.3 billion
- Science and Technology—\$1.1 billion
- Missile and Air Defense—\$1.1 billion.

The operational risk associated with the decreased funding for certain current programs is acceptable as long as we field Stryker Brigades on schedule and accelerate the fielding of the Objective Force for arrival, this decade. We will continue to reassess the risk associated with system reductions and related organizational changes against operational requirements and the strategic environment.

An Information Enabled Army

Achieving the full spectrum dominance of the Objective Force requires changing the way we fight. Changing the way we fight requires a holistic transformation of Logistics, Personnel, Installation Management, Acquisition, Aviation, business practices—every aspect of The Army must transform. The Objective Force requires innovative changes and out-of-the-box ingenuity in the way we take care of our people and manage the information and material that enhances their readiness and answers their needs—both personal and professional, at home and in the short sword warfight at foxhole level. Simply put, we cannot achieve the Objective Force capabilities without leveraging the full potential of the technological advances that our Nation's industrial base and science and technology communities are developing. The Army has consolidated management of Information Technologies (IT) into a single effort—Army Knowledge Management (AKM). AKM capitalizes on IT resources unique to our Nation and harnesses them for Transformation, for The Army, and for the Combatant Commanders.

Information management is critical to achieving The Army Vision, and Army Knowledge Management supports Transformation through the development and implementation of a network-centric, knowledge-based Army architecture interoperable with the joint system. AKM will accelerate the Detect-Decide-Deliver planning processes and enable warfighters to see the adversary first—before our forces are detected; understand the Common Relevant Operating Picture first; act against adversaries first; and finish the warfight with decisive victories—see first, understand first, act first, finish decisively. AKM will provide knowledge at the point of decision for all leaders—from the factory to the foxhole.

Enabling collaborative mission planning and execution among widely dispersed locations around the globe, Army Knowledge Management will provide a rapid and seamless flow and exchange of actionable information and knowledge. The Network-centric operations that AKM enables will decrease our logistic footprint and enhance sustainability of the Objective Force through multi-nodal distribution networks—reaching forward to the theater and back to installations. Advanced information technologies will dramatically enhance Battle Command. Command, Control, Communications, and Computer (C⁴) decision tools seamlessly linked to Intelligence, Surveillance, and Reconnaissance (ISR) assets produce a radically improved Common Relevant Operating Picture (CROP) and enable Battle Command.

AKM will dramatically enhance the warfighter's ability to distribute, process, fuse, and correlate unprecedented amounts of actionable data into information—securely, reliably, and quickly enough to enable leaders to synchronize and mass effects for decisive results. Network-centric operations enable information awareness, information access, and information delivery.

The Army Knowledge Enterprise (AKE) construct describes The Army's process to enable improved strategic and tactical information distribution and collaboration. In short, AKE leverages the ingenuity and resourcefulness of our people in shaping the environment to achieve dominance and helps leaders achieve decision superiority and mission efficiencies.

Integration and refinement of existing Army networks is the first step in achieving a network-centric, information-enabled force that creates efficiencies and provides secure, reliable, actionable information communications. To this end, The Army activated the Network Enterprise Technology Command (NETCOM). NETCOM is The Army's single authority assigned to operate, manage, and defend The Army's information infrastructure. NETCOM has assumed technical control of all Army networks—Active, Guard, and Reserve. This new policy allows NETCOM to evaluate any system, application, or piece of equipment that touches The Army Networks. NETCOM will improve the capacity, performance, and security of our networks at every level.

Among others, one tangible product of NETCOM is the consolidation and removal of redundant servers across The Army. This example of better business practice will harvest significant savings in resources—both dollars and managers—while increasing the effectiveness of the network. Since the first quarter fiscal year 2002, we have reduced the number of servers Army-wide by 16 percent—311 in the National Capitol Region alone.

Army Knowledge Online (AKO) begins to allow The Army to decentralize the management of information. AKO is The Army's secure, web-based, internet service that leverages The Army's intellectual capital to better organize, train, equip, and maintain our force. It gives our people a means to collaborate, to improve their situational awareness, and to access their personnel data. Already, hard-copy processes that formerly took days and weeks can now be accomplished almost instantly—from pay to personnel actions to assignments, to name a few. And AKO is just an early glimpse of the potential capabilities of a Network-centric, knowledge based organization that harnesses the potential of the global infostructure.

OPERATIONAL ARMY

The Objective Force

The Army is actively engaged in global operations supporting Combatant Commanders today, but it is our obligation to prepare for the future, as well. The Objective Force is The Army's future full-spectrum force that will be organized, manned, equipped and trained to be more strategically responsive, deployable, agile, versatile, lethal, survivable and sustainable than we are today—across the full spectrum of military operations as an integral member of a cohesive joint team.

The Nation will continue to face adaptive, asymmetric threats that capitalize on the power of information. To dominate and maintain superiority over these emerging challenges, The Army is changing the way we fight—a paradigm shift more significant than the 20th Century's introduction of the tank and the helicopter. The

Army is changing from sequential and linear operations to distributed and simultaneous operations. The Objective Force—characterized by networks of people enabled with systems that provide actionable information and decision superiority—will dissuade, deter or decisively defeat our adversaries anytime, anyplace, and anywhere.

The Objective Force will consist of command structures scaled to meet Joint Force Commander requirements and modular combined-arms units tailored according to each situation. Objective Force integrated, mobile, air-ground teams will conduct mounted and dismounted operations and employ both manned and unmanned platforms to achieve decisive victories. Capable of forcible entry and operations in austere environments to address the spectrum of military operations—from humanitarian assistance to warfighting—the Objective Force will conduct simultaneous combat and stability operations and master transitions between phases of operations. It will be an offensively oriented, multi-dimensional force enabled by advanced information technologies that give Soldiers real-time intelligence and actionable information.

The Objective Force will arrive in theater combat capable—deployment will be synonymous with employment. The Objective Force will be strategically responsive and rapidly deployable on the U.S Air Force family of inter-theater and intra-theater aircraft. An Objective Force Unit of Action (UA) will deploy on approximately one-third the number of aircraft required to deploy a heavy brigade combat team today. It will be operationally deployable and capable of operational maneuver over strategic distances by air, land, or sea. Soldiers will overcome anti-access and area denial strategies and environments through precision maneuver and decision superiority.

Equipped with new systems designed to meet the needs of The Army's future fighting formations, the Objective Force will be a networked system of systems. This system of systems includes Soldiers equipped with the Land Warrior system; a family of 18 integrated, synchronized, manned and unmanned Future Combat Systems (FCS); and critical complementary systems such as the Comanche and the Future Tactical Truck System. The components of the FCS are being synchronously developed and fielded as a complete family to achieve the warfighting capabilities the Nation requires to defeat adaptive, asymmetric conventional and unconventional adversaries.

Soldiers are the centerpiece of The Army's formation—not equipment. And Soldiers of the Objective Force will leverage dominant knowledge to gain decision superiority over any adversary. They will seamlessly integrate Objective Force capabilities with the capabilities of joint forces, Special Operations Forces, other federal agencies, and multinational forces. The Objective Force Soldiers will enable the United States to achieve its national security goals in a crisis, rather than simply inflict punitive strikes on an adversary. Employing FCS capabilities in formations called Units of Action (UA) and Units of Employment (UE), Objective Force Soldiers will provide campaign quality staying power—that means precision fire and maneuver to control terrain, people, and resources, without having to resort to indiscriminate collateral damage. The Land Warrior system will integrate individual Soldiers in the network while providing them increased protection and lethality. And FCS will give Soldiers the capability to destroy any adversary in any weather and environment with smaller calibers, greater precision, more devastating target effects, and at longer-ranges than available today.

Joint C⁴ISR—a network-centric information architecture nested within the Global Information Grid—will connect the Objective Force's system of systems. Capitalizing on the synergistic power of the information network enterprise, every Objective Force Soldier and platform will be capable of sensing and engaging the enemy while maintaining situational awareness of friendly forces. Advanced information technologies and C⁴ISR decision tools and assets will enhance the Common Relevant Operating Picture (CROP). The Objective Force will identify, locate, and engage critical targets with lethal or non-lethal effects and assess battle damage on those targets. The joint C⁴ISR linkages will enable the attack of targets with whatever joint or Army assets are available for immediate employment, whether the force is in contact or out of contact. Similarly, enhanced situational awareness will facilitate multi-layered active and passive defense measures—including both offensive and defensive counter air against air and non-air breathing, manned and unmanned aerial vehicles.

The CROP and Network centric operations will enhance sustainability of the Objective Force through multi-nodal distribution networks that reach forward to the area of operations or reach back to the Home Station Operations Center. Increased reliability through equipment design and commonality among the FCS family of systems will enhance sustainability while reducing logistics demands. Advanced tech-

nologies will enable robust Objective Force operations while shrinking the logistics footprint and lift requirements of deployed forces.

The FCS is a transformational approach to meeting this Nation's requirements for the Objective Force. We designed and will field the FCS family in a carefully balanced manner to avoid optimizing a component at the expense of sub-optimizing the overarching capabilities of Objective and joint forces. The acquisition and requirements development processes are being updated to accommodate the Department of Defense's (DOD) direction to field a networked system of systems rapidly through spiral development and an open architecture that allows maturing technological insertions as they occur.

The Army embraces the ongoing DOD and Joint Staff Capabilities and Acquisition processes reform efforts to achieve revolutionary capabilities in the fielding of a new generation of equipment. This collaborative DOD and JCS effort enables The Army to design new information-age capable organizations holistically, use evolutionary acquisition strategies to equip those organizations, and see the Objective Force fielded before the end of this decade.

Science and Technology—Moving Toward the Transformed Army

Preempting our adversaries' technological surprises over the past three years, Army Science and Technology investments are already providing America's Army with sustained overmatch in all materiel systems. And The Army has increased and focused its Science and Technology (S&T) investments. We are demonstrating the enabling joint interoperable technologies essential for Objective Force capabilities and accelerating their arrival. Our S&T program is pursuing a wide spectrum of technologies for unmanned air and ground systems that will expand the range of joint warfighting capabilities, reduce risk to Soldiers, and reduce the logistics footprint of the force. Realizing the full potential of unmanned systems requires technological development in sensors that improve navigation and mission performance, in intelligent systems for semi-autonomous or autonomous operation, in networked communications for manned-unmanned teaming, and in human-robotic interfaces, among many others.

The Defense Advanced Research Projects Agency (DARPA) and Army partnership contracted for a Lead Systems Integrator (LSI) to accelerate the transition of FCS to the System Development and Demonstration (SDD) Phase, with a Milestone B decision in May 2003. The Army is on track to achieve first unit equipped in 2008 and an initial operating capability of one Objective Force Unit of Action (UA) in 2010. To accelerate development and in partnership DARPA, the focus on key transformation technologies for the FCS has been narrowed to the systems with the most promise. Our highest priority S&T efforts remain technological advances for the Future Combat System (FCS).

The Army will field FCS as a family of systems built on information age technologies embedded in manned and unmanned air and ground platforms. Integral to joint fires, the family of systems will integrate long-range air- and ground-based sensors with long-range cannon and missile precision munitions. The family of systems will also provide increased joint capabilities to conduct battle command, reconnaissance, mounted combat operations, dismounted combat operations, medical treatment and evacuation, and maintenance and recovery. To provide decisive lethality, FCS will employ networked, precision and loitering attack munitions fired from modular, easily transportable containers. Finally, FCS will leverage embedded, real-time interactive, virtual, distributed, collaborative, joint simulations for training and mission rehearsal.

Enabling the Objective Force Soldier

Eighteen systems, both manned and unmanned; the Objective Force Soldier; and C⁴ISR, together, comprise the Future Combat System. Manned and unmanned reconnaissance capabilities are part of the FCS Family of Systems' interdependent networked air- and ground-based maneuver, maneuver support, and sustainment systems.

There are 10 Unmanned Systems: Unmanned Aerial Vehicles (UAV) Classes 1, 2, 3, and 4; Unmanned Ground Vehicles (UGV)—the Multifunction Utility/Logistics and Equipment (MULE), the Armed Robotic Vehicle (ARV), and the Small (manpackable) Unmanned Ground Vehicle (MUGV); Unattended Ground Sensors (UGS); and Unattended Munitions—the Non-Line-of-Sight (NLOS) Launch System (LS) and Intelligent Munitions Systems (IMS).

There are eight manned systems: the Infantry Carrier Vehicle (ICV); Command and Control Vehicle (C²V); Reconnaissance and Surveillance Vehicle (RSV); Line-of-Sight, Beyond-Line-of-Sight Mounted Combat System (LOS/BLOS MCS); NLOS-

Mortar; Medical Vehicle (MV); the FCS Recovery and Maintenance Vehicle (FRMV); and the Non-Line-of-Sight (NLOS) Cannon.

Decisive warfighting is about fires and maneuver: fires enable maneuver, and maneuver enables fires. Joint and organic close, supporting, indirect fires destroy the enemy, suppress the enemy's capabilities, protect our forces and enable ground units to maneuver. The ICV, the Unattended Munitions NLOS-LS, IMS, C²V, MCS, NLOS-Mortar, and NLOS Cannon are important elements of the FCS that will enable the Objective Force to conduct distributed and simultaneous joint combat operations. With joint fires, the NLOS cannon is critical to support and protect our land forces in hostile environments. NLOS-LS NetFires is a platform-independent family of missiles with precision attack and loitering capability. Both Precision Guided Mortar Munitions and Excalibur precision cannon munitions will enhance organic maneuver fires. A new, joint fire support, battle command and fire support architecture will allow rapid engagement of targets by any Army or joint asset.

For over 227 years, Soldiers have remained the centerpiece of our formations. The Land Warrior program—another key S&T initiative—responds to this legacy and enhances our Soldiers combat power generation capability. The Land Warrior program will develop a lightweight, low observable, enhanced-armor protection, fighting ensemble for the individual Objective Force Soldier. Through networked connectivity to the FCS-equipped, maneuver Unit of Action, Land Warrior Soldiers will enable revolutionary lethality, mobility, survivability, and sustainability for the individual warfighter while reducing logistics demands.

Future Combat Systems are networked in the joint C⁴ISR architecture—including networked communications, networked options, sensors, battle command systems, training, and both manned and unmanned reconnaissance and surveillance capabilities. These networked systems will dramatically enhance situational awareness and understanding and operational level synchronization well beyond today's standards. Improved C⁴ISR capabilities will enable network-centric Objective Force operations. The results of the investments will allow leaders to capitalize on sensor and processing technology to see, understand, and shape the battlespace before the enemy can react—increasing combat force effectiveness and survivability. The S&T program will develop and demonstrate real-time, continuous situational understanding by integrating data from manned and unmanned air- and ground-based sensors.

S&T investments in military logistics are an important enabler for the Objective Force. We are placing our emphasis on sustainment's big drivers—fuel, ammunition, maintenance, and water—to dramatically reduce our logistics footprint and lift requirements in these areas. Key technologies include on-board water generation, real-time logistics command and control processes and distribution management, enhanced multi-purpose munitions and packaging, efficient propulsion and power technologies, real-time diagnostics and prognostics, and Micro-Electro Mechanical Systems (MEMS).

Transformational Systems

Several transformational systems were under development prior to announcement of The Army Vision in October 1999. The Army has completed an extensive analysis to identify those systems that complement FCS and the Objective Force system of systems.

The Comanche Helicopter is the centerpiece of the Aviation Modernization Plan (AMP) and represents the first new system to reach Initial Operational Capability (IOC) within The Army's Objective Force. Comanche is our armed reconnaissance platform with attack capabilities. It will leverage the situational awareness and situational curiosity of a scout augmented with revolutionary, state-of-the-art Intelligence, Surveillance, and Reconnaissance (ISR) technologies. Comanche supports vertical and horizontal maneuver as an integral part of network centric operations and extends human eyes and decision-making beyond the ground maneuver force. Utilizing stealth technologies, it will network with all joint C⁴ISR and joint weapons systems. Comanche will leverage maximum effect of future standoff precision weapon systems such as the Common Missile and allow us to maneuver ground formations based upon full knowledge of the situation. Augmented with armed or unarmed Unmanned Aerial Vehicles (UAVs), Comanche will fill ground maneuver's most critical battlefield deficiency—armed aerial reconnaissance—with a capable, survivable, and sustainable aircraft. The Comanche program is already well on its way to giving The Army a capability pivotal to transforming the way we will fight.

Several other transformational systems will empower the Objective Force with the knowledge dominance and battle command to provide decision superiority across the spectrum of operations. The Warfighter Information Network-Tactical (WIN-T) System, Medium Extended Air Defense System (MEADS), the Joint Tactical Radio System (JTRS), and The Army Airborne Command and Control System (A²C²S) will en-

able Objective Force joint C⁴ISR capabilities. These programs will provide the tactical enterprise level networks that will ensure seamless, secure, digital connectivity between the Objective, Interim, and today's forces. The Distributed Common Ground System-Army (DCGS-A) architecture provides Army network-centric ISR connectivity from national agencies to joint systems to Objective Force Units of Action as part of the integrated Department of Defense DCGS architecture. DCGS-A will enable interoperable tasking, processing, and exploitation capabilities. The Aerial Common Sensor brings improved signal intelligence collection and precision geolocation capabilities, as well as imagery intelligence (IMINT) and measurement and signals (MASINT) sensor packages. Another system, Prophet, uses communications intelligence to depict the battlespace and further enhance situational awareness. These C⁴ISR systems greatly enhance the Objective Force's ability to gain actionable information superiority and decision dominance over all adversaries and expand the range of options for the joint force Combatant Commanders.

Transformational systems will provide the Objective Force with strategic and tactical maneuver capabilities. The Theater Support Vessel will support rapid intra-theater lift requirements, provide the capability to conduct operational maneuver and repositioning, and enable units to conduct enroute mission planning and rehearsal. The Future Tactical Truck System will have commonality with FCS and will support the Objective Force by enabling command, control, and transportation of cargo, equipment, and personnel. And the Tactical Electric Power (TEP) generators will provide power to Objective Force units where fixed power grids are not available.

Transformational systems provide the Objective Force with other important capabilities, as well. Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) effects systems support the Objective Force across the spectrum of military operations and improve capabilities to conduct Homeland Security activities. Engineer, civil affairs, and psychological operations vehicles will enable mobility and enhance civil affairs and PSYOPs capabilities. The Up-Armored High Mobility Multi-purpose Wheeled Vehicle (HMMWV) will improve Objective Force Soldier survivability and lethality. The Multi-Mission Radar will provide the capability to detect and track aircraft, artillery, and other projectiles, then queue appropriate weapons systems and airspace synchronization systems. The High Mobility Artillery Rocket System (HIMARS) is a lighter weight, more deployable multiple rocket launcher capability that will integrate into the joint fires network.

Bridging the Capabilities Gap—Stryker Brigade Combat Teams

Announcing our intent to field an Interim Force in October 1999, The Army responded to a capabilities gap between its lethal, survivable, but slow-to-deploy heavy forces and its rapidly deployable light forces that lack the protection, lethality, and tactical mobility that we seek. Just two-and-a-half years later in 2002, The Army began fielding the first Stryker Brigade Combat Team to bridge that gap. In 2003—less than four years after the announcement—we are on track to achieve IOC with the first SBCT at Fort Lewis, Washington. Stryker Brigades will provide the Combatant Commander vastly increased operational and tactical flexibility to execute fast-paced, distributed, non-contiguous operations.

Stryker Brigade Combat Teams respond to Combatant Commander requirements across the spectrum of military operations. Optimized for combat in complex and urban terrain, the Stryker Brigades will be decisive in other major combat operations, as well. The SBCT Reconnaissance, Surveillance, and Target Acquisition (RSTA) Squadron provides both organic human intelligence capabilities and UAVs embedded at the brigade level. Its military intelligence and signal companies—working through a digitally enabled battle command bridge—leverage theater and national assets to create an information-enabled force. SBCTs will use this enhanced joint C⁴ISR capability to revolutionize combat paradigms from “make contact, develop the situation, maneuver the forces” to “understand the situation, maneuver the forces, make contact at the time and place of your own choosing, and finish decisively.”

Moreover, leveraging platform commonality, enhancing logistics practices and enablers, and reorganizing logistics formations, the SBCT is vastly more deployable and sustainable than our heavy forces, while significantly increasing combat power generating capabilities. Augmented for sustained operations, the SBCT requires 37 percent fewer CSS personnel than a digitized heavy brigade. While capitalizing on these advantages, developing and available technologies allow us to mass effects—rather than massing formations—and create a robust, reliable capability to conduct operational maneuver over strategic distances.

Finally, SBCTs provide an invaluable means of spearheading Transformation. The SBCT trains junior officers and noncommissioned officers—tomorrow's commanders

and command sergeants major—in the tactics, techniques, and procedures that will inform employment of the Objective Force.

The Army has resourced six Stryker Brigade Combat Teams to contribute to fulfilling the 1–4–2–1 defense construct and national security requirements; however, at this time, the Secretary of Defense has only authorized the procurement of the first four brigades. The Army will provide the Secretary of Defense with a plan for Stryker Brigades 5 and 6.

Fielding of the SBCTs affects the entire Army: Active and Reserve Components; heavy and light forces; CONUS and OCONUS. And current fielding timelines will enhance the Nation's ability to fight and win the GWOT and conduct major combat operations. The transformation of four Active Component brigades to SBCTs provides a rotational base with three of the SBCTs focused on the Pacific theater. One of the two SBCTs fielded at Fort Lewis will be forward-based in Europe not later than 2007. The Stryker Cavalry Regiment will support the XVIII Airborne Corps' critical need for robust, armed reconnaissance. The conversion of a Reserve Component brigade to an SBCT will enhance our strategic reserve and support the GWOT, Smaller Scale Contingencies, and Homeland Defense missions. Additionally, SBCT stationing provides rapid, strategic responsiveness through power projection platforms capable of supporting four critical regions described in the 1–4–2–1 defense construct. The first SBCT will attain Initial Operational Capability in the summer of 2003.

Preserving The Army's Legacy

Today's force guarantees The Army's near-term warfighting readiness to fight and win our Nation's wars, decisively. Because The Army bypassed a procurement generation, The Army's Combat Support and Combat Service Support systems now exceed their 20-year expected life cycle, and 75 percent of our critical combat systems exceed their expected half-life cycle. To maintain operational readiness while preserving resources for Transformation, The Army is recapitalizing and selectively modernizing a portion of the current force. The modernization program addresses the critical issue of AC and RC interoperability and serves as a bridge to mesh these two components seamlessly. In general, The Army increased funding for programs that are clearly transformational and support the Defense transformation goals, sustained funding for high priority systems that will transition to the Objective Force, and reduced funding for systems not essential to Army Transformation. The Army remains committed to its 17-system recapitalization program, but we have reduced the prioritized recapitalization program from three-and-one-third divisions to two divisions.

Army Special Operations Forces are an indispensable part of The Army and will continue to provide unique capabilities to the Joint Force and Land Component Commanders. In response to the increasing requirement for Special Operations Forces in support of joint campaign plans, The Army has validated and resourced growth in its SOF structure. The recent initiatives will transfer 1,788 manpower spaces to Major Force Program-11 beginning in fiscal year 2003. Since the commencement of Army Special Operations Forces operations in support of the GWOT, the U.S. Army has provided over \$1.4 billion in new equipment to enhance Special Operations Forces firepower, communications, and ground and air mobility.

The Army will remain the largest user of space-based capabilities among the Services. Army space assets are providing tangible support to the war on terrorism and Operation Enduring Freedom—they ensure Army and Joint Force Commanders optimize communications, satellite intelligence, global positioning system, imagery, weather, missile warning, and other space-based capabilities in every aspect of planning and operations. We are working diligently with the joint and interagency space community to ensure that Army and joint space systems continue to provide their essential capabilities now and for the Objective Force.

Aviation Transformation and Restructuring

Aviation Transformation further demonstrates The Army's hard choices in balancing risk to resource Transformation. Our interim plan—now in progress—lowers operating and sustainment costs while posturing aviation for arrival of the Objective Force by 2010. Apache modernization is an integral part of the Army Aviation Transformation Plan. The AH–64D Longbow heavy attack team will enhance domination of the maneuver battlespace and provide the ground commander with a versatile, long-range weapon system against a range of fixed and moving targets. The UH–60 Blackhawk continues to be the assault workhorse of Army Aviation, executing over 40 percent of The Army's annual flying hours. We are extending the life of the UH–60 while providing it with capabilities required of the future battlespace. Similarly, The Army is fully committed to the CH–47F Chinook pro-

gram. Its heavy-lift capability is invaluable to transforming The Army. As we restructure and standardize attack and lift formations across the force, we will also adjust the stationing and alignment of Reserve Component aviation units to mitigate the near-term risk.

Army National Guard Aviation comprises almost 50 percent of The Army's aviation force and is one of the Nation's most valuable assets both for wartime and for peacetime missions. Essential for successful execution of the Nation's military strategy, the ARNG currently has aviation units deployed in Afghanistan, Kuwait, Bosnia, Europe, and Saudi Arabia, as well as Central and South America.

Army National Guard Restructuring Initiative (ARNGRI)

ARNGRI seeks to transform a sizeable portion of ARNG combat structure into more deployable, flexible fighting forces to support Army requirements at home and abroad. ARNGRI will introduce two new organizations into the force structure: Mobile Light Brigades and Multi-Functional Divisions. These organizations will provide full spectrum capabilities in support of Combatant Commanders. The Mobile Light Brigades will operate as a subordinate unit to the Multi-Functional Divisions, which will also contain two combat support/combat service support brigades and be capable of supporting either major combat or homeland security operations.

Army Reserve Transformation Initiatives

By providing responsive force generating capability and technically trained individuals, the USAR facilitates our capability to conduct extended campaigns in multiple theaters and to sustain joint operations. Army Reserve initiatives ensure the USAR is missioned, organized, and equipped to provide interoperability across the full spectrum of military operations. Transformational organizations include experimentation forces and information operations, joint augmentation, network security, and interagency units.

The Readiness Command Restructuring initiative and Federal Reserve Restructuring Initiative will help the USAR fulfill these new mission requirements. These initiatives lend greater flexibility to efforts that enhance responsiveness to America's foreign and domestic protection needs. Regional Readiness Commands will focus on individual and unit readiness, leader development, training and growth which will demand a new personnel system that achieves holistic life-cycle management for Army Reserve Soldiers.

INSTITUTIONAL ARMY

Transforming the Way we do Business

We have made great strides in revolutionizing our business management practices by starting at the very top. Last year, we realigned our headquarters by reorganizing and realigning responsibilities of the Secretariat and the Army Staff—streamlining coordination, tasking, and decision-making—resulting in a more responsive and efficient organization. This initiative allowed us to eliminate unnecessary functions and redistribute 585 manpower spaces to accomplish core competencies.

As previously discussed, The Army has addressed the management of its installations, personnel systems, and contracting in its Transformation of Installation Management (TIM). We are aggressively pursuing efforts to outsource non-core functions. The Army will reap substantial dividends in efficiency and effectiveness through these strategic realignments of human and physical capital.

Personnel Transformation

The Secretary of the Army's key management initiative is personnel transformation. Its goal is to modernize and integrate human resource programs, policies, processes, and systems into a multi-component force that includes civilians and contractors. We will evaluate our processes and implement the most efficient program, policies, and organizations to support the Objective Force.

The centerpiece of Personnel Transformation is a comprehensive effort focused on a potential Army-wide implementation of unit manning and unit rotation. We are aggressively examining the feasibility of a unit manning and rotation system that would better support the new national defense strategy, improve cohesion and combat readiness within the operational Army, provide highly cohesive well-trained units to Combatant Commanders, and improve well-being for families by providing greater stability and predictability in assignments. The Army currently uses unit rotations in support of operational missions in the Balkans, Sinai, and Afghanistan. The Army is studying the use of unit rotations for other locations and in the war on terrorism. Units would know of these rotations well in advance, providing fami-

lies with greater predictability and enabling focused preparation, both of which contribute to increased combat readiness of the unit.

Unit manning seeks to synchronize the life cycle of a unit with the life cycle of the Soldier within that unit. All Soldiers and leaders would be stabilized, resulting in a significant increase in cohesion and combat readiness over our present individual replacement system. Such a system has significant second and third order effects across the force—training and leader development, recruiting and retention, unit readiness levels, and total Army endstrength, among others. All of these are being studied intensively, and we anticipate senior Army leadership decisions on unit manning and unit rotation in July 2003.

Third Wave

Because we operate in an environment in which there are increasing demands for military capabilities—the Secretary of the Army’s Third Wave initiative seeks to ensure that we are achieving the best value possible for our taxpayers’ dollars.

There are three phases to the Third Wave process. First, we determined what activities were core or non-core to The Army’s mission. In the second phase, we are validating the breakout between core and non-core functions by determining if any non-core functions should be exempted. This phase has an anticipated completion date of mid- to late February 2003. Upon completion, The Army leadership will notify Congress of the results of this phase. In the third phase, key Army leaders will assess appropriate plans to execute non-core functions, select the best means to proceed, and develop implementation plans. At this time, we do not know how many of the 214,000 jobs identified as potentially non-core functions in Phase I will be included in implementation plans. Although implementation plans will target execution in fiscal years 2005–2009, some implementation plans may be delayed beyond that period.

The implementation of competitive sourcing of non-core functions will adhere to OMB Circular A–76 and related statutory provisions. Exceptions to the requirement for public-private competition are limited, such as where 10 or fewer civilian employees perform the function or where legal restrictions against using the A–76 process apply to the function. To lower costs for taxpayers and improve program performance to citizens, OMB has undertaken major revisions to the processes and practices in OMB Circular A–76 to improve the public-private competition process.

Acquisition Transformation

The Army is leading the way in acquisition reform within DOD’s broad transformation of defense acquisition policies and procedures. The Army’s FCS program may prove to be the largest DOD acquisition effort that fully embraces the concepts of evolutionary acquisition and spiral development—leveraging the potential of rapid advancement within individual technologies by allowing for changes within programs as technologies mature.

The FCS program is evolutionary in its design and incorporates periodic blocked improvements within its 19 systems—the Objective Force Soldier and 18 manned and unmanned systems. Within these 19 systems are 540 spirally developing technologies. The Army’s use of a Lead System Integrator (LSI) enables a “best of the best” approach to selection from competing industry efforts. Our unprecedented partnership with DARPA ensures the FCS effort leverages that agency’s DOD-wide perspective and resources to produce the best capability and value for the Joint Force.

The Army continues to revise its acquisition policies and applicable regulatory guidance. On October 3, 2001, The Army approved an acquisition reorganization that transferred control of all acquisition program management to the Army Acquisition Executive (AAE) and eliminated duplication of effort in two major Army commands. Effective October 2002, twelve Program Executive Officers (PEO) report to the Army Acquisition Executive, and their subordinate PEOs assumed management of all Army acquisition programs, regardless of Acquisition Category. The plan ensures that there is only one chain of authority for acquisition programs within The Army. In addition, the plan clearly holds Program Managers responsible and accountable for the life cycle management of their assigned programs.

We have also transformed the way we conduct business through the organization of the Army Contracting Agency (ACA) that realigns our previously decentralized installation and information technology contracting processes into one organization. Responsible for all contracts over \$500,000 and tasked to eliminate redundant contracts, ACA leverages Army-wide requirements to achieve economies of scale. ACA supports Army Transformation efforts by aligning all base support contracting into a single organization that best supports installation management transformation. All of these initiatives use information technology to leverage enterprise-wide buy-

ing capabilities. Additionally, ACA will act as the single coordinating element and form the base from which to deploy contingency-contracting, operational support to the warfighting commands. The Army Contracting Agency and other contracting activities will continue to support small business awards in the outstanding manner it did in fiscal year 2002.

Logistics Transformation

We cannot transform The Army without a transformation in logistics. We must incorporate the logistician's view into the design of our systems even before we begin to build platforms. Collaboration between the acquisition and logistics communities will give the Objective Force the rapid deployability and sustainability we demand—by design—without compromising warfighting capability.

Designing the right logistics architecture—systems, business processes, enterprise, for example—is fundamental to success. The Army's Logistics Transformation will focus on creating an overarching corporate logistics enterprise that employs industries' best business practices. Within this enterprise, The Army established three principal goals for Logistics Transformation: enhance strategic mobility and deployability; optimize the logistics footprint; and reduce the cost of logistics support without reducing readiness or warfighting capability.

The Army's mobility and deployability goals for the Objective Force are to deploy a combat brigade within 96 hours after lift off, a division on the ground in 120 hours, and a five-division corps in theater in 30 days. To achieve this strategic responsiveness, the Army Strategic Mobility Program (ASMP) serves as a catalyst to bring about force projection changes both in The Army's and in our Sister Services' lift programs. Platforms like the Intra-Theater Support Vessel (TSV) and Inter-Theater Shallow Draft High Speed Sealift (SDHSS) provide transformational capabilities for operational and strategic maneuver and sustainment of Army formations.

Because strategic air and sealift cannot meet deployment requirements, Army Prepositioned Stocks (APS) ashore and afloat continue to be a critical component of Army power projection. The Army is currently participating in a joint-led Worldwide Prepositioning Study to determine if location, mix, and capabilities in existing stocks of combat, combat support, and combat service support require adjustments to meet the Defense Strategy more effectively.

The Objective Force requires The Army to optimize its logistics footprint to produce a smaller, more agile, responsive, and flexible sustainment organization. To achieve this goal, we will leverage technology and innovative sustainment concepts. The Army is already developing and integrating key enablers to provide a transformed, corporate logistics enterprise. Some of these enablers include embedded diagnostics and prognostics, tactical logistics data digitization (TLDD), serial number tracking, and the Global Combat Service Support—Army (GCSS-A) system that utilizes a commercial Enterprise Resource Planning (ERP) solution. The ERP approach changes The Army's logistics automation systems strategy from one of custom code development for unique Army requirements to adoption of a commercial off-the-shelf (COTS) product.

The selective use of the Logistics Civil Augmentation Program (LOGCAP) to augment military logistics force structure provides commanders with the flexibility to reallocate manpower, resources, and materiel by adding contractors to the equation of logistics support. In addition to providing services and some supply support, these contractors can quickly deploy to establish base camps, receive and process Soldiers as they begin arriving in theater, and reverse the process when Soldiers go home.

Current initiatives that help reduce costs without reducing readiness or warfighting capability include the National Maintenance Program and the Single Stock Fund (SSF). As previously discussed, programs provide two basic building blocks for a revolutionary change in logistics business practices.

Advanced Medical Technology

Congress designated The Army as the lead agent for DOD vaccine, drug, and development programs for medical countermeasures to battlefield threats. This includes vaccines against naturally occurring infectious diseases of military significance, combat casualty care, military operational medicine, and telemedicine research. The program also funds Food and Drug Administration requirements for technology transition to advanced development.

The medical force provides the requisite medical intervention and care for the Joint Force deployed around the globe. With its Medical Reengineering Initiative (MRI), The Army Medical Department has transformed 28 percent of its Corps, and echelon above Corps, force structure to an organizational structure that promotes scalability through easily tailored, capabilities-based packages. These packages result in improved tactical mobility, reduced footprint, and increased modularity for

flexible task organization. MRI supports both the current forces and the Stryker Brigades, and is the bridge to the Objective Medical Force. We have implemented innovative strategies make the most efficient use of our budget. Medical modernization, which includes the acquisition of current medical equipment and technology, is partially funded within MRI units.

Business Initiatives Council

In June 2001, the Secretary of Defense established the Department of Defense Business Initiatives Council (DOD BIC). The DOD BIC's goal is to improve business operations and processes by identifying and implementing initiatives that expand capabilities, improve efficiency and effectiveness, and create resource savings in time, money, or manpower.

The Army has aggressively explored ways to improve its internal business practices, and has established The Army BIC, under the leadership of the Secretary and the G-8. Effective November 13, 2002, the Secretary of the Army has approved a total of 35 initiatives under The Army BIC. Subsequently, The Army submitted a number of the initiatives through the formal DOD BIC process for implementation across the Services and other DOD activities. The BIC process has helped to create a culture of innovation and inter-service cooperation. The superb level of cooperation across the military departments, the Joint Staff and OSD has made this possible.

A COMMITMENT TO THE FUTURE

With the continued strong support of the Administration, the Congress, our Soldiers, and our Department of the Army civilians, and the greatest industrial base and science and technology communities in the world, The Army will field the Objective Force—this decade.

By 2010, we will have fielded the first operationally capable Objective Force unit equipped with the Future Combat Systems. Our Stryker Brigade Combat Teams will be providing to Combatant Commanders capabilities not currently available—enhanced strategic responsiveness and the ability to operate in a distributed, non-linear battlespace. Through selective recapitalization and modernization of systems that enable our Soldiers to preserve our legacy today, we will have sustained a decisive-win capability at a high state of readiness as an integral part of the Joint Force. And we will have significantly improved the well-being of our people and sustainment of Army infrastructure.

We remain committed to our legacy—preserving America's freedoms. In peace and in war, The Army's Soldiers serve the Nation with unmatched courage, indomitable will, pride, and plain grit—as they have for over 227 years. Soldiers will continue to fight and win the Nation's wars, decisively—it is our sacred duty and our non-negotiable contract with the American people.

[CLERK'S NOTE.—The United States Army Posture Statement, 2003, can be found on the world wide web at: www.army.mil.]

Senator STEVENS. General, do you have any statements to make?

STATEMENT OF GENERAL ERIC K. SHINSEKI

General SHINSEKI. Just a short opening statement if you do not mind, Mr. Chairman.

Mr. Chairman, Senator Inouye, distinguished members of the committee, it is an honor to be back here before the committee and, along with Secretary White, to report to you on the posture and the readiness of the Army and in many ways what we will report on this morning is what we have been about for the last 3½ years. It is your support, and the generosity of your time and attention and the generosity of your support that has put us in the situation we are in today.

It is also a great privilege for me to sit here with Secretary Tom White. In a very short period of time Secretary White has provided us tremendous focus, leadership, and guidance and gotten momentum in achieving what we described 3½ years ago as the Army Vision, and he and I have served side-by-side in other lives, so it is great to be sitting here together in final testimony with him.

As the Secretary has indicated and as the chairman has noted, soldiers are serving magnificently today as members of the joint team and, you know, just the Army alone, as remarked by the chairman, 262,000 of our soldiers are forward-stationed, forward-deployed in operations today, 151,000 of our Reserve Component mobilized in support of operations. They are fighting this war against terrorism. They are honing and fine-tuning their combat skills as they await orders for potentially another major operation, and they are poised to respond to still other contingencies in regions of the world that our country has declared important.

The Army is ready. That is the purpose of the Secretary's and my appearance here today. We are the best Army in the world because of our soldiers, not the biggest, but the best. Their determination and their commitment are as firm as I have seen in all my years of service. They are immensely proud to serve this Nation. They will take any objective, and they will accomplish any mission we assign them.

We would like to project the same kind of confidence in their competence, and the same statement of readiness not just today, but into the future, and to do so, we declared 3½ years ago that we would field a more responsive, a more deployable, a more agile and versatile, certainly more lethal force than we have today in survivable formation, but a lot more sustainable than even the Army that we have today.

We knew then that there was a war in our future, and we said so. We just did not know when, where, or against whom. Though we did not anticipate exactly this scenario, where we are fighting a global war on terrorism in Afghanistan, standing by for another major operation, and looking with a little bit of concern at Northeast Asia, the relative predictability of the Cold War had already, even 3½ years ago, given way to a continuing chaos of unpredictability, and voices inside and outside the Army and voices in this committee encouraged us to be bold, to take some steps and begin the process of change, and with your support we have come a long way towards transforming our formations to be more capable of handling future crises.

As the Secretary has indicated, there is always inherent risk any time any institution undertakes not just change, but fundamental and comprehensive change, as the Army declared it would 3½ years ago. To mitigate that risk, the Army structured its transformation on three broad, mutually supporting axes, and I will describe them as near-term, mid-term, and long-term responsibilities.

In the near term, we preserved the readiness of today's legacy fighting force. In the mid-term, we are fielding six Stryker Brigade Combat Teams (SBCT) to give us much-needed operational capabilities, even as we design our future Objective Force, and it is on that third and final long-term axes that we are developing future concepts and technologies that will provide consistent capability overmatched throughout the middle of the next century, and that is the intent of the Army.

Our Future Combat System Milestone B Defense Acquisition Board decision, the first acquisition milestone for the Future Combat System that is scheduled for May of 2003, just a few months from now, puts us on a path to begin fielding our future Objective

Force by fiscal year 2008. That is a significant and an important milestone.

As Secretary White notes, balancing these requirements between all three priorities, near-term, mid-term, and long-term requires some difficult choices, and the Army has had to make them, carefully weighing the operational demands of today's missions while preparing for the future. Your support remains vital to our continued success in managing that risk, and the Army's fiscal year 2004 budget strikes that essential balance to maintain readiness throughout the Program Objective Memorandum (POM) and the years beyond.

We are already seeing dividends from our investments in future readiness, technologies that are coming online early because we invested aggressively early. Superior body armor today, robots in caves and antitank warheads on unmanned aerial vehicles today, unprecedented Blue Force tracking capabilities today, and last summer, during the largest joint exercise in our history, Millennium Challenge 2002, with the help of the Air Force we air-delivered a Stryker platoon onto a dirt strip out in the National Training Center in California. Just 3 years after the Army described that requirement for an interim force, we demonstrated the increased strategic, operational, and tactical versatility that Stryker Brigade Combat Teams will provide to combatant commanders.

This summer, the first SBCT, the first Stryker unit will join us in the war on terrorism, so it is not just about capabilities that we intend to begin fielding in fiscal year 2008. It is about better capabilities that we are fielding even today for our soldiers.

People remain the centerpiece of our formations. The Secretary has said it in his proud statement about our soldiers, and I echo it here. They are the centerpiece of our formations, and their well-being is inextricably linked to Army readiness. Your help with pay raises, health care, retirement benefits, housing, and other well-being programs allow us to take better care of our people. Soldiers, our civilians, our retirees, and our veterans and their families all appreciate the support more than I can say, that they have received out of the Congress.

Mr. Chairman, for almost 4 years now I have had the privilege of working with members of this committee. You have supported the Army and helped us do what was best for the national security. I am grateful for your steady and bipartisan leadership, and most importantly for your unwavering devotion to our soldiers. You have kept us the most respected land force in the world today, and that will continue into the future.

Mr. Chairman, thank you for this opportunity to make those remarks, and I look forward to your questions.

Senator STEVENS. Thank you very much, General. I am going to defer my questions until later to allow other Members to ask questions, but I do have one statement to start off with.

FIFTH AND SIXTH STRYKER BRIGADES

I joined, or rather my good friend and cochairman here joined me in sending a letter to Secretary Wolfowitz about the way the Department plans to handle the fifth and sixth Stryker Brigades. The fiscal year 2003 Defense Appropriations Act directed the Army and

the Department of Defense to fund six Stryker Brigades, and we felt that was the direction. The President signed that bill, and now I understand that there is some indication that the Office of the Secretary of Defense would terminate, or change the deployment of the fifth and sixth Stryker Brigades. Can you tell us, Mr. Secretary, what is the situation with regard to those two brigades?

Mr. WHITE. Mr. Chairman, the Secretary has directed us to conduct a study of brigades five and six that is aimed at determining whether the structure as it is currently proposed for those brigades is optimal, whether there are other things that we could add, other capabilities that would be appropriate to add like, say, aviation.

In addition to that, he has asked us to study the stationing of brigades five and six, which as you pointed out are currently in Hawaii, and then the Pennsylvania Army National Guard. We will complete the study in the near future. In the meantime, the money for brigades five and six has stayed in the program. It is where we programmed it, and it is where the Secretary has agreed to leave it, and we will get the study done as quickly as we can.

Senator STEVENS. Well, I hope our letter is responded to sometime soon, and it is my judgment that if the Army wants more Stryker Brigades, they should request more funds. We funded those on the basis that they would be deployed to Hawaii and the Pennsylvania National Guard, and unless that law is changed, we expect that direction to be complied with.

Senator Inouye.

Senator INOUE. Thank you very much, Mr. Chairman. I am glad you brought up the question of the Stryker Brigade.

GLOBAL WAR ON TERRORISM

I would like to ask a general question on the budget. If my calculation is correct, the Army is spending approximately \$700 million per month to fight the global war on terrorism, is that correct?

Mr. WHITE. Yes, sir, it is.

Senator INOUE. Now, where does this money come from, because there is no item for fighting global terrorism.

Mr. WHITE. Right now, Senator, we are cash-flowing, as we call it, principally in the military personnel accounts for the additional mobilization and in the operations and maintenance account's third and fourth quarter money to pay these additional costs above the budget in the early part of the fiscal year.

Senator INOUE. So we are using monies that were intended for some other purpose?

Mr. WHITE. That is correct.

Senator INOUE. In addition, there is not anything in the budget that I can see that faces reality, which all of us have assumed that sometime in this fiscal year we would be in Iraq. How are we going to cope with that?

SUPPLEMENTAL APPROPRIATION

Mr. WHITE. Senator, I believe it is the intent of the Department or the President to request a supplemental to cover the funds for the war on terrorism.

Senator INOUE. The next question is, when will the supplemental reach us?

Mr. WHITE. Sir, to use an expression by the Secretary of Defense, it is above my pay grade. We have had our discussions with the Office of Secretary of Defense. I know they have had deliberations with the Office of Management and Budget, but as we discussed yesterday, the supplemental has not yet been submitted.

Senator INOUE. I can assure you, sir, that we are looking forward to receiving that, because in a situation of this nature, it would be an understatement to say that to keep the troops ready is an urgency.

Mr. WHITE. Yes, sir.

Senator INOUE. And with the funds as they come in, in dribblets, it will not help the situation.

Senator STEVENS. Would the Senator yield?

Senator INOUE. Yes. I would be very happy to.

Senator STEVENS. I might state to the Senator and the committee that I had a discussion last night with Mitch Daniels, an informal conversation, and I am informed we should get that supplemental early next week, and it will contain not only monies for defense, but homeland defense, and some moneys to start planning for the post-conflict era in Iraq.

Senator INOUE. Well, I thank you very much. His pay level is higher than mine.

Senator STEVENS. Not so.

END STRENGTH

Senator INOUE. General Shinseki, you have been quoted many times saying that the Army does not have the required end strength to meet current and future military obligations. Can you elaborate on this?

General SHINSEKI. Yes, sir. I have testified, Senator, for 3½ years now that the mission profile that the Army was carrying even 3 years ago was larger than the inventory of formations we had, and I suggested that end strength was a concern. 3½ years ago we were not recruiting as well as we wanted, and so we had to go fix that first. The last 3 years we have made our recruiting targets. Our retention has always been very good.

The missions in the last 3 years have gone up. End strength continues to be a concern, and it is revealed, I think, in the amount of routine mobilization of the Reserve Component that we see day to day. Many of those missions used to be carried by Active Component formations, so these are some of the manifestations of what my concerns were.

Secretary White has asked us—even as we made our concerns public—has asked that the Army take a look at itself, and this is what is sort of caught up in the Third Wave discussions, to make sure that even as we talked about end strength, that the Army had done the right things about ensuring that soldiers were in soldiers' positions, and so we are doing that, and the results of that study are forthcoming.

I will review them and provide my advice to the Secretary, but I think all things considered, when this operation, this crisis is over, we need to take a good hard look at right-sizing the Army, right-mixing the Army between Active and Reserve Component, and even as some of the combatant commanders are already begin-

ning to describe, right-stationing the Army, and I think all of this is important to take up now.

RECRUITING

Senator INOUE. That leads me to the next question. How are we doing in recruiting?

General SHINSEKI. Our recruiting for the last 3 years has just continued to get better. In the Active Component, last year I could have told you very early in the recruiting year that we would make our recruiting targets. We were doing that well.

I can do the same thing again this year in active recruiting, but for the first time here this month, in the Reserve Component recruiting, both the National Guard and the Army Reserve missed their monthly targets. That happens from time to time. We look at a year-long objective that we go after, but our attention was caught by the fact here last month that both Reserve Components missed by a margin their monthly targets.

Some of that is driven by the fact that our Active Component soldiers who normally leave the Active Component and are available to transition into Reserve Component formations, right now, because of the standby for potential operations in Southwest Asia, we have stop-loss personnel decisions in place, so the flow of Active Component soldiers out of active units available for Reserve Component units, that has very much diminished, and that is part of what is at work here, but recruiting for the last 3 years, Senator, has been very, very strong, retention even better.

SOLDIER DEPLOYMENT

Senator INOUE. To give the citizens who may read the transcript a better idea of personnel problems, how many troops, men and women, Reserve and Active, are now overseas in places like Bosnia, Afghanistan, Korea, et cetera, and Kuwait?

General SHINSEKI. Well, overseas, both forward stationed and forward-deployed, the number is 262,000 today. That number changes day to day as we begin to look at potential operations in Southwest Asia.

Senator INOUE. That leaves how many here?

General SHINSEKI. Well, that 262,000 is a combination of Active and Reserve Component. The Active Component formations, I can give you a more finite number, but the Active Component formations are not totally deployed, but much of the Active Component is on standby, prepared for deployment, so if those orders are executed, a good portion of the active force will be overseas.

Senator INOUE. I have always maintained what some would consider a rather naive concept, that the best way to avoid war would be to be prepared for war. In order to be prepared for war, we need proper personnel and proper equipment. It is no secret that the Navy has 12 carrier battle groups. One carrier is always for training purposes. One carrier is always in transit. That leaves 10. Six are now in the gulf area, in the Mediterranean, the Red Sea, or the Persian Gulf itself, and one more is in transit. That is nine, and I believe one more carrier group is going to go to that area. That leaves two for the rest of the world.

I recall it was not too long ago when we were sitting here and we were told that we were ready for two-and-a-half wars. Is that concept still being discussed?

General SHINSEKI. Senator, I think the two-and-a-half major combat operation discussion, it has now been translated into a strategy that talks about homeland defense, four critical areas of the world that we have to continue to focus on, two potential major combat operations, one of which can be a major operation that requires decisive force. That is the sizing construct around which we organize our discussions, and like the Navy, we have a good portion of our Active Component force focused on this major operation.

Senator INOUE. I will wait for my second round, but before I do, I would like to thank you, sir, for the service you have rendered to this country throughout your youth and at the present time. It has been a magnificent service record, and personally I hate to see you go, but such is the nature of this business.

General SHINSEKI. Sir, it is.

Senator INOUE. And I am always grateful to you and to the Secretary for having prepared our men and women so that they can carry out the missions they are ordered to carry out.

General SHINSEKI. Thank you very much, sir.

Senator STEVENS. Senator Shelby.

Senator SHELBY. Thank you.

General Shinseki, your statement a few minutes ago was rather profound and reassuring. You said, the Army is ready, and I believe you. I believe the Army is ready.

SPACE AND MISSILE DEFENSE COMMAND

Having said that, I want to focus just for a minute on the Space and Missile Defense Command (SMDC) and the missions there of space, missile defense, computer network operations for the Army, additionally SMDC is the Army component to STRATCOM with emerging missions including space, global strike, global C⁴ISR, global integrated missile defense, global information operations.

You mentioned the important work the Army is doing to develop directed energy programs in your testimony. Would you discuss the success of the tactical high-energy laser program, the challenges that remain in developing and fielding a mobile tactical high energy laser (MTHEL) program system and the funding the Army plans to commit to MTHEL in fiscal year 2004? Do you want to tackle—which one of you?

Mr. WHITE. Let me start out, and then the Chief can add—

Senator SHELBY. That is a mouthful, I know.

Mr. WHITE. Oh, I think it is a tremendously successful program.

Senator SHELBY. It is.

Mr. WHITE. We have had successful engagements of both rockets—

Senator SHELBY. That is right.

Mr. WHITE [continuing]. And now artillery shells—

Senator SHELBY. That is right.

Mr. WHITE [continuing]. Which is extraordinary. This is a joint program with Israel, as you know, progressing forward, and we have provided over \$500 million of funding in our 2004–2009 POM

to support this, so we will continue to push the development of it. All of us think it has tremendous potential.

Senator STEVENS. Will the Senator yield for just a second?

Senator SHELBY. I will be glad to yield, Mr. Chairman.

Senator STEVENS. Senator Domenici has to go to the floor. He has been called to the floor. Would you mind yielding just a moment to him?

Senator SHELBY. I will yield to the Senator, absolutely.

Senator DOMENICI. I gave my questions to the chairman to ask, Senator Shelby, so he will do that, he will ask my questions. Before I left I wanted to join, Chief, in telling you that it has been a great pleasure to get to know you and to know of your record, and obviously to know of your record is to know you. That is the way it seems to me, and I congratulate you for what you have done for our country. It is a marvelous record. It is too bad that all great things come to an end, but that is the way it is.

I also want to thank you, because of the special help you have given me at Walter Reed Army Medical Center. It has been rather wonderful care for some of the problems I have had. I personally want to thank you for asking about those illnesses as I had them, and thank you for your assistance.

General SHINSEKI. You are quite welcome, sir.

Senator DOMENICI. And good luck.

General SHINSEKI. Thank you, sir.

Senator STEVENS. Senator Shelby, thank you very much.

Senator SHELBY. Thank you.

Both of you, I believe, are aware that I have expressed concern about the Army's support for the Space and Missile Defense Command. I am pleased that the response, Mr. Secretary—from you and the General—I have received from the Army, has been so strongly supportive.

Despite SMDC's current space, missile defense, and computer network operations missions, and its emerging missions as the Army component of STRATCOM in the area of global strike, global integrated missile defense, and global information operations, some of us are concerned that the Army has not made sufficient investments in technology development.

We realize, Mr. Secretary, you tried a lot to support some of these missions in recent years. I have heard some say that the Army has lost its focus, but I told them I am not sure about that, because I am aware of what you are doing, and we do need more institutional support and funding for the core technology program. How would you respond to this, the budget request in this area?

Mr. WHITE. Well, I think it reflects the fact that our component command, SMDC, is tremendously important not only to the Army, but to the country. The work with the Ballistic Missile Defense Agency, where we do a whole bunch of different tasks, the mid-course capability that is being established at Fort Greely, Kwajalein, all the rest of it that you are very familiar with, the component of the Strategic Command, we have fundamental interest in space operations as an Army. They are tremendously important to us.

So I think that the contribution that SMDC makes across, as you pointed out, a significant range of important aspects to us is very,

very important, and so I am an avid supporter of the Space and Missile Defense Command.

General SHINSEKI. May I just add, Senator, that both the Secretary and I take a very keen interest in Space and Missile Defense Command's contributions here, but you know, the Army has a long-standing history in missile work, I mean, one that goes beyond most recollections.

What we have suggested to General Cosumano and the rest of the Army that deals in the doctrine and conceptual thinking is that if we talk about missile defense as a series of catchers' mitts trying to deal with someone else's initiative, it is essentially a defensive-oriented strategy, and we needed to think more holistically, more broadly about this, as we do with all of our other war-fighting concepts, that you have to have an offensive as well as a defensive piece.

This is important, but we needed to think about all the capabilities that allow us to deal with threats on someone else's soil that can project capabilities against the homeland, and when you do that, of course, you get into the mid-course business and the boost phase, but you also talk about capabilities to forcibly enter someone else's territory and, in fact, take down those capabilities, as opposed to continuously react to someone else's actions, so we have included Space and Missile Defense Command into this larger discussion of capabilities.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman. I will wait another round.

Senator STEVENS. Thank you. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman, and I will join with my colleagues, General, in wishing you the very best in your next career. You can certainly look with pride on this career.

AGING HELICOPTER INVENTORY

Yesterday's Wall Street Journal had an article on the military's aging helicopter inventory, and Mr. Chairman, if I could submit that Wall Street Journal article for the record. Mr. Chairman.

Senator STEVENS. Pardon me?

Senator LEAHY. If I could submit that Wall Street Article for the record, please?

Senator STEVENS. Yes.

[The information follows:]

[From the Wall Street Journal, Mar. 18, 2003]

FRESH TROOPS . . . OLD CHOPPERS

U.S. MILITARY LABORS TO KEEP AGING HELICOPTERS AIRWORTHY; HAZARDS OF DESERT LANDINGS

(By Anne Marie Squeo, J. Lynn Lunsford and Nicholas Kulish)

ON A RECENT episode of the television show "The West Wing," the Pentagon's top military commander ordered two Comanche reconnaissance helicopters dispatched to rescue three Marines taken hostage.

When he heard about the fictional deployment, Maj. Gen. John Caldwell, head of the Army's acquisition programs, burst out laughing. "Those would be the only two we have," he said.

For more than a decade, ambitious plans to replace the U.S. military's aging helicopter fleet have been sidelined by funding constraints and developmental problems. The imposing-looking Comanche, which is supposed to have the ability to fly side-

ways and backward at more than 85 miles an hour, is the fruit of a \$48 billion program that began in 1983 but isn't expected to become part of the U.S. arsenal until 2009 at the earliest. And the V-22 Osprey, a hybrid aircraft that takes off and lands like a helicopter but cruises like an airplane at more than twice the speed of a conventional helicopter, has been grounded for much of the past two years after a string of fatal crashes. The V-22 was recently grounded again because of hydraulic-system problems, and top Pentagon officials say they are prepared to finally end the \$46 billion program if it doesn't get on track soon.

So as they assemble for a potential conflict with Iraq, U.S. forces are relying on helicopters that in some cases are older than the troops they will carry. For example, massive twin-rotored CH-47 Chinook helicopters, which can carry dozens of servicemen or hoist heavy loads beneath them, remain the workhorse heavy-lifter for the Army, even though they were originally delivered before 1975. Most of them have been remanufactured by Boeing Co. and are scheduled for further updates that could enable them to keep flying for another 35 years, military planners say.

GRAY AROUND THE ROTOR		
The helicopters the U.S. military plans to use during a war with Iraq are showing their age. A sampling:		
Helicopter	Primary task	Avg. age
CH-47D Chinook	Carrying troops; hoisting loads	¹ 15
OH-58D Kiowa Warrior	Light scout/reconnaissance	12
Black Hawk	Troop carrier	15
Cobra ²	Attack, primarily during Vietnam	10
UH-1N Huey	Carrying troops	27
AH-64 A/D Apache	Attack	9

¹ Average age after refurbishment. Nearly all of the 300 CH-47D Chinooks in use by the military were originally delivered before 1975.
² Now retired by Army; Marines using newer versions.
 Source: WSJ reporting

For the most part, the Vietnam-era Bell Huey helicopters, which flew en masse to drop troops into the jungles, have been replaced with larger and more capable Black Hawks. But two-thirds of the Black Hawk fleet now exceeds 15 years of age. Apache attack helicopters, developed in the 1980s, are the Army's newest choppers, but they haven't altogether replaced their Vietnam War predecessor, the Cobra.

The average life span of a military helicopter is 20 years, compared with about 30 years for a commercial one. But the circumstances these aircraft fly in, including brutal weather and difficult terrain such as the deserts of Iraq and the jagged mountains of Afghanistan, take a severe toll.

Because of the lack of funds to buy new helicopters, an ambitious remanufacturing program is under way aimed at improving performance and staving off safety problems, military officials say. The aircraft are stripped down, then their metal airframes are treated for corrosion, engines and rotors are rebuilt, and their cockpits are loaded with new digital electronics and radar.

Manufacturers such as United Technologies Corp.'s Sikorsky Aircraft unit, which builds and refurbishes about 65 Black Hawks a year, have scrambled since the Gulf War in 1991 to upgrade and modify their craft to withstand tough desert conditions.

All told, the U.S. military is spending billions of dollars to update its older copters. But military officials say they are still concerned on the eve of a potential conflict about the relative health of the fleet. There remains "a severe aircraft-aging problem in the helicopter fleet, causing serious safety and readiness issues," says Loren Thompson, executive director of the Washington-based Lexington Institute, a military think tank.

Maj. Gen. Joseph Bergantz, program executive director for Army Aviation, says: "Because of the aging, more things are starting to fail. Our readiness rates are lower now and are getting lower over the years."

Still, Gen. Bergantz and other military officials insist that only a small percentage of helicopter accidents are attributable to equipment failures. A recent Black Hawk crash in upstate New York that killed 11 soldiers is being investigated.

In a war with Iraq, Apaches and Cobras would be expected to take out Iraqi ground troops that might attempt to head off U.S. forces moving in from Kuwait.

Black Hawks and Hueys would be the main vehicles to swiftly ferry platoons of soldiers and marines into fighting position.

The other services often use similar aircraft, outfitted for their special needs. The Air Force and Navy, for example, plan to use the V-22, but in a more limited way than the Marines—if the V-22 isn't scrapped.

For helicopters operating in the desert, one of the most insidious threats is sand. Not only do sandstorms kick up without notice, but an improper approach to landing can envelop a chopper in a dust cloud that can instantly disorient a pilot.

Maintenance crews are working overtime to undo the damage done to copters by the desert. After a few hours of operation, many of the most delicate parts of the jet engines that power helicopters can become coated with glass, from sand ingested into the compressor sections.

Since the Gulf War, the helicopter manufacturers have developed new intake filters that better strain the air sucked into the engines. They also have developed a clear tape that is applied to the leading edges of rotor blades to cut down on the sandblasting damage caused by the rotors whirling through dust clouds.

For now, to minimize the risk that a combination of aging aircraft and tough climatic conditions will result in fatal mishaps, Marine pilots have been drilling at their high-desert base near Twentynine Palms, Calif., and near their temporary headquarters in the Middle East. One Cobra pilot with the call sign "Weasel" says, "there's a lot more emphasis" at present on repeatedly practicing takeoffs and landings to get a feel for conditions and how their choppers respond.

At their base near Iraq, the 3rd Marine Airwing of the 1st Marine Expeditionary Force are reminded daily of the odds. Beneath the flight schedule hung on the wall in the mess hall, a posting declares, "In the Gulf War, 18 aircraft were destroyed. Only 3 were a result of direct enemy action." The squadron's commanding officer made it even clearer in a briefing last week for his pilots. "The enemy ain't going to kill you, probably. It's going to be these landings," he said.

The 3rd Marine Aircraft Wing's safety officer, Maj. Bruce Laughlin, says in the 1991 Gulf War more than a third of Marine helicopter mishaps—from minor equipment damage to fatalities—were a result of brownout conditions or other weather-related visibility problems. He says in Afghanistan—where he flew 75 hours in Cobras made by Textron Inc.'s Bell Helicopter, of Forth Worth, Texas—the numbers followed a similar trend.

Senator LEAHY. This talked about how our helicopter fleet is aging. There is one thing I would point out. We added funds in the budget so that the 101st is slated to equip many of its Black Hawk helicopters with the Health and Usage Monitoring System (HUMS), the integrated mechanical diagnostic health and usage monitoring system. I have to read out the actual words for it, but this basically does continuous diagnostics on all of our helicopters. If they are so equipped, they come back, you can instantly download which helicopters are ready to go, which ones have problems, and so forth. Does the Army plan to move forward with this technology, either in the fleet they have now or in subsequent fleets?

General SHINSEKI. I think philosophically the answer to the question is, absolutely yes, that having this ability to trouble-shoot our equipment without having to do it with purely manual labor is the way we intend to go, both with our investments in future systems, and where we can to insert those capabilities into our current inventory.

Some of that inventory is not conducive to applying——

Senator LEAHY. I understand.

General SHINSEKI [continuing]. The new technologies, but where we can, that is very much in our interest.

Senator LEAHY. I would also think in a wartime situation, where you do not have a great deal of time to do diagnostics, when the helicopters come back, for the field commander to at least be able to say, number 1, 5, and 12 are ready to go, but this one is not, and be able to know it instantly, would be awfully helpful to you.

General SHINSEKI. Right.

Mr. WHITE. Let me add, Senator, if you do not mind—

Senator LEAHY. Yes, Mr. Secretary.

Mr. WHITE. We laid out several years ago an aviation modernization program that will result in a reduction in the overall size of the fleet by about 1,000 helicopters, but will wash out of the fleet all the Cobras, the Vietnam-era aircraft, the Cobras first, which are going now, and Hueys by fiscal year 2004. I think the picture in the Wall Street Journal article was of a Marine Corps twin-engined Huey.

Senator LEAHY. It was.

Mr. WHITE. In the meantime, we are investing in all of our primary helicopters Apache Longbow, Black Hawk, both newer aircraft and conversions and then, of course, conversions of our Chinook fleet. However, even with that modernization, though, we do not meet our standard of having the average fleet life of helicopters below the half-life of the aircraft, below 10 years. The only fleet we make that in is Apache, and we are above that in Black Hawk, and we are above that in Chinook, and that is why the funding of the modernization lines on all those aircraft are so important, because obviously we are flying them right now.

Senator LEAHY. I agree with that, but keep an eye on the HUMS.

Mr. WHITE. I will do that.

Senator LEAHY. I have a parochial interest, but I also have just an interest in thinking it is probably going to save us a lot of money in the future, and I realize retrofitting is one issue. As you modernize fleets, it is another.

SOLDIER EQUIPMENT

We also have, when the United States (U.S.) Special Forces and the 101st and 82nd went to Afghanistan they were given an advanced combat helmet. I have talked to the troops. I have actually got E-mails. They said they like the—it is lighter weight, added protection and so on. One soldier apparently took a couple of AK-47 rounds in the head during Operation Anaconda and kept on fighting, so it is pretty impressive, impressive for the equipment, also pretty impressive for the soldier, too—

General SHINSEKI. Absolutely.

Senator LEAHY [continuing]. Under a circumstance like that.

Are these going to be done in other—I mean, are we going to continue to get this helmet out to the troops.

General SHINSEKI. Yes, sir.

Senator LEAHY. Do you need more money? Do you need more money, General? Here is your chance. Do you need more money in this budget for that?

General SHINSEKI. Senator, 2 years ago we did something we should have done probably a long time ago, and you know, in our programs we talk about systems, whether they are tank or aviation. We declared a system for soldier equipment, and instead of buying individual pieces, we talked about the entire ensemble a soldier deploys to combat with, whether it is uniforms, whether it is ballistic protection for the chest and the head, and by the way, they have ballistic protection for the body as well, and it works as well as that helmet you describe.

I ran into a youngster here a few weeks ago who was carrying around the plate he was wearing and wanted to show me, this thing had hit about an inch off the margin and I asked him what he thought. He said, make it a little bit bigger, it will be fine.

What we have been able to do, because we focused on equipping the solder as a system—and assume that our environment is sort of out there in the outdoors. If it is hot, we wanted equipment that would aerate him or her, if it was wet, keep them dry, if it was cold, keep them warm, and whatever we gave them had to give them better protection than the uniform they wore.

As a result, we are fielding to the units going into Afghanistan, the 82nd and following that the 101st, but Ranger Regiment as well, a new kit that does a lot of the things you describe, and so for about \$12 million a brigade formation we are doing that, and we will continue to do that, and more money will help us to go faster.

Senator LEAHY. Including the helmet?

General SHINSEKI. The helmet is part of that.

LAND MINES

Senator LEAHY. General, let me ask you one question, too. Last September, the General Accounting Office (GAO) issued a report—they did quite an intensive investigation. You and I have discussed some of this before, and they did their investigation based on DOD data, the effectiveness of land mines in the first gulf war.

The GAO found no evidence, none, that our mines, either anti-personnel or antitank mines, had any positive military effect. They did say, and I have heard this from commanders in the field, they impeded the mobility of our own forces. About 2,000 of our self-destruct mines did not self-destruct as advertised, and the Department, which commented on this report, did not disagree.

Current U.S. land mine policy calls for the elimination of anti-personnel mines, including self-destructing mines, outside of Korea by fiscal year 2003. Do you have any plans to use antipersonnel mines—I am talking about other than man the loop. I have no problem with man-the-loop antipersonnel mines, but do you have plans to use antipersonnel mines in the war with Iraq?

The reason I ask is, I know that Great Britain, Spain, and Australia, who are there with us, have banned these from their own arsenals.

General SHINSEKI. Senator, when you say, antipersonnel mines without manning the loop, you are talking about what we refer to as the dumb mines, once laid they are—

Senator LEAHY. Including, apparently, these 2,000 of our so-called self-destruct mines did not, so they are kind of dumb, too.

General SHINSEKI. Yes. Well, the performance of the self-destruct mines, of course, it is not perfection, but there is a very high confidence factor in their ability to be destroyed or to self-destruct.

Senator LEAHY. But it is not a man the loop. I mean, Claymore has man the loop, but these do not.

General SHINSEKI. Well, the mines that are laid out there that can be destroyed would have a man in the loop in terms of setting the amount of time they are there, whether it is 4 hours, 15 hours, or days, or self-destruct on command, as opposed to the mines that

you and I are familiar with, having been laid in Korea, and they are essentially there until removed.

I do not know what plans commanders have for the employment of mines on operations. It is something that commanders reserve for those situations in which they have to make that decision, but those decisions are made at a significantly high level on whether or not the authority to dispose of and employ mines, but there are a set of circumstances in which a commander's formations are at risk, and it has to be protected flanks, or they find a force that is a significant threat that they want to fix and expose for attack by other service joint fires. There are situations in which mines are useful, and I am sure that commanders have that decision set in their consideration.

I am not aware that there are any dumb mines that will be employed. In fact, I am confident that there are not.

Senator STEVENS. Thank you very much.

I have failed to note that we have a new staff director, gentlemen, Sid Ashworth, a former Army civilian who has a son in OCS, Officers Candidate School now, and I believe she is the first woman to ever head a staff of a defense appropriations subcommittee in the Congress, so we are pleased to have one of your former members of your Army with us.

General SHINSEKI. Thank you. Of course, the chairman and I did not miss the fact that you had a new staff director, Mr. Chairman.

Senator STEVENS. Senator Dorgan.

Senator DORGAN. Mr. Chairman, let me wish Sid well and welcome her to her new position.

FUTURE REQUIREMENTS COSTS

General Shinseki, you have used some candor recently in testimony that turned out to be painful for you and refreshing for some of us, and I do not want to get you in trouble today, but I do want to ask some questions about costs.

This subcommittee appropriated about \$365 billion for funding for this fiscal year, and that will increase when we receive the supplemental, so this subcommittee wants to appropriate, I think everyone on this subcommittee, we want to appropriate sufficient money to meet the needs of the men and women who serve this country. In order to do that, we need to try to have some understanding of what future requirements are.

Now, this budget that we are having a hearing on today is for fiscal year 2004, beginning October 1, and the supplemental that we will receive apparently in a week or so will be to cover costs for this fiscal year, fiscal year 2003. Is the budget that we are discussing now a so-called, "peacetime budget," which does not include the costs of a potential occupation of Iraq? I guess that is my first question.

General SHINSEKI. That is correct. It is a budget that does not carry any funding for the contingencies we are now dealing with, either Afghanistan or in Iraq.

Senator DORGAN. I understand. Does it carry funding for the war against terrorism? There was a previous question asked of the Secretary about the cost of the war against terrorism, and that apparently is being funded out of other accounts, so we will make that

up in the supplemental, but with respect to October 1 and beyond, in the coming fiscal year, does the budget request that we are now considering include money for the war on terrorism?

General SHINSEKI. It does not.

Mr. WHITE. No.

Senator DORGAN. So what I am trying to understand is this. We are having a hearing to try to think through what will our obligation be beginning October 1, 2003, for fiscal year 2004. In order to understand that, we need to understand what all of the costs and obligations will be. We know for a certainty this, that we will continue the war on terrorism. That is a certainty.

We know for a near certainty, I suspect, that we will have some costs and responsibilities with respect to Afghanistan, and we know for a near certainty that we will have responsibilities and costs with respect to Iraq, and if what happens at the end of the week is what we expect will happen, my guess is that will be some kind of an occupation force for a period of time.

Those are three areas all of which we have some reason to want to quantify as a subcommittee in order to evaluate what our obligation might be for fiscal year 2004, beginning October 1. Can you help us with any three of those areas, not with respect to the supplemental. I am talking about with respect to the new fiscal year budget and the appropriation request that we are going to want to be considering.

General SHINSEKI. I can only apologize Senator, that when the fiscal year 2004 budget was put together the data that you are asking about was not refined enough to be able to be included in it, and any potential discussion about what the operation—an operation in Iraq or any follow-on probably is undefined at this point, and I think once commanders understand what that mission will require and state then what it will take to do that, those numbers will become clearer, but I do not think either the Secretary or I are able to provide any more clarity on it today, with respect to Iraq.

Senator DORGAN. Well, that is certainly true with respect to Iraq, but it is not likely true with respect to Afghanistan and the war on terrorism. Can you address at least those two, and then let me come back to Iraq?

Mr. WHITE. The Afghanistan operation and the war on terrorism, because we have been conducting it for 18 months, assuming that, the rough cut number that—and I think this came up in front of previous committees—that we asked for for the non-Iraq tasks was about \$6 billion for fiscal year 2003, and we got a part of that covered in the omnibus spending bill for fiscal year 2003, which provided, I think, \$10 billion, six of which went to defense and about, a little under \$2 billion came to the Army, so that partially covers that increment, but that is roughly what that is.

Senator STEVENS. Would the Senator yield to me?

Senator DORGAN. I would be happy to yield.

Senator STEVENS. Realizing this question would come up, I asked the Congressional Research Service (CRS) to give us a memo to review how the United States has budgeted for wars in the past, and I have just received that, a copy of that.

Based on an examination of the previous CRS reviews of funding for wars and other major military operations, it appears, with one

possible exception, that Presidents have not requested and Congress has not provided funding for wars in advance of the start of the operations. Rather, administrations have requested fundings after the operations have begun, and Congress has subsequently appropriated monies to meet specifically documented budget requirements.

That one exception was in the case of President Johnson, but the discussion I had last evening was, we will get a request once these new operations have commenced.

We do intend to cover the war against terrorism and the balance of this year as far as the supplemental is concerned in a document we should receive next week.

Senator DORGAN. Well, you make a fair point, and the point I was trying to make is that with respect to the war on terrorism, and Afghanistan, that, the cost of that I assume will be built in routinely for the coming fiscal year budgets for the appropriations requirements.

Senator STEVENS. To the contrary. They will be built into supplementals that are associated with it, and we have funded Afghanistan on a supplemental basis. We are funding now the ongoing, continued operations of the Department of Defense in terms of structural requirements of the Army and other agencies.

Senator DORGAN. I do not understand that, because at least with respect to those hostilities that are over with respect to Afghanistan, those are longer-term recurring obligations, and we just as well plan for them, but I accept the point you make how it has been done previously, and I accept the point on Iraq. Hostilities have not yet begun there.

At some point I assume planning has been underway for an occupying force and we will be alerted to what the costs are. General Shinseki, you were candid before another committee, and I will not ask you questions about that now, because I understand that created quite a furor inside the Department of Defense, but I would just say, as one member of the Committee, we are going to fund what is required to be funded to support our military, but I would also think it would be helpful for us to be involved in some of those discussions. I do not think it is detrimental to have those numbers out there as the planning ensues, but let me ask one additional question.

ACTIVE COMPONENT (AC)/RESERVE COMPONENT (RC) MIX

We have a lot of men and women of the Guard and Reserve who have been called up, citizen-soldiers. They have left their jobs and their families, and they are serving this country admirably. When you talked about end strength earlier, I believe you were responding to a question from Senator Inouye. I think one of the questions for this Congress perhaps, and you especially, is what kind of call-ups and deployments are required, to the best that you could estimate, in the next several years as we begin contemplating occupying forces here and there?

Do you need an increase in end strength? Do you intend to continue to rely more heavily on call-ups of Guard and Reserve, because all of that I think plays a role in the longer-term discussions

about what kind of permanent funding is necessary and what size of an Army do we need? Can you respond to that?

General SHINSEKI. As I have testified before, Senator, I think end strength of the Army is an issue, and the fact that even before the build-up for a potential Iraq, we were carrying something on the order of 20,000 to 30,000 Reserve Component soldiers routinely mobilized for Sinai, for Bosnia, and missions of the sort, and imposing a requirement, intensity of OPTEMPO on the Reserve Component, and suggesting that there is an issue here about taking some of those day-to-day missions off the Reserve Component and sort of preserving them for these large emergencies that we have to deal with.

That is all part of the discussion, the study that the Secretary has us focused on, but I do think in the final set of study outputs, the end strength of the Army is smaller than the mission set we are asked to carry. Now, you can reduce the missions, you can increase the Army end strength to be able to accommodate, but some place in there, adjustments will be required.

Mr. WHITE. The other dimension of this, if I might, Senator, the other dimension, as the Chief said, is the Active Component-Reserve Component mix of units. There are some Reserve Component units, military police (MP) units, for example, that have been constantly mobilized and appear to be in high demand, and so if that is the case, you ask yourself, why don't you have them in the Active Component if you are constantly mobilizing Reserve Components, so one of the things that Dr. Chu is running a study on that we are all actively participating in is, is the balance between AC and RC correct not only in the quantity of units, but in types as well.

Senator DORGAN. Well, I think that is a very important question, and I hope you will keep us informed of this study, because I am not asking on behalf of people who do not want to serve. They are members of the Guard and Reserve. They understand deployments. Many of them have been deployed a number of times, but I think the longer-term question is, should in some of these circumstances there be active duty end strength increases.

Let me make one final point relative to something the chairman said. It is my belief that the war against terrorism, unlike other classic wars where we have had battles that occur and then recede, and there are surrenders and agreements and so on, the war against terrorism, I think, will be with us for a long, long time. It is my expectation that 5 and 10 years from now we will talk about the cost of continuing to pursue the war against terrorism.

For that reason, I think we would be wise at least to think through the proposition of that piece being a part of what we decide and what we plan for the strength of our Armed Services to be in order to meet those obligations, rather than to do that on a supplemental basis year after year.

That is the point I was trying to make, Mr. Chairman.

SPECIAL OPERATIONS COMMAND (SOCOM)

Senator STEVENS. If the Senator would yield, the committee just went down to the Special Forces Command and visited them in Tampa. There has been a reorganization of the military for that

purpose, and we expect to see funding through that organization for most of the contingencies that relate to the war on terrorism. That used to be a support command. It is now an operational command and will have units of its command in several other commands throughout the country.

You are right, I think we are on that course now, but so far the war on terrorism has been funded through supplementals, and I think when we get—this is an overview of the overall budget of the Army. When we get the individual components here, you will see how that is starting to work into the projections, but I do not think we have a full funding yet for the war on terrorism in the fiscal year 2004 budget.

General SHINSEKI. Mr. Chairman, may I just add to your observation here? In the fiscal year 2004 budget, the Army in support of our Special Operations Forces in SOCOM are adding something in the order of, I think, 1,800 additional personnel spaces. We put an additional \$1.1 billion out of Army resources into Special Operations Command.

Our entire fiscal year 2004 CH-47 production line of 16 aircraft are being provided to Special Operations Command to replace and to augment the capabilities they have, so the Army's production of CH-47s next year are all going to SOCOM. We are taking a year sort of a break before we can get—

Senator DORGAN. As a final point, General, if later this week your soldiers are ordered to military action, you know that the prayers of all Americans go with them as you and the Secretary and others issue those orders.

General SHINSEKI. We certainly know that.

Senator DORGAN. Thank you very much.

Mr. WHITE. Thank you.

Senator STEVENS. Thank you, Senator. Senator Hutchison.

STATEMENT OF SENATOR HUTCHISON

Senator HUTCHISON. Thank you, Mr. Chairman.

First I want to say that my loss is your gain with Sid Ashworth, and she did a wonderful job on military construction, and I love my replacement, but I sure always will miss her, and I am very pleased that you did promote her.

I also want to say, the first time I met General Shinseki was on a runway in Bosnia, and you were really overseeing the beginning of the ramp-up there, and the first time I went into Bosnia was with Senator Stevens and Senator Inouye, and we were in helmets and flak jackets, and they were shooting at us from the hills, so we very much feel that you have served our country so well, and I do wish you well, and I want to say I think you have done a terrific job.

General SHINSEKI. Thank you, Senator.

Senator HUTCHISON. And I also want to say, Secretary White, I really enjoyed working with you, and you have been honest and straight up with me in all of our dealings, and I appreciate your service very much.

Mr. WHITE. Thank you.

TRAINING CENTERS

Senator HUTCHISON. As you know, I am chairman of the Military Construction Subcommittee, and we have talked about looking at the foreign bases, and as I have visited many foreign bases with my colleagues here I have found training constraints, I have found artillery range constraints, air constraints, and as a matter of fact, in Germany, for instance, Grafenwoehr, one of the premier training areas in Germany, only has 18,000 acres.

And yet I look at the capabilities that our own bases in America provide, I look at the National Training Center in California, which has almost 500,000 acres, Fort Bliss has a million acres, and I just want to ask you, are you looking for new training locations in other places in Europe? Are you looking at bringing some of the training capabilities home to America? Are you looking at Fort Bliss in particular as a reinvigorated maneuver training area? What are you looking at to try to, in your transformation, make sure that we are not looking at these continued training constraints?

General SHINSEKI. Well, Senator, we are doing all of the above. Even Grafenwoehr today is not the Grafenwoehr Secretary White and I trained in many years ago, and we have augmented the capabilities there because of that very small footprint.

We are trying to stay in touch with our combatant commanders here. They have been asked to take a look at their regions and decide what Army capabilities they need forward and where should they be located, and so we are working with General Jones and General LaPorte and Admiral Fargo.

We have suggested a long-term strategy is helpful. To answer the questions about where do we see our interests, the advantage for forward presence has a very remarkable effect because of our ability to engage other armies, so there is a return there, but what do the combatant commanders need forward, and then we will decide.

What is not needed forward we will bring back to the continental United States and position them where their ability to do the things that armies have to do—they have to train wherever they go, and they have to train aggressively. They have to be able to deploy from wherever they are stationed, and then do the best that we can to take care of those soldiers and families in terms of their lifestyle, and we are doing all those things.

As one of those youngsters that grew up in the Dona Ana Desert there at Fort Bliss, I know it pretty well. It is a wonderful training area.

DOMESTIC AND FOREIGN BASES

Senator HUTCHISON. Well, my question is, are you looking at the timing, not only of our fiscal year 2004 budget so that we are preparing, but secondly for the fiscal year 2005 Base Realignment and Closure (BRAC)? Are we going to know what the needs are going to be of our domestic bases in regard to the foreign bases before we start shutting down or retooling bases here?

Mr. WHITE. Well, I think you have to. That is why Secretary Rumsfeld is pushing the combatant commanders hard to bring in their recommendations on what the posture of the force should be in their regions, and why we on the Title X side will then, and in

concert with the combatant commanders, will line up the investments that we intend to make and realign the force, which is obviously inclusive of the BRAC initiative back here in the continental United States, and we do not have much time, in my opinion, to figure that out.

Senator HUTCHISON. Well, we certainly do not with the fiscal year 2004 budget, because we do not want to be putting one dime in an overseas base that is not going to be long term.

Mr. WHITE. Right.

Senator HUTCHISON. And we do want to be putting our dimes in our bases here, and I want to say, I appreciate your emphasis on installation management. I think that is a very good sign, because particularly as we begin to look at closing bases we want to make sure that the ones that are going to be ongoing are well maintained, and we are seeing money go away from that into operations, and I know there is always a strain on the budget, but I think your emphasis there is well put, but I have been pushing now for 2 years to find out what your long-term strategies are in the foreign bases, and we have a report that was due April of last year that still has not come in. I do understand, however, that there is a new emphasis—

General SHINSEKI. There is.

Mr. WHITE. There is.

Senator HUTCHISON [continuing]. And that it is being pushed now, which I think is good.

RESERVE COMPONENT RECRUITING

A second area that I just wanted to talk about, again, in talking to so many of the Guard and Reserve units, I am concerned, not in a time of war, because our troops will always be there giving in a time of war. The cause is there.

But even back when we were not in a war, I was beginning to see a little fraying at the edges with family problems and employer problems with our Guard and Reserve because of the OPTEMPO, so my question is, are you seeing this? You had a little bit in your written testimony, General Shinseki, but I would just ask if you are seeing a problem in recruitment of Guard and Reserves, and with the heavy reliance that we have on them because of the drawing down of our troop strength, are we really looking ahead to make sure that we are in the right configuration?

General SHINSEKI. We are looking ahead, Senator, and I think if there is a time when we can get to a good set of metrics that says here is what happens to you in a large mobilization, both this mobilization for a potential Iraq, the mobilization associated with Afghanistan, the global war on terrorism, we are going to get some pretty good answers out of this, so yes, we are looking at that.

I, too, have heard anecdotally and in spot cases concerns about what the tempo has meant to Guard and Reserve soldiers and families. There is, I think, a double effect here, and we have worked very hard with employers to suggest to them that the service of these military members is important, and we intend to look after them, but I have heard some of these comments. I am sure there is more out there than I have heard, and we are paying attention.

As I indicated, for the first time we saw a drop in a monthly recruiting target, and so we are focused.

Senator HUTCHISON. I just hope you will anticipate way ahead of a crisis point. I am not worried about getting through this this time, but I am talking about 2 years from now.

Mr. WHITE. Right.

Senator HUTCHISON. Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

Senator Shelby.

AVIATION TRAINING

Senator SHELBY. Thank you, Mr. Chairman. I will try to be as quick as I can. The Army Aviation Training Center, General and Mr. Secretary, has developed, as you know, a new training aviation strategy called Flight School XXI.

General SHINSEKI. Yes, sir.

Senator SHELBY. The program regime focuses on increased training for aviators in their so-called go-to-war aircraft. Phase 1 of aviation training, the TH-67 training helicopter is shortened by 20 weeks here. Phase 2 of the training in the aviators' advanced aircrafts of choice has increased in length, it is my understanding.

General SHINSEKI. That is correct.

Senator SHELBY. This training includes a significant increase in time spent in training simulators. Sixty-eight million dollars in the fiscal year 2003 budget remain unfunded, seriously unfunded, \$68 million in fiscal year 2003, \$147 million in unfunded requirements in fiscal year 2004, and between fiscal year 2004 and fiscal year 2009 the Army faces a Flight School XXI funding shortfall of approximately \$1 billion.

Flight School XXI obviously is of particular concern here. What are your thoughts on that, General?

Senator STEVENS. General, let me interrupt. I have been called to a meeting on a matter close to my heart and my State, so Senator Inouye has some additional questions. Do you have some additional questions, Senator?

Senator HUTCHISON. No.

Senator STEVENS. Senator Inouye, will you chair the balance of the hearing?

Senator INOUE. Yes.

Senator STEVENS. Thank you very much.

Senator SHELBY. Thank you, Mr. Chairman. Go ahead, General. What are your thoughts on that? I know it is a shortfall. You have got an important program.

General SHINSEKI. In the fiscal year 2003 budget we are looking at Flight School XXI, and we continue to adjust the budget to meet the needs here, but as you indicated, we have taken a 32-week phase 1, two-phase aviation training, taken a 32-week program and shortened it to 20 and given more time in high-performance aircraft.

Senator SHELBY. Where you need it, right?

General SHINSEKI. Where they are needed, and that means that aviators are getting to units much better-prepared to participate in unit-level training.

Senator SHELBY. So that is the program the way you have devised it, is it not?

General SHINSEKI. That is correct.

Mr. WHITE. Yes.

General SHINSEKI. That is correct, and that is the way it is, and as in all new initiatives, you are not able to fully fund it initially, and so we continue to look at the adjustments during the budget year. It is in the program as well.

Senator SHELBY. I want to help you fund it everywhere I can up here with Senator Stevens and Senator Inouye.

General SHINSEKI. Sir, I appreciate the help. It is an important program for our aviation community.

Senator SHELBY. Mr. Secretary, do you have any comments on that?

Mr. WHITE. No. I am a Fort Rucker graduate, and I absolutely agree with the direction, more hours in go-to-war aircraft.

Senator SHELBY. Sure.

Mr. WHITE. Simulation is healthy, produces a better-trained aviator to go to the force, and I think that is what we all want.

LOGISTICS TRANSFORMATION

Senator SHELBY. Thank you. I have one more concern, Army logistics transformation. Under the current acquisition process, as I understand it, the Army provides requirements to an original equipment manufacturer (OEM) who designs the system, provides initial provisioning, and hands it off to the Government for life cycle support. This as-delivered model then drives the Government's spares, manning, and maintenance requirements for that system.

Once the hand-off occurs, it is my understanding that no Government agency conducts a methodical and continued analysis of the fielded system over time to support what we call an as-sustained model, the results of which could provide invaluable information to the customer and could save huge amounts of operations and maintenance dollars. Better system sustainment measures—that is, metrics—are needed to improved the Army's acquisition and logistics systems.

For example, I have been told that the AH-64 transmission was engineered for 2,500 hours of use, but the actual average useful life is about 2,000 hours. This difference affects operations at the lowest levels in terms of budgeting, spares storage and manning. It affects the institutional Army in terms of materiel buys and extended depot lines. The program managers (PM) and program executive officers are affected in that they now may have a big engineering problem.

Given the focus here, what is the Army's plan to develop a weapons system sustainment model containing robust metrics to accurately reflect the true cost of life cycle systems sustainment and force readiness? I know that is a mouthful, Mr. Secretary, but both of you understand it well.

Mr. WHITE. Sure.

General SHINSEKI. Senator, you have described where the Army has come—

Senator SHELBY. Right.

General SHINSEKI [continuing]. Over the last 3 years. Three years ago, our logistics community sat here and acquisition community sat here.

Senator SHELBY. Absolutely.

General SHINSEKI. Today the Army G-4, our logistics officer, now sits with the acquisition community, and when we talk about design of a system, it is the life cycle interest, it is not just the design up front and the fielding. It is, how do we think this is going to result in sustainment costs and retirement costs at the back end of any weapons system, so that is a first major piece.

General Paul Kern is our logistics war-fighter at Army Materiel Command, a terrific commander who was missioned to do this logistics transformation initiative, and he has pulled that together in rather significant ways.

Senator SHELBY. This could save the Army, all of us a lot of money in the long run.

Mr. WHITE. No question.

General SHINSEKI. Absolutely.

Senator SHELBY. I know that is what you are——

General SHINSEKI. Absolutely.

Senator SHELBY. But you have got to do the metrics here.

Mr. WHITE. That is right.

General SHINSEKI. And he is in the process of putting together the metrics for the whole system. When you look at the nose cone on an attack helicopter, the Target Acquisition and Designation Sight (TAD) Pilot Night Vision System (PNVS) nose cone, probably the most expensive piece on the air frame, and if you continue, it continues to have problems and you continue to replace it, well, that is one approach to it.

Another approach is, you take it, you redesign it so you are not replacing it quite as often, and it reduces the number of mechanics and number of inventory parts that you have to hold, so all of this is a broad-gauged, a very refreshing approach that General Kern is after and I think in the long run, there are going to be huge dividends to be paid.

Senator SHELBY. Well, like the name, life cycle is important.

General SHINSEKI. Absolutely.

Mr. WHITE. That is right, and we should as a separate matter, because you have a strong interest here, get General Kern in to talk about logistics transformation, because it affects the research and development (R&D) command, as you and I have talked about——

Senator SHELBY. Absolutely.

Mr. WHITE [continuing]. How the logistics operators interface not only with the theater support commands on one end, but with PMs, Program Management Officer (PMOs), and we will come and give you a separate discussion on that.

General SHINSEKI. Tied to the depots.

Senator SHELBY. We will follow up on that, but I knew this was what you are doing. We have got to go another step, I believe, and maybe you are in that process.

Mr. WHITE. We are.

General SHINSEKI. We are.

Senator SHELBY. Thank you. Thank you, Mr. Chairman.

Senator INOUE. Thank you very much.

STATUS OF FORCES

Mr. Secretary, the recently released 2002 active duty status of forces survey of the Army was issued and showed a satisfaction rating of 59 percent. Now, this is much better than what it was 3 years ago. I will not go into detail, but could you submit to the committee your analysis on whether this is good or bad?

Mr. WHITE. I will do that.

[The information follows:]

STATUS OF FORCES

The Army continually tracks soldier satisfaction with quality of life and job satisfaction matters. The satisfaction level with the military way of life—59 percent, as reported by the Office of the Secretary of Defense July 2002 Status of Forces Survey—is good for soldiers, their family members, and the Army. The Army's own survey for Active Component soldiers yields similar results. The level of soldier satisfaction with the quality of Army life increased from 48 percent in 1999 to 59 percent in 2002.

FORCE PROTECTION

Senator INOUE. General Shinseki, looking over the fiscal year 2004 budget, it appears that the Army will be called upon to increase its force protection requirements. For example, you will be providing force protection for the Air Force.

General SHINSEKI. That is correct.

Senator INOUE. Now, how will that affect your end strength requirements?

General SHINSEKI. We have agreed to provide, and I think today the number is about 8,500 National Guard soldiers who are providing security for Air Force bases, because their air police have deployed overseas. To the degree that that is a number today, we are prepared to accommodate that, and the dollars for that are provided for the Air Force.

If the Air Force, following this operation, decides they are going to increase their air police, whether it is Reserve Component or Active, their inventory, it may not have an impact on us, but suffice it to say I think in all of these operations it is not a precise business, and having capabilities that you can draw on is important, and I think this is a good demonstration that the end strength business, when you need it, you need to have the capability on short notice to stand it up, because there are no other alternatives.

The Air Force requested, we met on this, and we are very happy to be able to help them for this short period.

Senator INOUE. With this program will the Guard and Reserve have their own force protection to meet their own requirements?

General SHINSEKI. They do. Under the homeland security, all of us have raised the force protection levels around all of our installations to include in the local communities where Guard and Army Reserve units reside.

AVIATION MODERNIZATION

Senator INOUE. General, your Transformation program relies very heavily upon aviation modernization, and the centerpiece is the Comanche. Are you satisfied with its progress?

General SHINSEKI. It is. I will defer to the Secretary for some of the policy decisions made, because we have just recently restructured the program, and I think he is eminently qualified to describe it, but the Army's requirement for the Comanche is 819 systems.

As a result of an acquisition board decision we have the first 650 of that recognized for the armed reconnaissance helicopter. Yet to be determined is the attack version of the Comanche, and that will come out in further studies, but we have certainly sustained the requirement for this, and the Comanche is a key element of our Future Combat System networked capabilities.

Mr. WHITE. Senator, we just went through a Defense Acquisition Board cycle on Comanche. We rebaselined the aircraft, we focused it squarely on the armed scout version for its initial three blocks of fielding. That is our most critical need.

The Kiowa has got to be replaced. We restructured the arrangement with the contractors, Boeing and Sikorsky in this case, and we brought in outside consultants to look at it, a group led by General Larry Watts, former Chief of the Air Force, so I am confident that the program is focused correctly and now, after 20 years, we have to deliver this aircraft. We need it, and so the 2004–2009 POM includes 73 of these aircraft. I think the first one for test purposes is 2007, but we need to get on with this thing. We will not rebaseline this program again.

Senator INOUE. Some have suggested that the fixed wing would do a better job than these helicopters. Do you have any response to that?

General SHINSEKI. Senator, for the kind of requirements that a land force needs in close combat, an armed reconnaissance helicopter is important, and just where it has to go to operate and what it has to accomplish, and in conjunction with unmanned systems, but there is a requirement for a manned cockpit some place in the loop here. It is about situational curiosity and situational judgment that a manned cockpit makes a difference, and for the kind of operations that ground forces are involved in, an armed reconnaissance helicopter and an attack platform is key to our operations. It gets into the close combat support for ground formations.

OPERATIONS IN IRAQ

Senator INOUE. If I may, I would like to make a clarification. When I asked the question on volunteerism and the Iraq war, I did not want to suggest that our military can predict into the future. After all, in a war, there are at least two sides. We know what we plan to do and what sort of responses we will have, but at this moment, for example we do not know what is going to happen to Saddam Hussein—is he going to walk, or is he going to do some fighting, and if so, where will the fighting be?

And we read reports in the last 24 hours of his instruction to his generals to employ chemical and biological weapons systems, and so all of this would obviously have an impact upon the cost of war. I realize that it is not possible for the military or for anyone here to make any specific requirement or predictions. What I think my colleague wanted to note was that it would be helpful to us in look-

ing forward as to what the costs may be to have some idea of what it would mean in addition to our daily work, that is all.

ADDITIONAL COMMITTEE QUESTIONS

And so I would like to—and I speak for other members of the committee—submit to both of you questions in writing and requests for your response.

General SHINSEKI. Certainly.

Mr. WHITE. Yes, sir.

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

QUESTIONS SUBMITTED TO GENERAL ERIC K. SHINSEKI

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

LEGACY FORCE MODERNIZATION

Question. General Shinseki, the Army budget proposes to terminate Abrams and Bradley modernization after fielding of modern versions of each vehicle to only two divisions. This leaves the 3rd Armored Cavalry Regiment, part of the Counterattack Corps, with Abrams and Bradley vehicles that are more than 10 years old. Do you believe the Army is taking excessive risk in not funding the modernization of the Legacy Force?

Answer. We continue to examine options for the modernization of the Counterattack Corps, 3rd Armored Cavalry Regiment included, in order to maintain the Corps as a strategic hedge for the future. In the meantime, we are gaining irreversible momentum towards transformation to the Objective Force. We continue to evaluate the risk in both the near term and long term and will propose corrective action if appropriate.

FCS FIELDING SCHEDULE

Question. General Shinseki, given the risk associated with the Future Combat Systems (FCS), how confident are you that FCS will remain on schedule and achieve first unit equipped by 2008, and initial operating capability by 2010?

Answer. We are very confident that we will achieve FCS Increment I initial operational capability by 2010 and full operational capability by 2012. FCS-equipped units of action will provide Army and Joint force commanders with a significant capability that will grow to full objective capabilities through spiraling and fielding of subsequent increments. There will be two increments of significantly different capabilities between 2010 and 2018. Increment I will be fielded in 2010 to 2018, and in 2018, we begin fielding Increment II. Increment I FCS-equipped units of action will possess the core capabilities needed to execute the “how-to-fight” operational concept.

FCS/OBJECTIVE FORCE ROLE

Question. General Shinseki, what gaps do you feel FCS, or the Objective Force could be filling in the current conflict in Iraq, if it were fielded today?

Answer. The potential conflict in Iraq reinforces our efforts to provide our soldiers and commanders with the best combination of equipment, training, leaders, technologies, and organizations that together will assure that we can apply decisive and overwhelming capabilities against any opponent. I am confident that our current forces will be quite successful in the event of hostilities in Iraq; however, there are a number of ways—at the strategic, operational, and tactical level—that the Army’s Objective Force could be even more effective.

The ability of the Objective Force, employing enhanced lift capabilities, to deploy using multiple unimproved entry points to overcome anti-access measures or political boundaries, would have reduced problems in staging for operations. For instance, the rerouting of the 4th Infantry Division, caused by the unavailability of friendly ports near the northern border of Iraq, would have been unnecessary. The increased deployability and modularity of Objective Force units, coupled with development of advanced air/sea lift platforms not dependent on improved air/sea ports will significantly reduce Army deployment and employment timelines greatly in-

creasing the Joint force commander's flexibility and options. This will increase the chances of achieving operational surprise or preemption. Objective Force units will be able to begin operations immediately on arrival, requiring minimal reception, staging, onward movement, and integration. Moreover, projected reductions in sustainment requirements and reliance on strategic-to-tactical battlefield distribution will eliminate the heavy logistical infrastructures that could hamper operations and constrain responsiveness. Overall, these improvements could strengthen the strategic and operational speed, agility, and power of the Joint force. The Objective Force will allow our combatant commanders to conduct operational maneuver from strategic distances.

The Objective Force will conduct simultaneous and distributed operations across the entire Joint operations area. Commanders will have the ability to conduct continuous operations with minimal operational pauses, controlling an operational tempo that overwhelms the enemy's capability to respond. Finally, the Objective Force will directly attack enemy decisive points and centers of gravity through air-ground maneuver and fires to extend the reach of the Joint force commander and expose any part of the enemy force to destruction, dislocation, or disintegration.

The Objective Force headquarters above brigade will be organized, designed, trained, and equipped to fulfill command and control functions as the Joint task force, Joint force land component commander, or Army forces headquarters with minimal augmentation, provided by the standing Joint force headquarters and Joint interagency coordination group "plugs." These headquarters will possess the inherent capability to interact effectively with multi-national forces, other agencies, and non-governmental and private volunteer organizations. This would be a vast improvement over our current operations in support of U.S. Central Command, where our headquarters elements required over 2,100 augmentees.

The Objective Force will also resolve the Army's lack of standardized hardware and software in its current communications architecture and systems. The Army's Objective Force design will integrate seamless Joint command, control, communications, computers, intelligence, surveillance, and reconnaissance (C⁴ISR) systems with linkages to current forces, Stryker Brigade Combat Teams, other agencies, and a knowledge-based C⁴ISR architecture as the means for achieving situational awareness and battle command—the art and science of applying leadership and decision making to achieve mission success. This allows for automated spectrum and information dissemination management, continuous situational awareness, real-time synchronization of fires and maneuver, and the ability to effectively develop the situation out of contact. The Objective Force will provide our commanders with information-enabled forces capable of distributed and simultaneous operations.

Lessons learned and current operations reinforce that maneuver forces require a range of fire support that can provide close, all weather, responsive, and accurate fires. The Objective Force possesses enhanced lethality through networked fires encompassing Joint fires and organic capabilities for line-of-sight, beyond line-of-sight, and non-line-of-sight fires, deliverable in any conditions of terrain, weather, or time. Joint sensor-to-shooter links can rapidly bring lethal effects on enemy targets. The Objective Force takes the next step by harnessing all-source fires, attack aviation, and intelligence, surveillance, and reconnaissance systems to deny the enemy freedom of action, support friendly maneuver, and destroy enemy forces and high-value targets.

The Joint interoperability provided by the Army's Objective Force will better complement and enable the capabilities of each of America's Armed Services. The Objective Force will provide unparalleled agility and versatility by conducting operational maneuver from strategic distances and by allowing the combatant commander to open multiple fronts. The tailorable command and control headquarters and combined arms formations of the Objective Force, with their enhanced deployability and reduced logistical footprint, will leverage America's strategic reach to address any mission or contingency. In short, the Army's Objective Force will hasten the achievement of the combatant commander's joint operational objectives throughout the course of future campaigns using a combination of speed, power, and knowledge, ensuring decisive victory.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN
RECONSTITUTING DEPLOYED FORCES

Question. General Shinseki, today we have a large number of forces forward deployed in preparation for a possible war with Iraq, while we simultaneously pursue elements of terror globally. Do you believe we will be able to reconstitute our de-

ployed forces in an orderly manner for a sustained war against terror while meeting our many other commitments around the globe?

Answer. We are confident that we can balance unit reconstitution with our global commitments. Army forces will be an integral component of coalition efforts in post-conflict Iraq to provide a more secure and stable environment that will enable the Office of Reconstruction and Humanitarian Assistance to transition the governance of Iraq to an interim Iraqi administration. Despite these continuing commitments in Iraq and elsewhere in support of the global war on terrorism and other directed missions, the Army will undertake a disciplined, orderly reconstitution of those forces involved in combat. We will use our experience with reconstitution after returning forces from Operation Desert Storm, Bosnia, and elsewhere to inform and refine our efforts. The Army, in coordination with the Office of Secretary of Defense, the Joint Staff, Central Command, and other regional and functional combatant commanders will determine the priority and timeline for unit reconstitution.

RESERVE COMPONENT PAY CONSOLIDATION

Question. I understand the Office of Secretary of Defense would like to consolidate the Active, National Guard, and Reserve Military Pay Accounts into one Account that would be managed by the Active Component. Do you think we can make a significant change like this without jeopardizing the integrity of the Guard and Reserve Military Pay Accounts?

Answer. Yes, pending the necessary legislative changes, and coordination of accounting processes and related systems. The Reserve and National Guard components will continue to have oversight of their programs without jeopardizing the integrity of their pay accounts.

ADVANCED ARMY RAPID EMPLACED BRIDGE

Question. Last year, you provided the Subcommittee a response for the record concerning favorable progress being made on the Advanced Army Rapidly Emplaced Bridge that is also known as the Composite Army Bridge. For the record, could you provide an update of your assessment of this important program?

Answer. The Advanced Army Rapidly Emplaced Bridge program continues to be a success for the Army. The Rapidly Emplaced Bridging System is an interim system designed to support the Stryker Brigade Combat Teams (SBCT), which provides tactical bridge support across gaps of up to 13 meters. Current funding levels in the Program Objective Memorandum will purchase the Army acquisition objective of 40 bridges to support the SBCTs and provide an interim solution for the Objective Force.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

WHITE SANDS/MTHEL

Question. The Army and our Israeli partners continue to make progress on the Mobile Tactical High Energy Laser (MTHEL) program. I was very pleased to see that the Army has given strong support to the program in the President's fiscal year 2004 budget request. And I would like to take this opportunity to thank the Army for its sound management of this program.

Now that the Army has committed to pursuing MTHEL as its solution to rocket and artillery threats, can you update us on the status of negotiations with Israel over how to define the system's requirements? Has the Army reached agreement with Israel over how to share funding of the program?

Answer. The U.S. Army, in conjunction with the Israeli Ministry of Defense and Israeli Air Force, is working to define Israeli MTHEL requirements for a combat-effective laser system that can be realized within the cost, schedule, risk, and disclosure constraints of the MTHEL program. The Army supports the pre-Milestone B development and delivery of at least one chemical-based MTHEL prototype for the knowledge and understanding we will glean from the process as we work to define the directed energy component of our Objective Force enhanced area air defense system. However, our long-term focus for directed energy is on the development of solid-state laser technology. While this requirement process is iterative in nature and complicated by the diversity of operational and technical requirements, satisfactory progress is being made. The common operational requirements document should be completed and sent to the Israeli Ministry of Defense for validation and use within their acquisition process within the next several weeks.

The U.S. Army and the Israeli Ministry of Defense have not entered into a formal agreement on how to share funding for the MTHEL program. Since Israel's involve-

ment in MTHEL will be via a foreign military sales (FMS) agreement, the FMS laws under USC Title 22, prohibit the MTHEL program from being a formal “cost-sharing” or “cooperative” program. This is a change from the Tactical High Energy Laser (THEL) advanced concept technology demonstration (ACTD) memorandum of agreement (MOA) which was governed by USC Title 10 and allows cooperative research and development efforts and formal cost-sharing agreements. However, the Army’s intent is to make funding contributions to the MTHEL FMS case as provided for under Title 22. Furthermore, the Army’s intent is for the contributions to equal the FMS funds provided by the Government of Israel.

The MTHEL program will be conducted under Amendment 6 to the THEL ACTD MOA. The Defense Security Cooperation Agency general counsel has crafted the language in Amendment 6 to ensure it complies with FMS laws under USC Title 22. Authority to begin formal negotiations on Amendment 6 with the Government of Israel will be granted as soon as the Department of Defense approves the MTHEL summary statement of intent. Again, Amendment 6 does not state a cost-sharing arrangement for MTHEL. In order to comply with USC Title 22, Amendment 6 states that Article 5 (cost-sharing) of the THEL ACTD MOA does not apply, and further states that costs will be apportioned, not shared, in a manner to be established in the FMS cases.

WHITE SANDS/HELSTF

Question. The Army continues to do a good job managing the High Energy Systems Test Facility (HELSTF) at White Sands Missile Range. HELSTF is the only facility of its kind in the world where state-of-the-art laser testing and evaluation is conducted. Army, Navy and Air Force laser programs continue to make significant strides because of this testing capability. But in order to maintain this progress it is important that the facility’s assets be available for testing as scheduled.

In the last two appropriations cycles combined, Congress has designated over \$12 million for the Navy to do megawatt laser tests for cruise missile defense. Unfortunately, the megawatt MIRACL laser has not been available to meet the Navy’s needs.

Can you update us on the status of the MIRACL laser?

Answer. The Mid Infrared Advanced Chemical Laser (MIRACL) is undergoing recertification of its subsystems. This recertification is a critical part of a site-wide program to enable the HELSTF to continue to provide world-class support to the directed energy weapons development programs of all the Services. The MIRACL device itself, its optical train, and the Sea-Lite beam director are in good condition and ready for use. The pressure vessels and associated piping systems that supply reactant gases to the laser are being inspected to insure that they can be used safely. This inspection will be completed by mid-May. All activity required to enable the safe and effective operation of the MIRACL will be completed by July 1, 2003.

Question. Does the Army have a plan to bring this laser back on line so the Navy can move to its next phase of testing?

Answer. The MIRACL will be exercised on July 1, 2003, in a “burn-in” test to demonstrate that the MIRACL can be operated safely and effectively. This test will be conducted at a power level in excess of one megawatt of output power. This power level is adequate to meet the Navy’s test requirements. The test preparations have already started, and the Army is confident the system will be available to the Navy in mid July after it is refueled.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

TRAINING RANGES

Question. Given the current state of the Army’s existing training ranges and training centers and the anticipated demands of the Stryker Brigade Combat Teams and the proposed Objective Force, are you satisfied those ranges and training centers can meet the needs of the transformed Army? Does the proposed fiscal year 2004 budget fully fund the identified needed upgrades?

Answer. The Army has a solid range modernization program in place that fully supports the training requirements of the Stryker Brigade Combat Teams (SBCT). Ranges are under construction, in design, or in the Army program that support the transformation of the six SBCTs. We have 11 range projects for which the construction contracts will be awarded in fiscal year 2003. We have an additional 10 projects that are contained in the fiscal year 2004 President’s Budget. Other projects are programmed for fiscal year 2005. This range modernization effort includes a significant improvement to our training infrastructure in Alaska and Hawaii. These loca-

tions previously had not been modernized to the extent of ranges on our installations in the continental United States. We are correcting that situation.

We do, however, have shortfalls in our ability to operate these and other ranges Army wide. In fiscal year 2004, our range operations shortfall to fund our critical requirements is \$5.1 million, Operations and Maintenance, Army (OMA); \$1 million, Operations and Maintenance, Army Reserve (OMAR); and \$2.4 million, Operations and Maintenance, Army National Guard (OMNG).

Our Integrated Training Area Management program, that is an integral part of range operations, is similarly under-funded in fiscal year 2004. The shortfalls are \$6.9 million, OMA; \$0.3 million, OMAR; and \$7.7 million, OMNG.

With regard to our Objective Force ranges, we are still in the early stages of defining standard range requirements based on the operational capability of the Future Combat Systems (FCS). Our definition of those range requirements, combined with stationing plans, will determine the specific range requirements for the Objective Force. We intend to capitalize on programmed ranges wherever possible by adding capability to programmed range modernization projects where Objective Force units will be stationed.

Question. Are you satisfied with the current locations and manning of the existing national-level training centers?

Answer. Although we are satisfied with both the current locations and manning levels at all of our combat training centers (CTCs), we must continually reevaluate how we replicate and incorporate operational lessons learned, technological advances, and asymmetric threats into the training program ensuring that our soldiers and units are trained to the highest possible standard against emerging threats and that our CTCs remain as the Army's premier collective training opportunities.

Based upon lessons learned from previous and current operations, the Army is pursuing development of a "deep-attack" training capability for Army attack aviation units that would offer the same degree of realism and standards that the Army provides ground maneuver units at CTCs. Our intent is to include the deep operations assets of all Services. For aviation units in United States Army Europe, the Army conducts an annual deep attack exercise into Poland. For aviation units in the continental United States, the Army is looking at conducting exercises at either the National Training Center (NTC) in Fort Irwin, California, or at the Western Army Aviation Training Site (WAATS) in Marana, Arizona.

A proof-of-principle exercise was conducted at NTC in April 2002, and one is planned this year at WAATS. The exercise at WAATS will integrate live, virtual, and constructive training capabilities. Live forces will use the multi-service training areas in the greater WAATS area to include ranges managed by Luke Air Force Base, Marine Corps Air Station Yuma, and the Yuma Proving Grounds. Simulations will be generated from Fort Hood, Texas. A corps commander will serve as the exercise director and will provide the effects coordination cell as a player at the operational level. Depending upon the availability of headquarters, options are being explored to establish an Air Force air operations center to control the air war. Live forces will include an aviation brigade headquarters, an attack helicopter battalion, a general support aviation company and a Multiple Launch Rocket System battalion. Potential Air Force assets include attack aircraft from Luke Air Force Base. All live assets that are not available will be incorporated through simulations. Based on the outcome of this exercise and of the exercise previously conducted at NTC, the permanent training location in the United States will be determined.

Question. Given the need for joint training opportunities, and considering the work that the Joint Forces Command is doing in this area, do you see any major changes to the tactics, techniques, and procedures at the Army's national training centers? If so, what changes do you anticipate?

Answer. The overriding principle governing training at Army major training centers is "train as we fight." To this end, the Army requires forces participating in training at major training centers to perform the tasks they will during operations, with the equipment they must use during operations, under the conditions they will face during operations, to the standard required for mission success, and with the other organizations they must operate. We have worked diligently to replicate these operational requirements at each Army maneuver combat training center and believe we have been successful for our targeted training audience—brigade headquarters and battalion-level units. To the extent that these units operate with and accept services from other Services, we strive to integrate in training these requirements for interoperability tactics, techniques, and procedures. For example, each maneuver combat training center incorporates Air Force and/or Navy or Marine Corps close air support. When warfighting doctrine evolves, or when we discover through operational lessons learned that we need different emphasis in our training on interoperability tasks, conditions, standards, or participants, the Army aggres-

sively seeks to update training at our major training centers. A good example is our initiative to adjust training conditions at centers to better replicate contemporary operational environments.

The Army welcomes the work being done by the Joint Forces Command to ensure there are adequate venues for forces to train on joint and interoperability tasks and that such training offers proper realism. This emphasis will undoubtedly improve the realism and rigor of interoperability training conducted at Army major training centers.

QUESTIONS SUBMITTED TO THOMAS E. WHITE

QUESTION SUBMITTED BY SENATOR TED STEVENS

INDUSTRIAL BASE

Question. Secretary White, the decision not to modernize the Counterattack Corps affects not only the Army, but the industrial base as well. What steps do you plan to take to mitigate the adverse impact on the industrial base as a result of the lack of modernization funding in the fiscal year 2004 Army budget?

Answer. Army Transformation required cancellation of certain programs to fund a variety of transformational initiatives to achieve greater war fighting capability over the long term. We assessed the risks to the industrial base from these program cancellations and, where we judged necessary, we have taken steps to mitigate adverse impacts. We saw two major risks to the industrial base as a result of the decision to not modernize the Counterattack Corps. Both of these risks involved maintaining viable armor system production capabilities at two production facilities: the Lima Army Tank Plant in Ohio and the United Defense combat vehicle production facility in York, Pennsylvania.

The first risk involves the General Dynamics' combat vehicle fabrication capability at the Lima Army Tank Plant. We judged that risk as unacceptable since Lima initially had an insufficient workload to remain viable as a production facility for the fabrication of the Marine Corps' Advanced Amphibious Assault Vehicle and the Army's FCS ground vehicles. To mitigate this risk, the Army has restructured some programs and now has sufficient work to sustain Lima in active production until these new programs are brought into production.

The second risk involved maintaining the United Defense's combat vehicle production facility in Pennsylvania. We recognize that this facility would also be a likely candidate to manufacture FCS ground vehicles in the future. We expect that the production facilities in Pennsylvania will remain viable and open through calendar year 2004 because of a continuation of their current fiscal year 2003 Bradley upgrade work. With this expectation and acceptance of risk, we did not program fiscal year 2004 funding for Bradley upgrades to protect that portion of the industrial base.

While we cannot guarantee additional work from support for fielded systems, foreign sales, and reprocessing vehicles from operations in Iraq, the Army is looking hard at workload projections after calendar year 2004 and identifying fiscal year 2005 options which might be needed to protect any United Defense combat vehicle fabrication capability determined essential for future production. Those options will consider United Defense work on development of manned FCS non-line of sight gun system, unmanned ground systems, foreign sales, and other new non-traditional business. All of the other industrial base risks from not funding the Counterattack Corps are judged acceptable.

We expect fiscal year 2003 funding and other work to keep essential skills active through the end of calendar year 2004, given that final vehicle deliveries are scheduled for June 2005. The program funding for system sustainment and technical support will transition in fiscal year 2006 from procurement to the Operation and Maintenance, Army account. We believe United Defense's engineering staff and the Army's own in-house staff will be able to sustain the vehicles made by United Defense.

The shortage of Bradley upgrade funding is manageable, but there are two key issues we must address. The first issue is how we will fund the required technical support to the fielded fleet. For fiscal year 2003, the Army will have to fund the technical support from operations and maintenance accounts. That will present a problem for us because we will be addressing not only peacetime requirements but also operational requirements associated with the global war on terrorism and operations in Iraq. Obviously, we will finance the highest priority operational requirements first and defer those which are lower priority. A second issue is whether key

suppliers will abandon the supplier network as we reduce requirements. This is a continuing problem, and we will do more tradeoff analysis to support decisions, for example, to either stockpile components or find alternate suppliers.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

UNMANNED AERIAL VEHICLES

Question. Unmanned Aerial Vehicles are proving to be extremely valuable to our operations. Are we moving fast enough to procure UAV systems that you believe are necessary to perform your missions?

Answer. The Army is proud to achieve the goal of bringing the first Department of Defense UAV program into full-rate production in fiscal year 2003 in the Shadow 200 Tactical UAV. The Army is meeting deliveries associated with the fiscal year 2003 full-rate production contract and is on schedule to complete the procurement of 41 systems by fiscal year 2008 to meet the Army acquisition objective. We are actively fielding the Shadow UAV systems and their soldiers to the Army's divisions and Stryker Brigade Combat Teams. The Army is also stationing several additional Hunter UAV units at the corps level and as recently as November 2002, stationed its second Hunter company with the XVIII Airborne Corps. By the end of this year, a third Hunter company will be stationed with the V Corps in Germany. We anticipate that Army UAVs will experience a high operational tempo as a key system in any operations in Iraq.

Enlisted soldiers trained at Fort Huachuca, Arizona, operate our UAVs. We approach UAV system acquisition as a total package to include training, logistics, system design and performance, science and technology transition, and life-cycle support. The Army budget for UAVs ranges as part of the DOD UAV budget from about 17 percent in fiscal year 2003 to an average of about 9 percent in fiscal year 2005-fiscal year 2009, demonstrating a highly efficient and productive use of DOD funds for UAVs. Use and demand for UAVs from combatant commanders, trainers, and soldiers continues to remain high on all counts.

Question. Is the Army taking advantage of UAV work being undertaken by the other Services, such as the Navy's work on Fire Scout, which is based on a small, commercially available helicopter?

Answer. The Navy's Fire Scout program is in the research and development phase of program maturity. Senior Army personnel have observed the demonstration flights and are encouraged by the system developments being undertaken this year, such as conversion of the rotor system. The Army is considering various rotor wing technologies to fill UAV roles. Programs ranging from the Defense Advanced Research Programs Agency A-160 Hummingbird and the unmanned combat armed rotorcraft programs, the Fire Scout, and the U.S. Coast Guard Eagle Eye tilt rotor system are some of the potential candidates.

To further support inter-Service cooperation, the UAV program office is developing a cooperative development memorandum of understanding with the Navy and Air Force to share UAV program information. The prime contractor for the Fire Scout, Northrop-Grumman, is also the prime for the Global Hawk and the Army Hunter UAV system. As the Army is actively converting the Hunter ground control stations to the Army's standard production one-system ground control station in fiscal year 2003 and fiscal year 2004, a similar conversion for the Fire Scout should be affordable and feasible. AAI is the prime contractor for the Army's TUAV Shadow system, which entered full rate production in fiscal year 2003, and is the prime contractor for the USMC Pioneer Improvement Program.

OIL CLEANING/FILTERING SYSTEMS

Question. It is my understanding that the Army changes oil in the engines of tanks, personnel carriers and helicopters at fixed intervals. There are documented cases of large-scale diesel equipment with over 1,000,000 miles of use on unchanged, but filtered, oil. Some state National Guard units and state transportation agencies have started to adopt this filter technology. Can you comment on the applications in the Army that might benefit from an oil cleaning and filtering system by Gulf Coast Filters of Gulfport, Mississippi, that reduces and may completely eliminate the need for oil changes?

Answer. Gulf Coast Filters, Inc., has briefed the Army on their bypass filter system, and we are conducting a study at Camp Shelby on 30 five-ton trucks belonging to the Mississippi National Guard. Gulf Coast has briefed that their system can reduce services by five fold and reduce maintenance failure by supplementing the primary filter and using a finer filtration capability. This fine filtration will reduce

larger physical contaminants such as debris and dirt, but does not detect or reduce other contaminants such as fuel, coolant, and water, nor will it determine the status of the specified physical property of the oil such as viscosity and additives.

Bypass filters do not detect the source of contamination or wear metals caught in the filter. The Army oil change policy eliminates the requirement for frequent oil changing based on hours/miles/calendar days as specified by many technical manuals and lubrication orders. The Army is interested in lubricants and what happens to them in extra filtration systems such as Gulf Coast Filters. We are monitoring the test at Camp Shelby to capture field data to continue our analysis.

QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

FCS VEHICLES

Question. Secretary White, the Army's FCS acquisition concept calls for competitive and complementary production capabilities of the two U.S. ground vehicle producers—General Dynamics and United Defense. Both companies are needed to meet the Army's schedule for fielding the manned ground variants of the Future Combat System (FCS).

Preservation of United Defense to produce these vehicles is dependent upon whether or not fiscal year 2004 funding is provided to it. Currently, no production funding is requested for combat vehicles produced by UDLP. Without such funding, United Defense's production facilities will shut down two years before FCS low-rate initial production begins.

According to recent press reports, the Under Secretary of Defense for Acquisition, Technology, and Logistics was quoted as saying, "We must be able to protect at least two competent, cost-effective competitors on every weapon system we have. It's our job to ensure our industrial base supports that kind of philosophy."

Given this situation, how does the Army intend to ensure that United Defense is maintained as a competent, cost-effective competitor to General Dynamics as well as a co-producer of the FCS manned ground variants, given that almost none of the fiscal year 2004 budget request for combat vehicles will go to United Defense and the same is true in the out years?

Answer. Army Transformation required cancellation of certain programs to fund a variety of transformational initiatives to achieve greater war fighting capability over the long term. We assessed the risks to the industrial base from these program cancellations and, where we judged necessary, we have taken steps to mitigate adverse impacts. We saw two major risks to the industrial base as a result of the decision to not modernize the Counterattack Corps. Both of these risks involved maintaining viable armor system production capabilities at two production facilities: the Lima Army Tank Plant at Lima, Ohio, and the United Defense combat vehicle production facility at York, Pennsylvania.

The first risk involves the General Dynamics' combat vehicle fabrication capability at the Lima Army Tank Plant. We judged that risk as unacceptable since Lima initially had an insufficient workload to remain viable as a production facility for the fabrication of the Marine Corps' Advanced Amphibious Assault Vehicle and the Army's FCS ground vehicles. To mitigate this risk, the Army has restructured some programs and now has sufficient work to sustain Lima in active production until these new programs are brought into production.

The second risk involved maintaining the United Defense's combat vehicle production facility in Pennsylvania. We recognize that this facility would also be a likely candidate to manufacture FCS ground vehicles in the future. We expect that the production facilities in Pennsylvania will remain viable and open through calendar year 2004 because of a continuation of their current fiscal year 2003 Bradley upgrade work. With this expectation and acceptance of risk, we did not program fiscal year 2004 funding for Bradley upgrades to protect that portion of the industrial base.

While we cannot guarantee additional work from support for fielded systems, foreign sales, and reprocessing vehicles from operations in Iraq, the Army is looking hard at workload projections after calendar year 2004 and identifying fiscal year 2005 options which might be needed to protect any United Defense combat vehicle fabrication capability determined essential for future production. Those options will consider United Defense work on development of manned FCS non-line of sight gun system, unmanned ground systems, foreign sales, and other new non-traditional business. All of the other industrial base risks from not funding the Counterattack Corps are judged acceptable.

Question. If the Army intends to let United Defense shutter its combat vehicle manufacturing plant, how does it propose to cost-effectively support/upgrade the many vehicles manufactured by United Defense—Bradley Fighting Vehicles, tank recovery vehicles, self-propelled howitzers—that are forecast to be in the inventory for many years to come?

Answer. We do not expect that United Defense will close its combat vehicle manufacturing plant. We expect fiscal year 2003 funding and other work to keep essential skills active through the end of calendar year 2004, given that final vehicle deliveries are scheduled for June 2005.

The program funding for Bradley system sustainment and technical support will transition in fiscal year 2006 from procurement to the Operation and Maintenance, Army account. We believe United Defense's engineering staff and the Army's own in-house staff will be able to sustain the vehicles made by United Defense.

The shortage of Bradley upgrade funding is manageable, but there are two key issues we must address. The first issue is how we will fund the required technical support to the fielded fleet. For fiscal year 2003, the Army will have to fund the technical support from operations and maintenance accounts. That will present a problem for us because we will be addressing not only peacetime requirements but operational requirements associated with the global war on terrorism and operations in Iraq. Obviously, we will finance the highest priority operational requirements first and defer those which are lower priority. A second issue is whether key suppliers will abandon the supplier network as we reduce requirements. This is a continuing problem, and we will do more tradeoff analysis to support decisions, for example, to either stockpile components or find alternate suppliers.

Question. Doesn't it make sense to preserve United Defense's combat vehicle manufacturing capabilities when doing so would simultaneously meet equipment modernization requirements of the Army National Guard or maintain previously planned upgrades to an additional division of the heavy counterattack force?

Answer. The Army recognizes the industrial base capability and contributions of both United Defense and government-owned depot facilities. In respect to United Defense, the Army recognizes the potential contribution that they could make in support of FCS production, projected to begin in the fiscal year 2007 timeframe. The Army leadership is currently considering a 3rd Armored Cavalry Regiment modernization strategy that encompasses both the Abrams Tank and Bradley Fighting Vehicles and intends to provide requested information to Congress as soon as possible. As a total force, the Army will continue to support Congressional funding focused on Army National Guard heavy force modernization.

Question. Secretary White, in the Army's fiscal year 2004 Posture Statement, General Shinseki and yourself noted: "In general, the Army increased funding for programs that are clearly transformational and support the Defense transformational goals, sustained funding for high priority systems that will transition to the Objective Force, and reduced funding for systems not essential to Army Transformation. The operational risk associated with the decreased funding for certain current programs is acceptable as long as we field Stryker Brigades on schedule and accelerate the fielding of the Objective Force for arrival this decade."

Given the Army's job to preserve competition in the industrial base and the risk to the FCS program costs if it is not, is the risk to the armored vehicle sector acceptable as long as the Army fields Stryker Brigades on schedule and accelerates the initial fielding of the Objective Force?

Answer. The Army judges the risk acceptable. I have asked the Army to look hard at those workload projections for current producers and identify alternatives which might be needed to protect any combat vehicle fabrication capability we determine essential for future production. Those options will consider United Defense work on development of manned FCS non-line of sight gun system, unmanned ground systems, foreign sales, and other new non-traditional business. All of the other industrial base risks from not funding the Counterattack Corps are judged acceptable.

ARMY HERITAGE AND EDUCATION CENTER

Question. Secretary White, in 2000 the Army leadership made a commitment to staff the Army Heritage and Education Center at Carlisle Barracks with 79 people when it was completed. In light of that commitment, the Cumberland County Commissioners granted 54 acres of land for the project and the Commonwealth of Pennsylvania provided \$10 million. At present, the facility is suffering because it is understaffed.

Answer. The Army's plans for staffing the Army Heritage and Education Center? *Answer.* The Army Heritage and Education Center (AHEC) will move into their new facility in the spring/summer of fiscal year 2004. There is still much work to

be done in the meantime. AHEC is hiring 21 new employees this year that will bring them up to 54. AHEC has funding for 54 this year and fiscal year 2004. A U.S. Army Manpower Analysis Agency study recommended they hire 18 additional employees for fiscal year 2004, which will give them 72. The study also recommend AHEC add two more positions in fiscal year 2005 and another five in fiscal year 2006, which would bring AHEC to their recommended total of 79 staff members.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

WHITE SANDS/THIRD WAVE OUTSOURCING PLAN

Question. Mr. Secretary, I have reviewed your testimony regarding the Army's Third Wave initiative. And I strongly agree with your objective of seeking the best value for our taxpayers' dollar. We all want that. But I do have some questions about the process the Army has put in place to implement competitive outsourcing.

First, it seems to me that determining what jobs are core and what jobs are non-core is a very difficult thing. Clearly, certain routine maintenance duties are not fundamental to the Army's warfighting mission. But other activities that are not part of the warfighting mission per se have a very close relationship to how the warfighter performs.

For example, many of the engineers and skilled DOD personnel in the test and evaluation field provide critical performance data about the systems used on the battlefield. To me, this is clearly connected to warfighting.

Would you provide your assessment of where test and evaluation activities fit into the Third Wave proposal?

Answer. The test and evaluation function is exempt from the A-76 competitive sourcing process. Congress has, in fact, in Section 802 of Public Law 96-107, 10 U.S. Code, Section 114, note, barred the use of A-76 procedures in connection with the obligation or expenditure of research, development, test or evaluation funds, except for the operation or support of installations or equipment used for research and development (including maintenance support of laboratories, operation and maintenance of test ranges, and maintenance of test aircraft and ships). OMB Circular A-76 incorporates this statutory restriction. These restrictions do not foreclose alternatives to the A-76 process, and such alternatives may merit further consideration in these functional areas. The Department will not pursue those alternatives, however, without consulting with Congress and seeking enabling legislation where appropriate. At this stage, the decision-making is still pre-decisional with regard to the test and evaluation function with regard to alternatives to A-76.

Question. Has the Army completed its study of non-core functions that are to be exempted from outsourcing? If not, when will these exemptions be determined?

Answer. The Army recently completed the exemption phase of its study of non-core functions that are to be exempted from outsourcing. The Assistant Secretary of the Army for Manpower and Reserve Affairs made 24 exemption decisions. The exemption decisions will be provided to the Defense oversight committees as soon as those meetings can be scheduled.

Question. The issue of security is also very important. It is my understanding that security personnel and firefighters are exempted from the Third Wave plan by law. Can you confirm that guards and fire personnel will remain within DOD?

Answer. Yes, security guards and firefighters are exempted from the Third Wave plan by law. Title 10, U.S. Code, Section 2465, generally requires government employees to perform security guard and firefighter functions at installations located in the United States unless the installation becomes a contractor-operated facility. The issue of adequate force protection, since 9/11, is a paramount concern. We appreciate the limited Congressional relief mitigating somewhat the restrictions of title 10, U.S. Code, Section 2465. Section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, Public Law 107-314, provides a basis in some circumstances for arranging for performance by local municipalities of increased security-guard functions since September 11, 2001. The Department will comply with these statutes unless Congress provides further relief.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

IOWA ARMY AMMUNITION PLANT

Question. The Iowa Army Ammunition Plant (IAAP) is currently undergoing cleanup as a Superfund site due mostly to contamination by high explosives from the ammunition. Secretary White, would the Defense Department proposals for

changes to CERCLA and other environmental laws remove IAAP from the Superfund program? If not, please explain why IAAP would not be covered by the exemption. If so, please explain why it would be beneficial to IAAP and the surrounding community for the site to be removed from CERCLA protections.

Answer. The Defense Department proposals for Readiness and Range Preservation would not remove IAAP from the Superfund program. DOD's Resource Conservation and Recovery Act (RCRA), and Comprehensive Environmental Response, Compensation, and Liabilities Act (CERCLA) legislative proposals clarify when RCRA and CERCLA apply at military ranges. IAAP is addressing contamination from ammunition assembling operations, which is distinct from military range activities.

Question. The Army is currently conducting health studies of the workers and former workers at the IAAP site, alongside similar DOE studies of former workers at the nuclear weapons facility at the site.

Please update me on the status of the studies, of the contracting the work, and of release of appropriated funds.

Answer. In response to 2000 and 2001 legislation, DOD is identifying past and current IAAP DOD workers and notifying them of possible exposures. The workers have been provided DOD guidance to facilitate discussions with appropriate officials and health care providers. As directed, a health study of the IAAP workers has been developed. The U.S. Army Center for Health Promotion and Preventive Medicine (USACHPPM) has contracted with the College of Public Health at the University of Iowa (UI) to perform the study. As part of Phase I of the DOD study, UI has identified over 38,000 current and former IAAP workers. The health study protocol has received Human Subjects Institutional Review Board (IRB) approval from UI. In January 2003, USACHPPM received the revised health study protocol from UI. As part of USACHPPM's contract approval process, USACHPPM reviewed UI's health study protocol to ensure it is ethically and scientifically sound, and that the research complies with the Health Insurance Portability and Accountability Act (HIPAA). USACHPPM also arranged for peer review of the health study protocol by the Armed Forces Epidemiology Board and the DOE Central Beryllium IRB Committee. The final recommendations of the peer review groups are expected by the end of April 2003. USACHPPM will then share the recommendations with UI, and incorporate changes with the UI researchers. An additional \$1 million of Congressional funds for fiscal year 2003 has been received by USACHPPM. Modifications to the existing contract are underway to incorporate this additional funding.

Question. Congress directed that testing of workers for chronic beryllium disease be part of this study. Please update me on the status of and plans for conducting this testing.

Answer. The DOD IAAP study will contain a complete exposure health history. Testing for chronic beryllium disease is complex and is under evaluation through additional expert peer review. Specific beryllium testing will be performed pending the recommendations of this expert review.

ROCK ISLAND ARSENAL

Question. Industrial Mobilization Capacity (IMC, formerly UPC) funds are critical to the arsenals to pay for capacity that is maintained for national wartime requirements, not for current contracts, and thus to keep overhead rates reasonable. Last year Congress approved full funding of IMC, including \$14.8 million for Rock Island Arsenal. Section 8109 of the Defense Appropriations bill did cut the working capital funds by 8 percent, but with the proviso "that these reductions shall be applied proportionally to each budget activity, activity group, and subactivity group and each program, project, and activity within each appropriation account." Yet I understand that based on this cut, IMC funding for each of the arsenals was cut by more than 50 percent.

Were the reductions in Section 8109 applied proportionally to each budget activity, activity group, and subactivity group and each program, project, and activity within each appropriation account? If not, please explain how the distribution of the cuts meets Congressional direction.

Answer. Section 8109 of the conference report reduced the amount of the budget request by \$400 million "to reduce cost growth in information technology development." The report allocated \$148.6 million of the decrement to Defense Working Capital Fund (DWCF) and this reduction was enacted.

The DWCF appropriation of \$1,784.956 million was reduced by \$148.6 million. After protecting the Defense Commissary Agency (\$969 million), the remaining reduction was spread to all activities. The Army's portion of the DWCF funding request was \$316 million, which consisted of \$89 million for war reserves, \$100 mil-

lion for spare parts augmentation, and \$127 million for IMC funding. Army's share of the reduction was \$67 million.

It wasn't feasible for the Army to apply the reduction to the war reserves or to the spares augmentation. The war reserve funds had already been obligated, and the Army was already experiencing shortfalls in spares funding. The Army's only viable alternative was to take the reduction in the IMC requirement. The funding reduction was allocated pro rata to the IMC requirements of the eight ordnance and five depot maintenance activities.

Question. Does the Army have any plans to restore the IMC funding for fiscal year 2003?

Answer. The fiscal year 2003 DWCF included full funding for the IMC requirement, which was \$119.7 million for the ordnance activities and \$7.3 million for the depot maintenance activities. The DWCF appropriation was decremented \$148 million, in the conference report (H.R. 107-732) for the Fiscal Year 2003 Defense Appropriations Act (Public Law 107-248, Title V). The Army's share, \$67 million, was applied to the IMC funding. Given the competing demands for limited funds, it is unlikely the Army will be able to restore the reduction.

The losses from this reduction could be recovered in future appropriations; otherwise, the loss will be recovered in the ordnance and depot maintenance customer rates for fiscal year 2005.

Question. Can you ensure us that if Congress approves funding for IMC in fiscal year 2004, it will actually be used for that purpose?

Answer. If Congress appropriates money to the Army Working Capital Fund in fiscal year 2004 for IMC, that money will be used for that purpose.

GROUND SERVICES INDUSTRIAL ENTERPRISE (GSIE) PLAN

Question. In recent weeks the arsenals have been moving to implement the GSIE plan to rationalize their workload and make them more efficient, while keeping them as part of the federal organic base. Yet at the same time they have been buffeted by a RAND study that reportedly recommended formation of a government corporation, by Third Wave plans for privatization, and of course by rumors about the impending base closure round. I am concerned that the GSIE initiative will not be given time to work before some other privatization or reorganization plan is approved. Do you plan to give the arsenals time to implement the GSIE plan without making other major changes that could interfere with that effort?

Answer. Formation of the Ground Systems Industrial Enterprise has been approved, and the Army leadership will be updated regularly on the progress toward operating efficiently without the need for subsidies. We are also responding to the Office of the Secretary of Defense on this. We do not anticipate that any action will be taken to change the GSIE operating structure before the Army has had a chance to assess the progress towards this objective.

HIGH MOBILITY TRAILERS AND WASTE

Question. One of the programs I have followed with great interest is the purchase of high mobility trailers for the humvees. After many years, these trailers have supposedly been fixed. How many of these trailers are now in use in the field? How many humvees have been modified to pull them?

Answer. The High Mobility Trailer has been renamed the Light Tactical Trailer. Approximately 5,200 trailers have been fielded to date, and over 10,500 humvees have been modified to pull them.

Question. Have there been any problems with the trailers that are in use?

Answer. No. They are operating quite well, as we expected.

Question. What are your current plans for purchase of additional trailers that I understand are still needed?

Answer. The Army plans to procure 5,094 trailers beginning in fiscal year 2004 through fiscal year 2009. In fiscal year 2004, we plan to procure 576 for \$9.5 million; in fiscal year 2005, 713 for \$11.1 million; in fiscal year 2006, 550 for \$8.7 million; in fiscal year 2007, 1,510 for \$22.1 million; in fiscal year 2008, 888 for \$13.7 million; and in fiscal year 2009, 857 for \$13.5 million. The contract will be a competitive, firm fixed-price contract. The fiscal year 2004 contract is scheduled for award in March 2004.

SUBCOMMITTEE RECESS

Senator INOUE. And I would like to thank you on behalf of all of us for your appearance this morning, and thank you for your testimony, and General Shinseki, I think everyone here expressed the

sentiment that I would say is felt by the Senate. We thank you for your service, sir.

General SHINSEKI. Thank you, Senator. Obviously, without saying, the service in this position has been the high point of anyone's service in uniform, but along with that, working with the members of this committee and patriots in the Congress on other committees has certainly been a very special privilege for this soldier, and I thank you all for your support.

Senator INOUE. In a few weeks I hope to travel to Hawaii, where we will have the 60th anniversary of the formation of my combat team, the one that I served in, made up of Japanese Americans, and I can assure you that the men in the regiment are very proud of you, sir.

General SHINSEKI. Thank you, sir.

Senator INOUE. Our next hearing of the Defense Subcommittee is scheduled for Wednesday, March 26, at 10 a.m. in Dirksen 192. With that, the hearing is recessed. Thank you very much.

Mr. WHITE. Thank you, sir.

[Whereupon, at 11:43 a.m., Wednesday, March 19, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 26.]