S. HRG. 109–22, PT. 1

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

ON

S. 1042

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2006 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

PART 1

SERVICE CHIEFS
ATOMIC ENERGY DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY
MILITARY POSTURE
COMBATANT COMMANDERS
SERVICE SECRETARIES
UNIFIED AND REGIONAL COMMANDERS
DEFENSE INTELLIGENCE

FEBRUARY 10, 15, 17; MARCH 1, 3, 8, 15; APRIL 28, 2005

Printed for the use of the Committee on Armed Services

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CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

SERVICE CHIEFS

FEBRUARY 10, 2005

	Page
Schoomaker, GEN Peter J., USA, Chief of Staff, United States Army	5
Clark, ADM Vernon E., USN, Chief of Naval Operations, United States Navy	25
Hagee, Gen. Michael W., USAF, Commandant, United States Marine Corps	51
Jumper, Gen. John P., USAF, Chief of Staff, United States Air Force	68

PRIORITIES AND PLANS FOR THE ATOMIC ENERGY DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY AND TO REVIEW THE FISCAL YEAR 2006 PRESIDENT'S BUDGET REQUEST FOR ATOMIC ENERGY DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY AND THE NATIONAL NUCLEAR SECURITY ADMINISTRATION

FEBRUARY 15, 2005

Bodman, Hon. Samuel W., Secretary of Energy	186

MILITARY POSTURE

FEBRUARY 17, 2005

Rumsfeld, Hon. Donald H., Secretary of Defense	286
Myers, Gen. Richard B., USAF, Chairman, Joint Chiefs of Staff	312

COMBATANT COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

MARCH 1, 2005

Jones, Gen. James L., Jr., USMC, Commander, U.S. European Command and Supreme Allied Commander, Europe	405
Abizaid, GEN John P., USA, Commander, U.S. Central Command	433
Brown, GEN Bryan D., USA, Commander, U.S. Special Operations Command	455

SERVICE SECRETARIES

MARCH 3, 2005

Harvey, Hon. Francis J., Secretary of the Army	638
England, Hon. Gordon R., Secretary of the Navy	672
Teets, Hon. Peter B., Acting Secretary of the Air Force	692

Page

UNIFIED AND REGIONAL COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

MARCH 8, 2005

Fallon, ADM William J., USN, Commander, United States Pacific Command . 803
LaPorte, GEN Leon J., USA, Commander, United Nations Command and Commander, Republic of Korea-United States Combined Forces Command, and Commander, United States Forces Korea 817

COMBATANT COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

MARCH 15, 2005

Craddock, GEN Bantz J., USA, Commander, U.S. Southern Command 860
Keating, ADM Timothy J., USN, Commander, U.S. Northern Command 860

DEFENSE INTELLIGENCE

APRIL 28, 2005

Cambone, Hon. Stephen A., Under Secretary of Defense for Intelligence 936
Jacoby, VADM Lowell E., USN, Director, Defense Intelligence Agency 943

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

THURSDAY, FEBRUARY 10, 2005

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

SERVICE CHIEFS

The committee met, pursuant to notice, at 9:37 a.m. in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Inhofe, Sessions, Collins, Ensign, Talent, Chambliss, Dole, Cornyn, Thune, Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Dayton, and Clinton.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Ambrose R. Hock, professional staff member; Gregory T. Kiley, professional staff member; Thomas L. MacKenzie, professional staff member; Elaine A. McCusker, professional staff member; Lucian L. Niemeyer, professional staff member; Stanley R. O'Connor, professional staff member; Paula J. Philbin, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, counsel.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Daniel J. Cox, Jr., professional staff member; Madelyn R. Creedon, minority counsel; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Gerald J. Leeling, minority counsel; Michael J. McCord, professional staff member; and Arun A. Seraphin, professional staff member.

Staff assistants present: Alison E. Brill, Andrew W. Florell, and Bridget E. Ward.

Committee members' assistants present: Cord Sterling, assistant to Senator Warner; Christopher J. Paul, assistant to Senator McCain; John A. Bonsell, assistant to Senator Inhofe; Darren M. Dick and Chris Arnold, assistants to Senator Roberts; Arch Galloway II, assistant to Senator Sessions; D'Arcy Grisler, assistant to Senator Ensign; Lindsey R. Neas, assistant to Senator Talent; Clyde A. Taylor IV, assistant to Senator Chambliss; Meredith Moseley, assistant to Senator Graham; Russell J. Thomasson and Shay Wester, assistants to Senator Cornyn; Bob Taylor, assistant

to Senator Thune; Mieke Y. Eoyang, assistant to Senator Kennedy; Elizabeth King, assistant to Senator Reed; Davelyn Noelani Kalipi and Richard Kessler, assistants to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; Mark Phillip Jones, assistant to Senator Dayton; and Andrew Shapiro, assistant to Senator Clinton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, all. The committee meets today to receive the annual testimony of the Service Chiefs on the posture of each of our military services and on their respective portions of the President's budget. This is the first of a series of hearings to be held by this committee, but it is perhaps the most important, because we have the privilege—indeed, it is a privilege to have such four distinguished public servants.

Thank you, General Schoomaker, Admiral Clark, General Hagee, and General Jumper for being with us today. You represent the finest and the most capable Army, Navy, Marine Corps, and Air Force to be found anywhere in the world. The men and women who proudly wear the uniform of our country continue to perform magnificently, with unmatched courage and integrity, together with the unfailing support of their families and friends. We are mindful, every day, of the sacrifices made, particularly those with loss of life and loss of limb, and the impact on their families.

Let there be no mistake, the historic elections that we witnessed in Iraq, a weekend ago, were made possible by these sacrifices, not only by the men in uniform, but their families, working together with our coalition partners. The courage of the people of Iraq was backed up in every measure by their efforts from the first day this operation started through and including that historic weekend. Indeed, the participation by the Iraqi military is largely owing to the training that was received from these men and women of our Armed Forces.

As we meet this morning, we are a nation at war, with almost 200,000 U.S. military personnel deployed to distant battlefields to fight an enemy unlike we've ever faced before in our history of our military of over 200 years of this great republic. The enemy in this global war on terrorism wants nothing less than to destroy our very way of life here at home and that of our friends and allies abroad. But America is committed to this cause of freedom, and we will not flag; we will not, in anyway, diminish our efforts to achieve our goals.

Consequently, we must ensure, those of us here in Congress working for the executive branch, in partnership, that our Armed Forces have the necessary personnel, training, and equipment to successfully accomplish these goals.

Over the past several years, our Armed Forces have achieved these goals of freedom—clearly a victory in Afghanistan, and we remain steadfast in our efforts in Iraq. These efforts have liberated oppressed peoples and brought the hope of freedom and democracy to many portions of these troubled regions.

This is a time of hope for Iraq and Afghanistan, but we must harbor no illusions about the difficult work ahead in these lands

and on the future battlefields in the war of terrorism. The manpower demands for ongoing stabilization operations, along with the requirements to continue to build more agile, deployable forces for the future, will continue to place considerable stress on the men and women of our Armed Forces and their families.

With these competing demands in mind, we consider this year's budget request. The request delivered to Congress by the President is for $419.3 billion, representing an increase of $19.2 billion over the fiscal year 2005 level, or a 2.8 percent increase, in real terms. This is the fifth consecutive year of growth in the defense budget, and I commend our President for his continuing commitment to keep America strong and to improve our capabilities.

The President's budget request arrives this year at a time of much uncertainty. Over the course of this coming year, the first Quadrennial Defense Review (QDR) will focus, post-September 11, on our military and the threats that we face. A change in the longstanding global posture is underway; that is, the forward deployment of our forces. A Base Realignment and Closure (BRAC) round is about to start. Overlaying that is the President's commitment to reduce this Nation's deficit. As a consequence, there were cuts made in each of your budgets, and we will hear from you today about how you achieve those cuts.

We must take into consideration all of these moving parts as we review this request in the coming weeks and months. It is important to ensure that we not only enhance our capability to win today's conflicts and deter the threats, but we will remain strong, and, if necessary, in every way, to keep our posture as the world's leader to achieve freedom.

Now it is time for Congress, the coequal branch of our Federal Government, to render its judgement and to fulfill its constitutional responsibility, and I quote from that magnificent document, "Provide for the common defense, to raise and support armies, and to provide and maintain a navy."

We're all aware that the changes were made very quickly in this year's budget, and we're anxious to receive from you the details.

Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman.

As we meet today, a large number of America's Armed Forces are heavily engaged in trying to bring stability to Iraq; others are serving America on the front lines in Korea; thousands of American troops are risking their lives every day in continued operations in the global war on terrorism in Afghanistan and in other places around the world. Of course, many more continue to work to keep the peace and bring a more stable future in the Balkans and elsewhere. To support these efforts, the President has already called up a significant portion of the Reserve components to active duty.

I want to join you, Mr. Chairman, in extending our thanks to our Service Chiefs and, through them, to the men and women of our Armed Forces, both active and Reserve, for the work that they're doing with bravery and dedication on behalf of our Nation.

I also want to note that we understand that they and their families are making sacrifices for all of us and that there are stresses

and strains on all of them. All of us stand foursquare behind the men and women in our Armed Forces around the world. Over the years, we have attempted to provide, and we will continue to provide, our men and women in uniform with everything that they need to ensure that they prevail. That is true regardless of positions that we take on various policy questions that we debate and we struggle with in Congress.

The budget before us represents a peacetime budget. One of its shortfalls is that it hides the true size of the overall budget deficit because it does not include the cost of the wars in Iraq and Afghanistan. It simply fails to include funding to pay for the incremental costs of operations in Iraq and Afghanistan.

Although, obviously, the exact costs for the operations in fiscal year 2006 are not presently known, many of these costs—such as adding new and restructuring existing Army brigades into a modular configuration, and such as adding two infantry battalions and other combat and support units to the Marine Corps—can be readily estimated. The failure to include these costs results in forcing the Services to plan on supporting deployed operations from within the normal budget, at least for several months. That is not the way to budget. It is not responsible budgeting, and we should not walk down that road again.

Mr. Chairman, I join you in welcoming our witnesses here today. I want to extend a special welcome to Admiral Clark, as I know you have, Mr. Chairman, personally. Admiral Clark will be making his last appearance as Chief of Naval Operations before this committee at a posture hearing. I'm sure you'll be here, and you're looking forward to other times you'll be here in the months ahead. But at least in terms of the annual hearing, this will be your last one, Admiral. We thank you for your service to this Nation and the many things that you've contributed, both to the Navy and to the security of this Nation.

Thank you.

Chairman WARNER. Thank you, Senator Levin. I join you with your recognition of Admiral Clark. I thought I would wait until the end of the testimony to go into some greater detail on that subject.

Senator LEVIN. You want to see what he says before you——

Chairman WARNER. Well, not necessarily. [Laughter.]

We had a wonderful visit in my office, until almost 8 o'clock last night. I've so enjoyed these many years that we've been together. I recall vividly when I first had the privilege of joining the Department of the Navy. You were off the coast of Vietnam, with many others, courageously carrying out your duties during that war.

So I recognize this may be your last posture hearing, but there's a lot to be done before we're going to allow you to hang it up. It's important that we receive your views, and I know that you will provide them today, those views representing what you consider to be decisions in the best interest of this country. Thank you, sir.

We'll start with our senior Service. I understand you have some very special guests here today, and we'll just take time. It's a privilege to receive you and your special guests.

General Schoomaker.

STATEMENT OF GEN PETER J. SCHOOMAKER, USA, CHIEF OF STAFF, UNITED STATES ARMY

General SCHOOMAKER. Mr. Chairman, Secretary—or Senator Levin—sorry about that.

Senator LEVIN. That's a promotion. [Laughter.]

General SCHOOMAKER. Sometimes it is.

Thank you very much for the opportunity to be here and to testify. I'd like to submit our posture statement for the record as my opening statement.

Chairman WARNER. All statements will be admitted in their entirety.

General SCHOOMAKER. I would like to take a few minutes here and introduce some representatives of our great Army, of whom we are extremely proud. They are sitting over here to my right and to your left, and I'll ask them to stand one at a time as I introduce them.

The first is Sergeant First Class Bill Covey, 82nd Airborne Division, a veteran of Afghanistan. He's the 82nd Airborne Division Noncommissioned Officer of the Year this year, and his family was the runner-up as the Fort Bragg Family of the Year for 2003. He was awarded the Bronze Star for his duty in Afghanistan. We're extraordinarily proud of him.

Next to him is Corporal Scott Carter. Scott just returned from Iraq, and he is a member of the 30th Heavy Separate Brigade out of the North Carolina National Guard. Corporal Carter is an Assistant Squad Leader and Infantryman, and, as you can see, he was awarded the Combat Infantryman's Badge during his tour there. He informed me, in conversation last night, that he would like to put in for Special Forces. He's preparing himself for that rigorous selection process, and we're very proud of him. Of course, he doesn't want anybody to know that. [Laughter.]

He doesn't want to be known when he gets down there but thank you very much.

Then Sergeant Andrew Carnahan, from the U.S. Army Reserve. Sergeant Carnahan was a squad leader in the 299th Engineer Company. This company was the first in history, when they bridged the Euphrates River, to employ both a floating bridge and a fixed bridge to allow the 3rd Infantry Division and other forces to seize Baghdad. We're extraordinarily proud of him and his service.

These three soldiers represent what makes our Army so strong; and that is, the active Guard and Reserve working as one Army. We're working very hard to make that, not just words, but reality as we pull it together. So I thank them for their presence here today. I promised them that they would get a civics lesson here. [Standing ovation.]

Sir, this is a civics lesson they fought for and earned.

Thank you very much, sir. I'm prepared to answer your questions.

[The joint prepared statement of Secretary Harvey and General Schoomaker follows:]

JOINT PREPARED STATEMENT BY HON. FRANCIS J. HARVEY AND GEN PETER J. SCHOOMAKER, USA

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

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

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

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

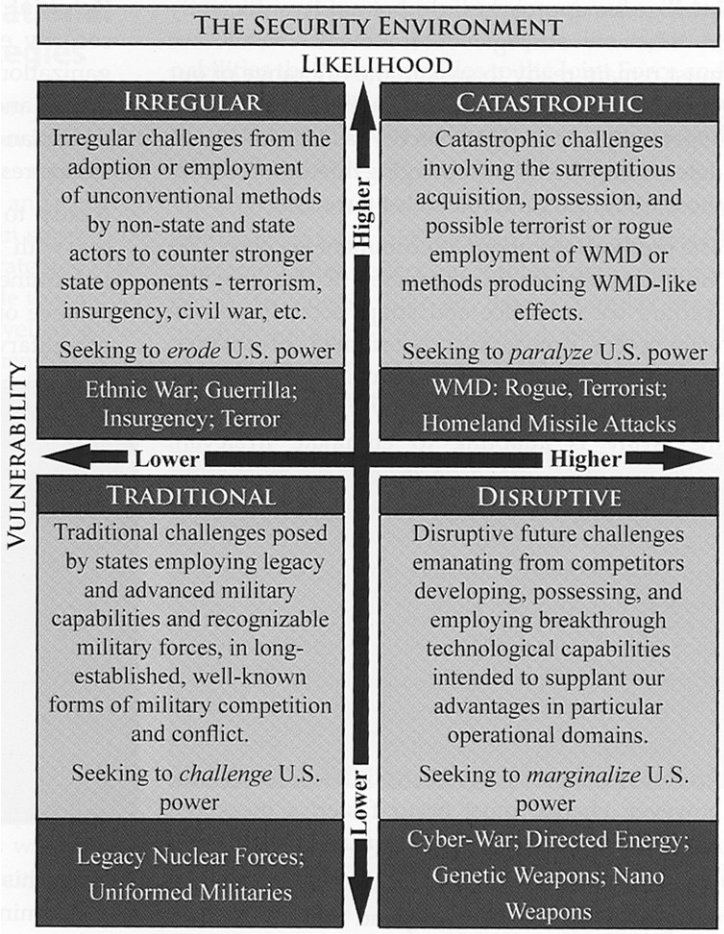


FIGURE 1

The defense strategy still recognizes the traditional threat paradigm, focused primarily on other states and known enemies. In the aftermath of September 11, 2001, however, it is no longer sufficient to be prepared to defend only against this type of threat. Our old concepts of security, deterrence and warning, developed through traditional intelligence approaches, do not apply sufficiently in this new strategic environment. While we must remain ready to sustain the full range of our global commitments, our overwhelming military superiority no longer serves as an adequate deterrent against many emerging threats, especially those of radical fundamentalist terrorists.

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

To respond to the challenges presented in this era of uncertainty and unpredictability, the Army has accelerated its transformation. During times of peace, change is generally slow and deliberate—at a pace supported by limited resources. In war-

time, however, change must occur faster; a measured approach to change will not work.

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

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

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

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

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

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

MISSION: SUPPORTING THE NATIONAL SECURITY AND DEFENSE STRATEGIES

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

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

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

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

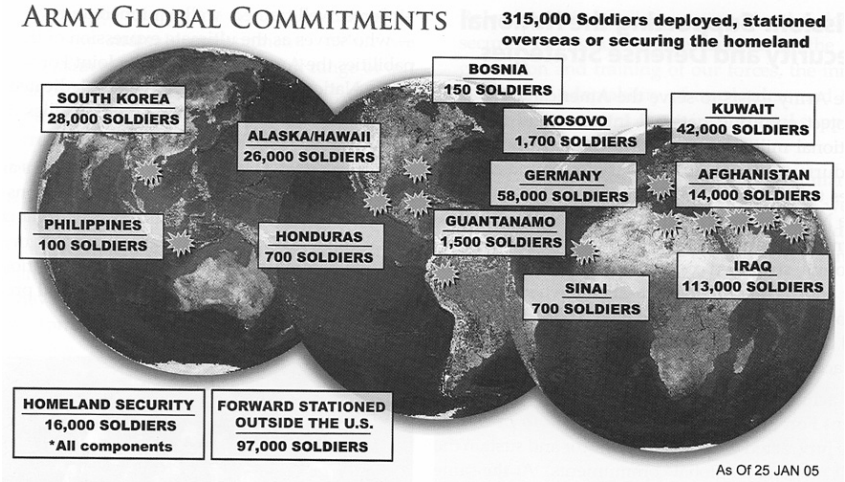
The character and skill of our soldiers, leaders, and civilian workforce and the attitudes and actions of our family must reflect our military and organizational challenges. Like any large, complex organization committed to achieving transformational change, our efforts to change our culture will prove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

Guided by the compelling requirement to accomplish our mission in service to the Nation, the Army is changing now—and making tremendous progress. With the con-

tinued support of Congress and the Department of Defense, we will maintain the momentum we have established, through our collective efforts, to transform capabilities, processes, leadership, and culture.

ACCOMPLISHING THE MISSION TODAY: SUSTAINING GLOBAL COMMITMENTS

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



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

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

Soldiers from the Army National Guard and the Army Reserve are making a vital contribution. 150,000 soldiers are mobilized and performing a diverse range of missions worldwide. In addition to their duties overseas, soldiers from both the Guard and the Reserve supported civil authorities during disaster relief operations, such as those which occurred in Florida following four major hurricanes.

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

The Army Reserve, in addition to providing vital support for operations in Iraq and Afghanistan, is providing a wide range of response capabilities in the event of

an attack on the homeland. This support includes almost 200 emergency preparedness liaison officers that interact with local communities. The Reserve has also fielded and trained 75 chemical decontamination platoons with more than 2,400 soldiers for mass casualty operations and more than 250 fully equipped hazardous material technicians to train with local first responders.

ENABLING MISSION ACCOMPLISHMENT: FOUR OVERARCHING, INTERRELATED STRATEGIES

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

- Providing relevant and ready landpower in support of the combat commanders and the Joint Force to sustain the full range of our global commitments;
- Training and equipping our soldiers to serve as warriors and growing adaptive leaders who are highly competent, flexible, and able to deal with the 21st century challenges they now confront;
- Attaining a quality of life and well-being for our people that match the quality of the service they provide; and
- Providing infrastructure to enable the force to fulfill its strategic roles by establishing and maintaining the infrastructure and the information network required to develop, to generate, to train, and to sustain the force.

These interrelated strategies serve to unify our collective efforts. Relevant, ready landpower depends on soldiers who are well trained, equipped, and led. Soldiers must be supported by high standards for quality of life and modern infrastructure to enable the force to fulfill its strategic roles and missions.

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

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

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

PROVIDING RELEVANT AND READY LANDPOWER TO SUPPORT THE COMBATANT COMMANDERS

Building a Campaign—Quality Force with Joint and Expeditionary Capabilities

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

The Army continues to improve strategic responsiveness in two ways. First, the Army is becoming more expeditionary. We are improving our ability to deploy rapidly to conduct joint operations in austere theaters. Our enemies are elusive, adaptive and seek refuge in complex terrain, often harbored by failed or failing states. They fully leverage many of the same technologies we do such as the internet and satellite communications. To improve on our joint warfighting proficiency we are embracing these conditions in deployment scenarios, training, and education.

Second, we have improved our review and resourcing procedures to anticipate and support the integrated priority lists developed by the combatant commanders. Likewise, we are continuing to anticipate and respond with urgency to our commanders' needs.

Enhancing Joint Interdependence

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

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

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

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

Resetting the Force

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

The major elements of our reset program include:

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

Resetting the force reflects how we care for our people and prepare units for upcoming training and deployments, while positioning the Army to be more responsive to emerging threats and contingencies. Today, the standard for active and Reserve component reset is 6 and 12 months, respectively. Through a focused effort, our reset processes are becoming considerably more efficient in terms of both time and resources. The Army's depot capability and efforts to partner with industry are critical to this effort.

The reset program is designed to reverse the effects of combat stress on our equipment. Amidst the constant demands of war, our equipment is aging far more rapidly than projected. Because of higher operational tempo, rough desert environments and limited depot maintenance available in theater, our operational fleets are aging 4 years for every year in theater—dramatically shortening their life. Over 6,500 tracked and wheeled vehicles must be recapitalized this year alone. An additional 500 aviation systems must also be recapitalized. We will require additional funding to "buy back" some of this age through extensive recapitalization programs as well as replacing combat losses.

The 3rd Armored Cavalry Regiment, the 3rd Infantry Division and 129 of the more than 500 Army Reserve units (over 25 percent) have already completed the reset program. The 4th Infantry Division, the 2nd Light Cavalry Regiment, the 10th Mountain Division, the 1st Armored Division, the 76th Infantry Brigade (Indiana), the 30th Infantry Brigade (North Carolina), the 82nd Airborne Division and the 101st Airborne Division (Air Assault) are in various stages of the reset program.

Resetting units is not a one-time event. It is required for all redeploying units. A window of vulnerability exists at the end of our current operations. We project that it will take close to 2 years after the return of forces from Iraq and Afghanistan to completely refit our forces and to reconstitute the equipment held in our five prepositioned sets. Only through an appropriately funded reset program can we extend the life of the operational fleet to remain ready to support and sustain protracted conflict. Congress has greatly helped the Army by providing supplemental funding to meet this critical need. We will continue to require additional resources to complete this essential work.

Converting to a Brigade-Based, Modular Force

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

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

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

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

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

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

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

Rebalancing Active and Reserve Component Units and Skills

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

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

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

Stabilizing Soldiers and Units to Enhance Cohesion and Predictability

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

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

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

Leveraging Army Science and Technology Programs

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

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

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

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

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

Spiraling Future Combat Systems Capabilities into the Current Force

Our largest, most promising, science and technology investment remains the pursuit of Future Combat Systems (FCS) technologies. The FCS-equipped force will add crucial capabilities to the future force to achieve Department of Defense transformation goals. FCS is not a platform. It is a family of 18 networked air and ground-based maneuver, maneuver support and sustainment systems.

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

In July 2004, the Army restructured the FCS program to accelerate the introduction of battle command, the Army network and other crucial capabilities to the current force, while we continue to build our initial FCS-equipped BCT. Improvements to the Army network, known as LandWarNet, are focused on applying lessons learned from Iraq and Afghanistan to improve our forces' ability to see first, under-

stand first, act first and finish decisively. LandWarNet, designed to support all joint communications architectures, will apply the most mature technologies commercially available and support the fielding of the joint network node, the warfighter information network and the joint tactical radio system.

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

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

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

Restructuring Army Aviation

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

The reallocation of funding allowed the Army to modularize, modernize and improve its force protection capabilities. The Army is accelerating aircrew protection and fielding aircraft survivability equipment. Our modular structure reduces the number of brigade designs from seven to two. Over the next 6 years, we are purchasing more than 800 new aircraft that include 108 attack, 365 utility, and 368 armed reconnaissance helicopters. We are also modernizing an additional 300 helicopters. These initiatives will enable the Army to extend the life of its critical aviation assets beyond 2020. This will greatly reduce the age of our aviation fleet, improve readiness rates and reduce maintenance costs.

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

- Accelerate the modernization of Reserve component aviation;
- Accelerate the unmanned aerial vehicle, light utility helicopter, and armed reconnaissance helicopter programs;
- Focus additional resources on the future cargo aircraft program designed to improve intra-theater lift capacity;
- Develop a common cockpit for cargo and utility aircraft;
- Field improved deployability and sustainment kits; and
- Purchase and install advanced avionics packages.

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

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

Reinforcing Our Centerpiece: Soldiers as Warriors

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

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

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

Our soldiers are smart, competent, and totally dedicated to defending the Nation. All are guided by Army values (Figure 2). They commit to live by the ideals con-

tained in the Soldier's Creed (Figure 3). This creed captures the Warrior Ethos and outlines the professional attitudes and beliefs desired of American soldiers.

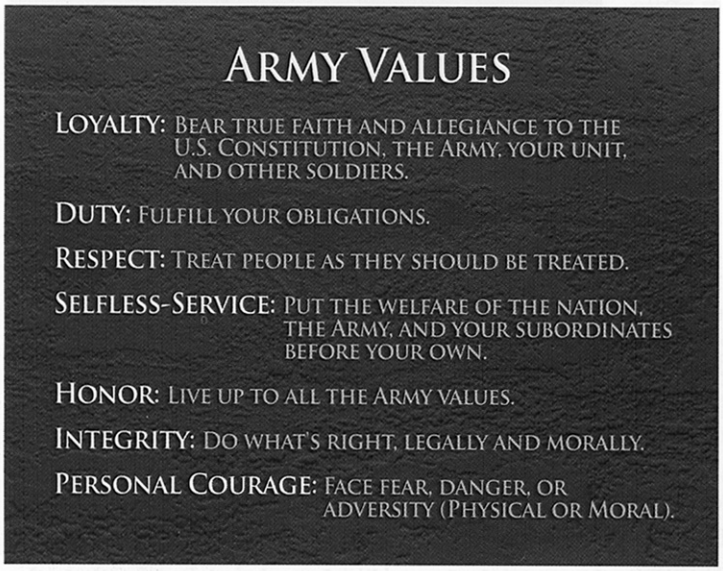


FIGURE 2

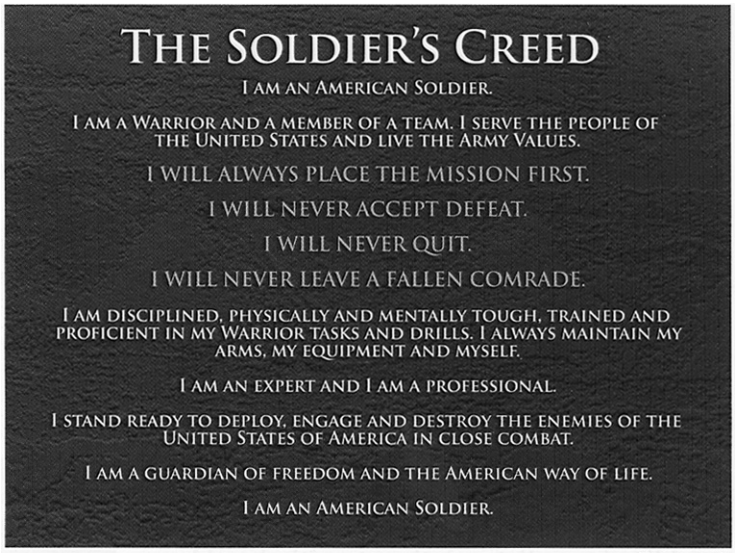


FIGURE 3

Mental and physical toughness underpin the beliefs embraced in the Soldier's Creed and must be developed within all soldiers—without regard to their specialty, their unit or their location on the battlefield. The Warrior Ethos engenders the refusal to accept failure, the conviction that military service is much more than just

another job, and the unfailing commitment to be victorious. It defines who soldiers are and what soldiers must do. It is derived from our long-standing Army Values and reinforces a personal commitment to service.

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

Recruiting and Retaining Soldiers

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

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

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

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

Equipping Our Soldiers

Our soldiers rely on and deserve the very best protection and equipment we can provide. To equip them for the challenges they face, one of the most critical issues we are addressing is vehicle armor. With the support of Congress, acting in full partnership with industry, the Army has dramatically increased the pace of both production and fielding. By March 2005, the current requirement of approximately 32,500 tactical wheeled vehicles in the Iraq and Afghanistan theaters will be protected either with integrated, add-on or locally fabricated armor. By June 2005, we will have replaced all fabricated armor with add-on armor. This rapid delivery schedule has increased the number of armored vehicles in theater 100-fold since August 2003.

Figure 4 lists eight key soldier protection areas ranging from providing body armor for soldiers to armor for high-mobility multipurpose wheeled vehicles (HMMWVs), trucks, and other key vehicles. Our enemies will continue to adapt their tactics; we will remain steadfast in our commitment to protect our soldiers by meeting and exceeding theater requirements in all areas.

EQUIPPING OUR SOLDIERS:
SOLDIER PROTECTION PROGRAMS IN
IRAQ AND AFGHANISTAN

Area	Where We Were August 2003	Where We Are In January 2005
Soldier Body Armor	Estimated 109,000 Soldiers equipped; Deltoid Auxiliary Protectors not fielded	All Soldiers and DoD civilians in theater equipped; plus 60,000 Deltoid Auxiliary Protectors issued
Up-Armored HMMWVs	Approximately 250 in theater	More than 6,400 HMMWVs fielded
Tactical Wheeled Vehicle Add-on Armor Kits	Developing plan to equip more than 10,000 vehicles	More than 19,000 vehicles in theater have add-on armor kits
Armored Security Vehicles (ASV)	ASV program cancelled during the 2003 budget and programming decision	82 ASVs in theater; total requirement of 872 approved
Bradley Reactive Armor Tiles (BRAT)	140 vehicle sets delivered	592 sets delivered; acceleration plan in execution
Counter-IED Device	Minimal capability in theater	1,496 systems in theater
Tactical and Small Unmanned Aerial Vehicle (UAV)	Two systems deployed to theater; requirement is 194	128 systems deployed; requirement remains 194
Aircraft Survivability Equipment (ASE)	No Fixed Wing ASE; in process of upgrading CH-47 Chinook and UH-60 Blackhawk aircraft with basic ASE	All theater aircraft upgraded with basic ASE. In process of upgrading to an advanced Common Missile Warning System/Improved Countermeasure Munitions Dispenser (CMWS/ICMD)

FIGURE 4

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

The rapid fielding initiative (RFI) is designed to fill soldier equipment shortfalls by quickly fielding commercial off-the-shelf technology rather than waiting for standard acquisition programs to address these shortages. RFI is increasing soldier capabilities at an unprecedented pace. Since September 2002, we have equipped 36 brigade combat teams. In 2004 alone, the Army equipped more than 180,000 soldiers.

We are equipping deploying National Guard, Army Reserve, and active component soldiers to a common standard. Current plans call for equipping about 258,000 soldiers in 2005 and the entire operational force by September 2007. We are using fielding teams at home stations and in theater to ensure that every soldier receives 49 items including body armor, advanced ballistic helmets, hydration systems, ballistic goggles, kneepads, elbow pads, and other items. The equipment being issued to units reflects the lessons learned during 3 years of fighting in complex environments, including optical sights for weapons, grappling hooks, door rams and fiber optic viewers to support soldiers' ability to observe from protected positions.

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

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

Training Soldiers and Growing Adaptive Leaders

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

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

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

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

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

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

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

To facilitate excellence in our leaders at every level, joint professional military education (JPME) is embedded throughout Army learning. Joint awareness is introduced in precommissioning education and training of all officers, as well as the mid-level noncommissioned officer courses. Our training and education systems further emphasize a more in-depth understanding of joint principles and concepts beginning at the captain/major level for officers and the sergeant major level for our noncommissioned officers. Our senior-level JPME programs develop our civilian leaders and further educate military leaders on the joint, multinational, and interagency

processes. This education is reinforced by experiences obtained in joint assignments. This increased understanding of the capabilities of other Services and external organizations significantly improves our leaders' ability to support the Joint Force in achieving national objectives.

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

Enhancing the Combat Training Centers

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

These training centers are agents of change. Training scenarios are constantly updated to reflect changing battlefield conditions and incorporate lessons learned. In all scenarios, soldiers and leaders are presented with complex, cross-cultural challenges by large numbers of role players who act as both combatants and foreign citizens. Additionally, each of the training centers is building extensive urban combat training facilities, as well as cave and tunnel complexes, to simulate wartime environments. As the Army transforms to a modular force, the CTCs will improve their ability to export a CTC-like training experience to home stations to reduce deployment requirements for training. The CTCs will continue to adapt to meet the training requirements to best serve a modularized Army.

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

Maintaining the Viability of the All-Volunteer Force

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

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

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

Caring for Army Families and Soldiers

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

example, TRICARE policies now allow for the eligibility of National Guard and Reserve soldiers and their families.

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

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

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

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

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

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

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

Business Transformation

Transformation of our business, resourcing, and acquisition processes promotes the long-term health of the Army. It will free human and financial resources that can be better applied towards accomplishing our warfighting requirements and accelerating other aspects of transformation.

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

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

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

To meet the needs of the future force and to improve both effectiveness and efficiency, we are also adapting the Institutional Army. The institutional Army helps to accomplish our title 10 functions to recruit and train our soldiers, generate and sustain the force and other Services with materiel and equipment, and prepare the force for the future through doctrine development, research, and experimentation.

It represents about one-third of the Army in the form of Active, National Guard, Army Reserve units, Department of the Army civilians, and contractors. It includes Headquarters, Department of the Army; Training and Doctrine Command; Forces Command; Army Medical Command; Army Materiel Command; Army Corps of Engineers and numerous other organizations.

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

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

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

Maintaining Our Installations as "Flagships of Readiness"

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

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

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

Improving Global Force Posture

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

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

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

LandWarNet

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

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

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

Equipping soldiers with world-class communications capabilities is also improving the ability to provide logistical support. For example, the 3rd Infantry Division was fielded, prior to their redeployment to Iraq this year, with the joint network transport capability-spiral, which includes the joint network node, Trojan Spirit, and the combat service support very small aperture terminal. These systems provide versatile satellite communications that improve the ability to sustain operations over extended distances in complex terrain by reducing gaps in current capability. Three other divisions will receive these systems this year. We are also fielding commercial solutions available now to expand communications capabilities and to increase self-sufficiency.

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

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

BALANCING RISK: THE TENSION BETWEEN CURRENT AND FUTURE DEMANDS

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

"Buying Back" Capabilities

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

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

Major Decisions in 2004

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

- In May 2004, as highlighted earlier, the Army cancelled the Comanche program. We are reinvesting the $14.6 billion in savings into pressing Army aviation requirements and correcting many chronic equipment shortfalls.
- In July 2004, the Army restructured the FCS program to accelerate the introduction of crucial new capabilities to the current force. By accelerating FCS, the Army will be able to spiral promising technologies into the hands of soldiers and leaders to give them the tools they need now.

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

- In October 2004, the Army was authorized by the National Defense Authorization Act to raise active component end strength by 20,000 soldiers and, between 2005 and 2009, increase by an additional 10,000 soldiers. This increase is intended to provide the personnel strength needed to implement our modular conversion and rebalancing initiatives. The increase in end strength also expands the potential options for operational tour lengths, which we are fully evaluating in the larger context of the Army's ability to generate the combat and sustainment forces needed to support operations in multiple theaters of war.
- During fiscal year 2004, in addition to supporting these critical decisions, the Department of Defense and the other Services supported Army operations and helped to maintain transformational momentum, by reprogramming significant resources to Army accounts. The Army also received more than $15.4 billion of a $25 billion contingency Reserve fund appropriated by Congress.

Meeting Today's Demands While Preparing for Tomorrow

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

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

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

- Establishing a larger pool of rotational forces through modularity;
- Rebalancing the active and Reserve components;
- Eliminating redundant capabilities;
- Executing a comprehensive military-to-civilian conversion program;
- Stabilizing the force;
- Enhancing recruiting and retention by adding recruiters and creating special incentives; and
- Increasing the personnel strength of the operational Army.

In addition, congressional approval of increases in active component personnel strength is helping the Army to man its transforming modular brigade combat teams now undergoing activation or conversion.

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

To reduce institutional risk, we are continuing to refine our resourcing processes to make them more agile and responsive to the immediate requirements of the combatant commanders and to help prepare the Army for future challenges. Our investments in LandWarNet (to facilitate real time, common understanding of dynamic situations) are improving our installations' ability to project and sustain forces. This result is a more rapidly deployable force that requires less logistics overhead struc-

ture and a greater capacity to reach back to their home stations for intelligence, medical, and other essential support.

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

REMAINING RELEVANT AND READY IN SERVICE TO THE NATION

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

The Army remains a values-based organization committed to the ideals of loyalty, duty, respect, selfless service, honor, integrity and personal courage. These ideals are embodied in the Soldier's Creed and the Warrior Ethos and are ingrained into the fiber of every American soldier. We remain dedicated to preparing every soldier to face the realities of combat and positioning the Army to face the challenges of the future.

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

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

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

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

Chairman WARNER. Sometimes short statements are most effective—[Laughter.]

—particularly when you back them up with that magnificent display of the fortitude of the men and women of the United States Army.

I would hope each Chief would explain—for instance, Admiral Clark, many of your naval personnel are in-country—in Afghanistan and particularly in Iraq—performing duties right alongside the United States Army and the Marine Corps in their ground operations. The same with you, Chief of Staff of the Air Force.

Admiral Clark.

STATEMENT OF ADM VERNON E. CLARK, USN, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral CLARK. Thank you, Chairman Warner and Senator Levin and other distinguished members of the committee. Good morning to you. I thank you for the chance to be here again for the fifth year, and, actually, the sixth different budget that we've discussed during my tenure.

I've really come to realize the honor that I've been given to represent the sons and daughters of America who have chosen to wear a sailor's uniform. I am the senior sailor, and I'm proud to wear this uniform. But, believe me, I am even more proud of those men and women who get up every day to see what they can do to make our Navy a better place and to represent the Nation as we do our business around the world at this very important time in history.

On behalf of the men and women of the United States Navy, I carry a message, and that message is: Thank you to this body and to Congress for the continued support to provide them the tools that they need so that they can carry out the Nation's bidding. Many of you have visited them, both in the fleet and in the field, and I assure you that they appreciate your interest in them.

As the senior representative of those tremendous young Americans, I'm proud to report that they are doing a magnificent job "around the world, around the clock," I like to say in the defense of freedom. In the global war on terror, your Navy, over the course of the last 12 months, has maintained multiple strike groups totaling 20,000—on average, 20,000 sailors a day in the area of operations in the Persian Gulf. They've flown 3,000 air sorties and delivered over 100,000 pounds of ordnance in support of U.S. and Coalition Forces on the ground in Iraq. They have also conducted more than 2,000 boardings of ships at sea to deter, to delay, and to disrupt the movement of terrorists. This is the area that I'm calling "the large ungoverned spaces."

In answer to your question, Mr. Chairman, we are constantly deploying over 7,000 sailors on the ground in the Middle East—SEALs, corpsmen operating with the Marine Corps, Seabees, hundreds of support personnel in Iraq and throughout the theater, to include our forces guarding Iraq's oil platforms, performing customs duties, and more and more. I could not be more proud of them and their selfless performance.

But I'm also very proud of the people who are serving here at home, both uniformed and civilian, who are working tirelessly to achieve unprecedented effectiveness and efficiencies in our Navy. Their efforts have allowed us to deliver greater combat power to the President at less cost to the taxpayer, and we have made truly impressive strides in those areas.

Still, beyond these achievements I must share with you and acknowledge that there are profound challenges that lay before us—before our Navy and before our Nation.

First, while transnational terrorists and criminals are, correctly, the focus of today's efforts, we are also keeping a weather eye on increasing anti-access and sea-denial capabilities being developed by other nations in the world, particularly in the Middle East and Asia. The greatest challenge that we face in the Navy is this: What are the intentions of those nations who are displaying emergent in-

vestment patterns that could challenge the sea control that we currently possess that enables the United States military to operate freely around the globe? I believe the Nation would be well served by discussion of these issues, Mr. Chairman, in a closed session.

Second, rising operational and overhead costs are competing with my Navy's ability to transform for the future. For example, we are absorbing costs of the war that are not funded by the supplementals. While 2006 will be an important year for naval programs marking the arrival of the littoral combatant ship and further progress on the DD(X) destroyer, CVN–21, Joint Strike Fighter competing costs are slowing the pace and reducing the scale of these very important programs for our future.

Third, shipbuilding and aircraft procurement costs are escalating at an alarming rate and eroding our buying power. I have included information in my written statement to illustrate the point. We need your help to partner with industry to deliver more fighting power at less cost for our Nation.

Finally, personnel costs continue to rise, especially regarding healthcare. While we owe our men, women, and their families a solid standard of living that reflects the great value of their service to our Nation, we must also ensure that our force is properly shaped, trained, and educated to provide maximum return on the investment we are making in their growth and development. To meet those kinds of challenges, we are going to need to work together. We will need congressional support to do things like implementing more flexible ship and aircraft procurement funding mechanisms that I've talked about now for my fifth year here visiting you in this body, things such as advanced procurement and split funding and aggressive use of research and development (R&D) funding. Such tools will allow us to better leverage economies of scale, help the industrial base, and speed the delivery of advanced technologies to our fleet. I urge this committee to consider hearings with the leaders of industry to consider this issue, which, in my view, is vital to our national security.

We need help to continue to experiment with innovative force-shaping tools to ensure that our Navy is properly sized, shaped, and skilled to meet future challenges while maintaining our ability to compete for talent in the marketplace. In fact, we need a 21st century human-capital structure to meet the military needs in this new century. It's time, in Vern Clark's view, to replace the near 50-year-old system that we possess today with one that will compete in the 21st-century marketplace.

In conclusion, your Navy today is very proud to stand shoulder to shoulder with our joint partners in fighting the global war on terror. Our sailors and our civilian shipmates are delivering the highest readiness that I have ever seen in my career. We are working hard to deliver future security for our Nation and our friends around the world. None of that would be possible without the unwavering and farsighted support of Congress and the citizens of the United States of America.

So, again, thank you, on behalf of the sailors of the United States Navy who are standing the watch this morning on distant stations all around the world, and I look forward to your questions.

[The prepared statement of Admiral Clark follows:]

PREPARED STATEMENT BY ADM VERNON E. CLARK, USN

Mr. Chairman and members of the committee, this will be my fifth opportunity to talk with you about the investments that you've made in America's Navy and about our budget request for the coming year. I want you to know that it has been an honor for me to come to this "house of the people" and work with all of you in the service of our great Nation. Your dedication to the public good has been an inspiration, and I am personally grateful for having had the privilege to speak with you on so many occasions.

I also want to express my gratitude on behalf of the men and women of your Navy. Your exceptional and continuous support has made possible their remarkable achievements of the last 5 years in manpower, readiness levels, and our ability to generate capabilities the joint force will need to fight and win in the dangerous decades ahead. These marvelous Americans—active and Reserve, uniformed and civilian—will continue to make this nation proud as they take the fight to today's enemy, while steadily transforming our institution to meet tomorrow's challenges. It is they who make ours the greatest Navy ever to sail the world's oceans; our ability to attract, train, and retain them is a testament to the health of our Service and an indicator of our proper heading as we chart our course into the 21st century.

I: YOUR NAVY TODAY—FOCUSED ON WINNING THE FIGHT

We are engaged in a war that I believe will be a generational challenge. Your Navy has been at the forefront of this war at sea and on land, and sailors have represented themselves with great distinction. In this fight, your Navy is making history as we contribute unprecedented reach, precision, persistence, and awareness to the joint force. In this time of great consequence for our future, our men and women operating in the air, on and under the sea, and on the ground are at the leading edge of the global war on terrorism.

Today, there are 94 ships on deployment (33 percent of the fleet); this includes 4 aircraft carriers, and 2 big deck amphibious ships (LHA/LHD). They are deployed in support of the Nation's interests in the Persian Gulf, the Mediterranean, the Indian Ocean, and the Western Pacific (see Figure 1). Because of the changes we've made in how we maintain our ships and train our crews, still others are ready to surge forward on short notice or are continuing operations like strategic deterrence; intelligence, surveillance and reconnaissance missions; and counter-drug patrols in support of other national imperatives.

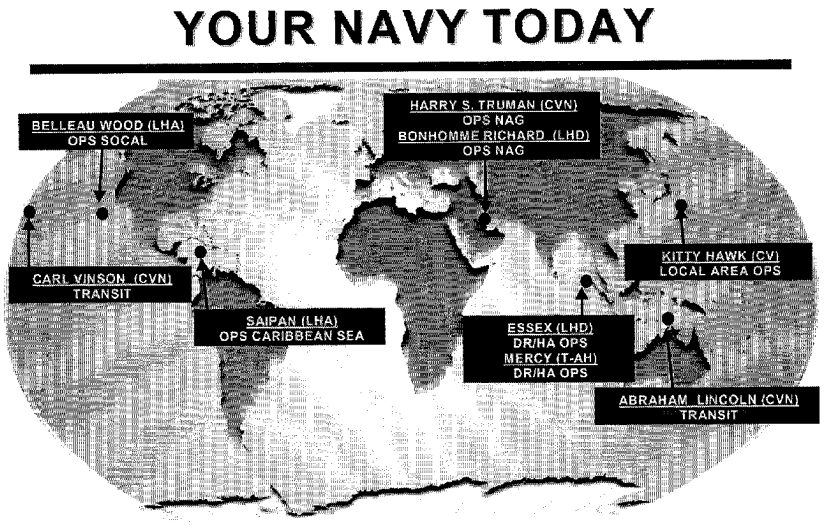


Figure 1

There are now approximately 19,000 sailors deployed to the Central Command area of responsibility (AOR) in support of Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF). In addition to the more than 8,000 men and women of the *Harry S. Truman* carrier strike group (CSG) and the *Bonhomme Richard* expeditionary strike group (ESG), that number includes some 7,000 Navy personnel on the ground throughout the theater. Among them are more than 2,500 medical personnel in direct support of ground combat missions, and more than 1,000 seabees managing construction projects for new Iraqi schools, bridges, roads and facilities. They are also teaching construction skills as part of the Iraqi Construction Apprentice Program.

• OIF: In the past year, Navy aircraft have provided the reach, precision, persistence, and awareness needed by soldiers and marines engaged in OIF ground combat operations. Navy sea-based tactical aircraft flew more than 3,000 sorties and dropped more than 100,000 pounds of ordnance in close support missions. Less visible, but no less valuable, have been the nearly 5,000 hours of dedicated surveillance and reconnaissance flown by both sea-based and shore-based Navy aircraft, providing the eyes and ears of our people on the ground in Iraq. At sea, Naval Coastal Warfare forces protect Iraq's oil terminals in the Persian Gulf.

• Global war on terrorism: In multiple theaters in the war on terror, your Navy is conducting Maritime Interdiction Operations (MIO) and extended MIO. EMIO is the maritime component of the global war on terrorism and its purpose is to deter, delay, and disrupt the movement of terrorists and terrorist-related materials at sea. With our extensive MIO experience in the Persian Gulf and elsewhere, we are well trained to monitor, query and board merchant vessels, and we have done so 2,200 times in the last year alone.

We are actively participating in an ongoing series of Proliferation Security Initiative (PSI) exercises as well as working groups composed of operational experts from PSI partner nations in an effort to prevent the flow of weapons of mass destruction (WMD), their delivery systems, and related materials. This initiative is led by the State Department and envisions partnerships of states working in concert to develop a broad range of legal, diplomatic, economic, military, and other tools to interdict shipment of such items.

We have also been working closely with the U.S. Coast Guard to better defend the homeland, including developing a new operational concept called maritime domain awareness (MDA). MDA will enable identification of threats as early and as distant from our borders as possible to determine the optimal course of action. Armed with this better awareness and visibility, we will provide an active, layered system of defense that incorporates not only the maritime domain, but space and cyberspace as well. The success of these operations can be credited to the synergy developed between our Navy, the Coast Guard, and other agencies.

I would like to point out here, as I have testified in prior hearings, that to fully develop our concept of Sea Basing and to realize the fruits of MDA for the defense of our homeland, we must take maximum advantage of the widely accepted rights codified by the Law of the Sea Convention.

From transit passage, to reaffirming the sovereign immunity of our warships, providing a framework for countering excessive claims of other states, preserving the unfettered right to conduct military activities in the exclusive economic zones, the Convention provides the stable and predictable legal regime with which to conduct our operations today and in the future. Joining the Convention will support ongoing U.S. military operations, including continued prosecution of the global war on terrorism, and will enhance our leadership role in maritime matters. I strongly support United States' accession to the Law of the Sea Convention because joining the Convention will strengthen our Nation's defenses.

• Operation Unified Assistance: By sea-basing our relief efforts for South Asian tsunami victims in Operation Unified Assistance, for example, the *Abraham Lincoln* CSG and the *Bonhomme Richard* ESG (including marines from the 15th Marine Expeditionary Unit) delivered more than 6,000,000 pounds of relief supplies and equipment quickly and with more political acceptance than may have been possible with land-based relief efforts.

In addition, nine of our versatile P–3C reconnaissance and surveillance aircraft supported search and rescue operations, while the high speed vessel (HSV) *Swift,* an aluminum-hulled catamaran, deployed from Naval Station Ingleside, Texas, in January to provide high-speed connectivity to the shore with its ability to transit shallow water. The hospital ship U.S.N.S. *Mercy* is now on scene to provide a base of operations for joint U.S. military medical organizations and recognized international nongovernmental and private relief organizations. More than 400 Seabees

assisted in disaster recovery efforts such as clearing roads, removing debris and assessing damage.

• Our most precious resource: At the heart of everything good that is happening in our Navy today is the vital fact that we are winning the battle for people. We are attracting, developing, and retaining a talented cadre of professionals who have chosen a life of service. Our ability to challenge them with meaningful, satisfying work that lets them make a difference is fundamental to our covenant with them as leaders.

To better fulfill this promise, we are in the process of developing a human capital strategy that fits the 21st century—a strategy that delivers the right skills, at the right time, for the right work. We would not be in a position to do that today had we not first tackled the fundamentals: recruiting the right people, increasing retention, and attacking attrition.

We have consistently met or exceeded our recruiting goals since 2000. This has allowed more selectivity and a consequent increase in the quality of recruits. Nearly 15 percent of our current recruits, for example, now have college experience, up by more than 300 percent since 2000. More than 95 percent of new recruits now have high school diplomas. Minority officer applications have increased by 27 percent.

We have experienced extraordinary retention in our Navy fostered by a new culture of choice and a focus on professional development for our sailors. This new culture has led to the highest retention in our history. Therefore we are able to be more selective in recruiting and establish the kind of competitive environment for reenlistment and detailing. This, in turn, allows us to more effectively shape the force, developing a more educated and experienced group of professionals to lead and manage our high-tech Navy. Sailors in many ratings have been given new opportunities to compete and grow in our institution through adjusted Navy Enlisted Classification (NEC)-targeted Selective Reenlistment Bonuses and the Perform-To-Serve program. We have also piloted choice in assignments with a new Assignment Incentive Pay pilot program. Sailors are now able to compete for select jobs in duty stations across the globe.

Since 2000, we have also reduced attrition by nearly 33 percent. This past year alone, leaders throughout our Navy attacked the number one cause for attrition: illegal drug use. Despite an increase in testing of 9 percent Navy-wide, the number of positive samples was down by 20 percent since 2003. In short, we now have the highest quality workforce the Navy has ever seen.

• Readiness to fight: We have a responsibility to you in Congress and to the taxpayers to ensure that the Navy the Nation has already bought is properly equipped. We have invested billions of dollars in training, maintenance, spare parts, ordnance, flying hours, and steaming days so that the current force is prepared on a day-to-day basis to deliver combat power whenever and wherever it is needed. Today we have the best readiness performance I've seen in my career.

To enhance our Navy's ability to respond to crises whenever and wherever needed, we implemented a global concept of operations that increases both the number and capabilities of naval assets that are forward deployed throughout the world. This new operating concept delivers a sustainable global reach to influence current events through the sovereign presence of our naval forces.

This past year, we maintained the fleet response plan's (FRP) "6+2" readiness to consistently deliver six forward-deployed or ready-to-surge CSGs almost immediately, plus two additional CSGs in 90 days or less. The FRP allows us to surge 50 percent more combat power on short notice to deal with future global contingencies than in the past. For example, we were able to maintain the *John C. Stennis* CSG in a "ready for war" state for 418 of the 509 days of its most recent readiness cycle that included deployed operations.

Three Months, Five Theaters, Seven CSGs

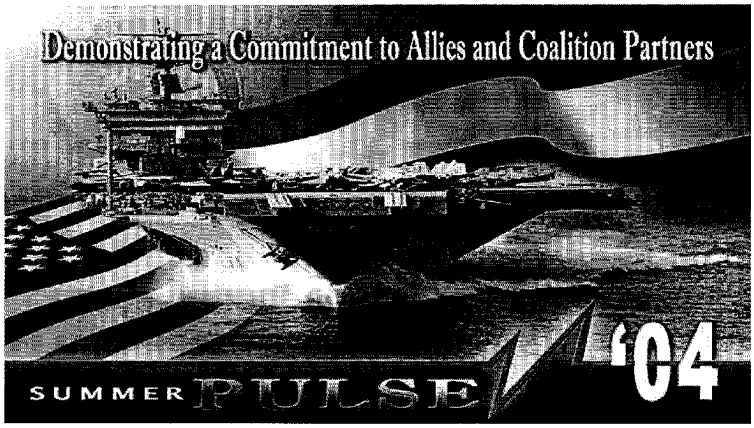


Figure 2

As part of the FRP, we demonstrated "presence with a purpose" in a multi-CSG surge exercise, Summer Pulse 2004 (see Figure 2), as well as the 4-month deployments of U.S.S. *Ramage* and *Ross.* We also surged U.S.S. *Bataan, Boxer,* and *Kearsarge* to enable Marine Corps deployments to ongoing operations in Iraq, and we maintain this surge capability across the fleet 365 days per year. To support this level of operational availability, we have been improving our maintenance processes and organizations. Innovative programs like Shipmain and the Naval Aviation Readiness Integrated Improvement Program (NAVRIIP) helped develop and share best practices, streamline maintenance planning and improved performance goals in shipyards, depots, and other maintenance facilities.

• Transforming for the Future: At the Naval War College in June 2002, I introduced our vision of tomorrow's Navy, Sea Power 21 (see Figure 3).

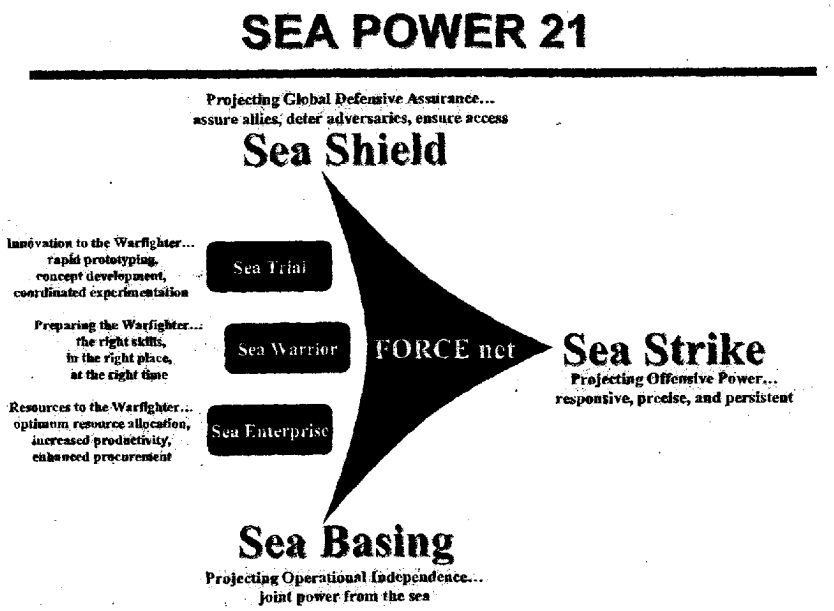


Figure 3

Sea Power 21 began the process of translating theory into practice for a wide range of advanced concepts and technologies—ranging from the stand up of the Fleet Antisurface Warfare (ASW) Command to the initiation of ballistic missile defense—that will increase the combat effectiveness of the joint force. We are moving forward with the main concepts of that vision to transform the way we fight.

We have introduced Sea Strike capabilities that extended our reach and precision, providing Joint Force Commanders with a potent mix of weapons. In OIF, we deployed F/A–18E/F Super Hornet squadrons, providing greatly enhanced range, payload, and refueling capability. Tactical Tomahawk has entered service, allowing in-flight target re-programming and increasing our time sensitive strike capabilities. The shared reconnaissance pod (SHARP), the advanced targeting forward-looking infrared (AT–FLIR), the joint helmet mounted cueing system and the multi-functional information distribution system (MIDS) arrived in the fleet and showed us the power of these new knowledge dominance technologies. The advanced SEAL delivery system made its first deployment with U.S.S. *Greeneville* this year, and we started conversion of the third of four SSBNs for conventional strike and SOF insertion.

Our Sea Shield capabilities also improved, extending the defensive umbrella over joint forces ashore during OIF. U.S.S. *Curtis Wilbur* conducted the Nation's first ballistic missile defense patrol. Within 4 years, 18 warships will be fitted with a transformational ballistic missile surveillance, tracking, and engagement capability. We also published an anti-submarine warfare concept of operations (ASW CONOPs), describing ASW force attributes, warfighting principles, and development priorities.

Recent results from at-sea experiments have yielded significant insights into revolutionary distributed ASW sensor technologies and communications that demonstrate the potential of this new CONOPs. Additionally, we refined our mine warfare roadmap to expedite the fielding of new technologies and capabilities into the fleet, demonstrated the defensive capabilities of anti-torpedo torpedoes, and awarded a contract to design and develop the multi-mission maritime aircraft for maritime surveillance to replace the aging P–3.

With our number one joint partner, the Marine Corps, we continue to explore options to best realize Sea Basing, studying the optimal ship mix for future ESGs and Maritime Pre-positioning Force (Future) squadrons. We commissioned U.S.S. *Virginia* (SSN 774), our first submarine designed for littoral missions, and accepted de-

livery of U.S.S. *Jimmy Carter* (SSN 23) with significantly improved payload capability. We also approved baseline designs for the littoral combat ship (LCS) and begin construction on our first LCS in June of this year.

Among our FORCEnet initiatives to integrate the power of a networked combat force, we established an enterprise-wide architecture that puts in place standards for both infrastructure management and the networking of combat systems. We have also developed a plan for increased use of unmanned systems in tactical ISR and collaborated with the Air Force to develop an airborne networking strategy for tactical as well as command and control aircraft. In that vein, we have begun to align the command, controls, communications, computers, intelligence, surveillance, and reconnaissance (C^4ISR) concepts of all the Services: FORCEnet (Navy and Marine Corps), C2 Constellation (Air Force), and LandWarNet (Army). We have also enhanced joint and coalition interoperability in our deploying ships through installation of combined enterprise regional information exchange (CENTRIX) and combined operations wide area networks (COWAN) nets.

Sea Trial, our initiative to streamline and formalize our experimentation process, is up and running with the fleet in charge. This past year, we conducted 43 different experiments, ranging from LCS concept of operations development to missile defense surface action groups. We tested nuclear powered cruise missile submarine (SSGN) effectiveness in a joint scenario with networked forces at sea, in the air, and on land. We conducted a highly complex and challenging ASW experiment in Undersea Dominance 04, while we tested dynamic bandwidth management and reach-back in Trident Warrior 04. We sponsored leading edge technologies for future naval warfare including: X-Craft, an innovative ship to be used as a test platform for the littoral combat ship; an operational-scale electromagnetic rail gun; new concepts for persistent littoral undersea warfare; programs to enhance the joint tactical use of space; and Sea Basing enablers. We also focused the Future Naval Capability program to close warfighting gaps and overcome technical barriers.

We are also transforming the business of running the world's greatest Navy. Our Sea Enterprise Board of Directors employs a disciplined review process that helped ensure maximum effectiveness of every dollar we spend. In addition, we established a Corporate Business Council to aid business process transformation, and to foster a culture of productivity and continuous improvement. This forum of senior Navy leaders is chartered to:

- Develop and advocate high potential, cross-functional initiatives and ensure enhanced performance and organizational efficiencies.
- Ensure savings are harvested and returned to the leadership for reallocation against other Navy priorities.
- Track and integrate Echelon II business initiatives, and facilitate barrier removal and organizational impediments to change.
- Ensure Sea Enterprise and CNO Echelon II Execution Review lessons-learned are leveraged across all commands.

Initiatives such as AirSpeed, Task Force Lean, Shipmain, and NAVRIIP are also improving ship and aircraft support processes while sustaining readiness.

- Service that makes a Difference: Sailors are the core resource of the Navy and we compete with industry to retain them. Congressional commitment to competitive pay has made this possible including base-pay raises and elimination of out-of-pocket expenses for housing. Additionally, we have funded achievement of Homeport Ashore, aimed at moving single sea-duty sailors to bachelor quarters by fiscal year 2008.

Quality of service has also been enhanced for the families of our sailors. We have improved family housing and remain on track to eliminate inadequate family housing units by fiscal year 2007. Family medical care benefits have been enhanced through the initiation of TRICARE for Life, ensuring superb medical care for qualified families after their military service. We have also joined partnerships with private industry to provide mobile career opportunities and enhance the Spouse Employment Assistance Program.

Training and education for our sailors are a critical component of their quality of service. We have created a system to accelerate the implementation of training and education improvements that has become a model for DOD. These programs seek to create the workforce for the 21st century and to ensure the right skills, in the right place, at the right time. Education opportunities have also been enhanced through the Navy College Program, including partnerships with civilian colleges, to provide rating-related associate and bachelor degrees via distance learning.

In July of last year, the Navy established a Professional Military Education (PME) Continuum. This continuum of learning will provide career-long educational opportunities for the professional and personal growth of sailors. It incorporates

joint PME and Navy PME with advanced education and leadership training, and will be a key factor in job assignment and career progression.

• The Power of Alignment: Over the last 5 years, we launched numerous initiatives aimed at increasing the alignment of our organization. Alignment within our Navy is about two fundamental things. First, it ensures that organizations, systems, and processes are constructed to effectively and efficiently produce a combat-ready fleet. It also ensures we share a common understanding of our missions and objectives.

As part of that effort, we created the Commander, Fleet Forces Command (CFFC) to integrate policies and requirements for manning, equipping, and training all Fleet units. This year, we put in place a fleet requirements generation process with CFFC as the lead Fleet integrator, to review and approve all Navy requirements documents, and provide formal fleet input at all requirements generation levels. We also aligned the Navy Warfare Development Command and warfare centers of excellence under CFFC, to stimulate concept development and technology insertion to the fleet.

We created fleet type commanders to lead their communities from the waterfront. That effort is now helping us to better design a 21st century Human Capital Strategy, and to refine our training and maintenance processes.

The Human Performance Center (HPC) was established in September 2003 to apply human performance and human system integration principles in the research, development, and acquisition processes. HPC will help us understand the science of learning and ensure training is driven by fleet requirements. This is helping to provide better growth and development opportunities, eliminate performance and training deficiencies, save money, and improve readiness.

We established the Commander, Navy Installations Command (CNI) to guide the operations, administration, and support for Navy installations worldwide while reducing infrastructure management layers. CNI improved our capability to manage dispersed facility operations, conserve valuable resources, establish enterprise-wide standards, and improve our facility infrastructure.

We established the Assistant CNO for Information Technology (ACNO–IT) to promote Navy-wide alignment between warfighting and business information technologies, and to ensure IT investments and resources are targeted for highest value efforts and return on investment.

We also established the Commander, Navy Education and Training Command to serve as the Chief Learning Officer for the Navy and to be the single authority for individual training (officer and enlisted) strategy and policy.

We improved the integration of our Total Force, streamlining Reserve headquarters and increasing Reserve access to active platforms and equipment. On any given day during 2004, more than 20,000 reservists were on active duty engaged in fleet and joint operations as part of the "total force."

II: YOUR NAVY TOMORROW—BRIDGING TO THE FUTURE

Previously, our force structure was built to fight two major theater wars. However, the strategic landscape is vastly different today, and this new strategic landscape requires additional capabilities to accommodate a wide array of missions. We are therefore adjusting the scope and scale of our warfighting capabilities to support small-scale contingencies, such as peacekeeping and stability operations in addition to traditional warfighting requirements. We are also diversifying our capabilities in order to mitigate greater risk against irregular, catastrophic, and disruptive challenges that we face today and for the foreseeable future. (See Figure 4).

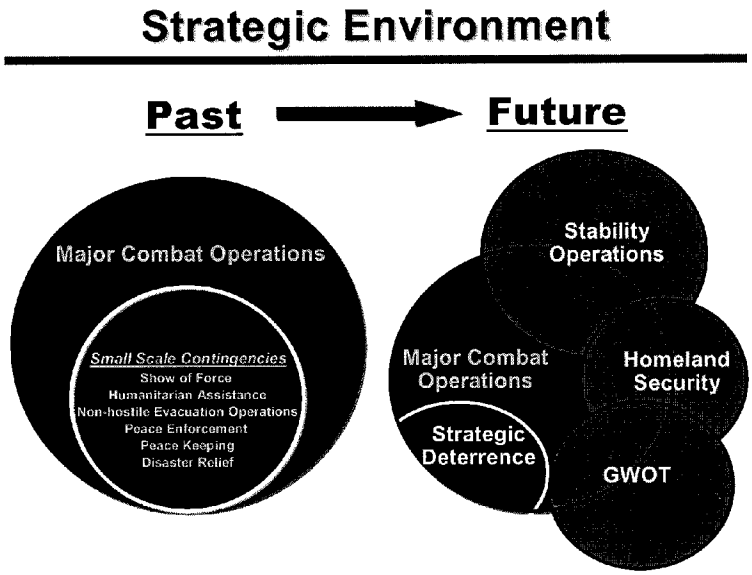


Figure 4

In meeting today's challenges, we must improve the strategic speed necessary to move significant, joint combat power anywhere around the globe. U.S. military force must be immediately employable and rapidly deployable, seizing and maintaining the initiative in any fight, anywhere.

Second, we must continue to develop "precision." As precision weaponry becomes commonplace throughout the joint force, we must develop concepts of operation and doctrine to maximize these powerful capabilities.

Third, we must establish an "unblinking eye" above and throughout the battlespace. Technological leaps in miniaturization have begun to make possible an increasing array of unmanned sensors along with the communications networks and command and control (C2) capacity to yield pervasive awareness of the battlespace.

We must also continue to develop to the fullest measure of joint interdependence. We are more effective as a fighting force and more efficient with taxpayer dollars when service missions and doctrine are designed from the start to be fully integrated.

Attributes of Tomorrow's Success

In short, speed and agility are the attributes that will define our operational success. But, the importance of these qualities extends beyond operations to the very foundations of our institution. This is true regardless of whether we're talking about our personnel system, the size and adaptability of our technological and industrial bases, the design and function of our supporting infrastructure, or the financial planning necessary to put combat power to sea. Speed and agility define our operational response but also need to characterize our acquisition process. We must continue to find new and better ways to develop and field our emerging technologies, and the cycle in which this occurs needs to be measured in months not years.

The drive to increase our speed and agility means increasing the operational availability of our forces. We will do so by continuing to refine and test the Fleet Response Plan and its associated training and maintenance processes. It means studying our base structure to ensure that we are in a position to win. It means that we have to do what we can to lighten the load of joint forces going ashore and reduce our ground footprint. To that end, we must more fully develop the operational concepts and tools required for the delivery of precision, sea-based fires and logistics to support forces ashore.

The Maritime Domain

The increasing dependence of our world on the seas, coupled with growing uncertainty of any nation's ability to ensure access in a future conflict will continue to drive the need for naval forces and decisive joint capability. Additionally, increased emphasis on the littorals and the global nature of the terrorist threat will demand the ability to strike where and when required and the maritime domain will serve as a key enabler for U.S. military force.

We will continue to refine our operational concepts and appropriate technology investments to deliver the kind of dominant military power from the sea envisioned in Sea Power 21. We will also continue to pursue the operational concepts for sea basing persistent combat power. As part of that effort, we will work to expand our combat logistics force capacity, and we will build a Maritime Pre-positioning Force (MPF) with higher-capability alternatives to support sea basing a greater proportion of USMC tactical aviation, other supporting fires and logistics.

We will invest in technology and systems to enable a moderate number of naval vessels to fight above their weight, delivering decisive, effects-based combat power in every tactical and operational dimension. We will pursue network-based, cross-platform systems for fusing sensor information and for supporting multi-static processing of sensor signals delivered in large part by sea-based, unmanned tactical surveillance systems. Our network-based command and decision systems will permit tactical commanders to view an integrated battlespace picture that supports time-critical, precise, accurate tactical actions. We will also pursue an offensive information operations capability on naval ships, aircraft, and weapons.

We will also invest in technology and systems to enhance the survivability of the joint force against anti-access threats and threats in the densely packed littoral environment. These include hard-kill defense systems (including directed energy weapons) that are effective against anti-ship missiles, small high-speed surface craft, and torpedoes. They also include disabling ("non-lethal") systems that can neutralize close-in ambiguous threats; radars and sonars that achieve higher performance without higher power; precise, retargetable, sea-based strike weapons with significant "loiter on station" capability for close fire support; over-the-horizon surface-to-air missiles and the sensor network to target them; and higher-performance organic mine countermeasure systems, including systems for very shallow water.

Total Force End Strength

Changes in our operational concepts and our investments in technology will require us to recruit, train, and retain a warrior force that is more educated and technically savvy. Smart ship technologies embedded in future-design ship classes, capital-for-labor substitutions for performing manpower-intensive tasks, and condition-based maintenance with systems that identify when maintenance is required will all fundamentally change the nature of the work that we do. Because the nature of the work will change, we will need to reassess and modify the fundamental elements of our personnel structure to maximize the benefits of that change.

Technology, innovation, and outsourcing are changing the end strength requirements for our Navy. Technology continues to change the nature of work and allows us to optimize the number of personnel that once performed more manpower intensive tasks. Innovative manning methods such as optimal manning and Sea Swap also offer enormous potential and we will continue our experimentation. Outsourcing non-warfighting functions and civilian conversions also reduce end strength requirements.

We therefore seek to reduce our Navy end strength to 352,700 active sailors by the end of fiscal year 2006 as seen in Figure 5.

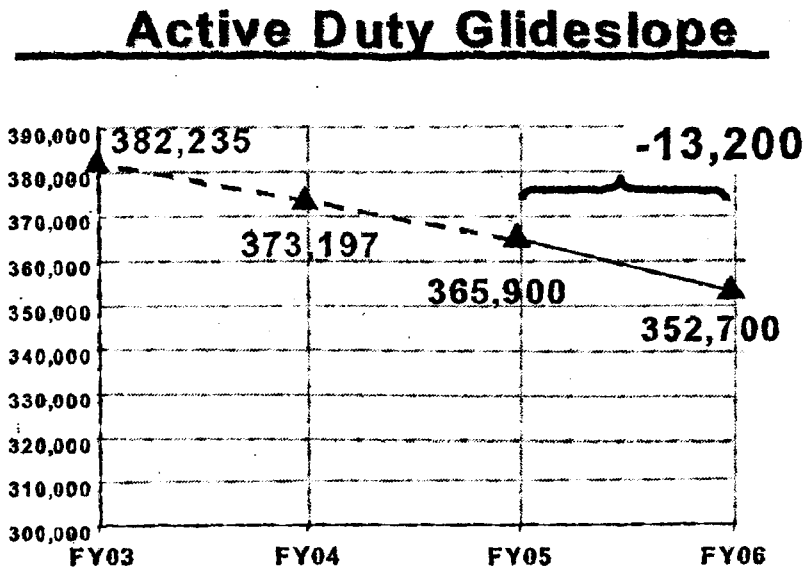


Figure 5

We have already used existing authorities and our Perform-to-Serve program to preserve the specialties, skill sets and expertise needed to continue the proper shaping of the force. To date, more than 4,000 sailors have been steered to undermanned ratings, and more than 42,000 have been approved for in-rate reenlistment since the program began. Our Perform-to-Serve and early release programs are part of a deliberate, controlled, and responsible strategy to become a more experienced, better trained, but smaller force.

The National Security Personnel System (NSPS) provides an additional opportunity to increase our organizational speed and agility by improving the way we hire, assign and compensate our civilian employees. NSPS will make us more effective, while preserving employee protections and benefits as well as the core values of the civil service.

Force Capabilities

As we evolve advanced concepts for employment of forces, we will also refine analyses and requirements, to include the appropriate number of ships, aircraft, and submarines. As discussed above, I believe that the wave of transformation now washing over our armed forces is essentially about developing the means for pervasive awareness of the battlespace, and for exploiting that knowledge with rapid and precise firepower to achieve desired strategic effects. We're going to carry that revolution forward into all mission areas, from supporting marines ashore in distributed operations, to anti-submarine warfare and missile defense.

In a sensor-rich construct, the numbers of platforms are no longer a meaningful measure of combat capability. Just as the number of people is no longer the primary yardstick by which we measure the strength or productivity of an organization in an age of increasing capital-for-labor substitutions, the number of ships is no longer adequate to gauge the health or combat capability of the Navy. The capabilities posture of the fleet is what is most important. In fact, your Navy can deliver much more combat power, more quickly now than we could 20 years ago when we had twice as many ships and half again as many people. See Figure 6, for example, on the effects of technology and new operational concepts on the capabilities of the fleet.

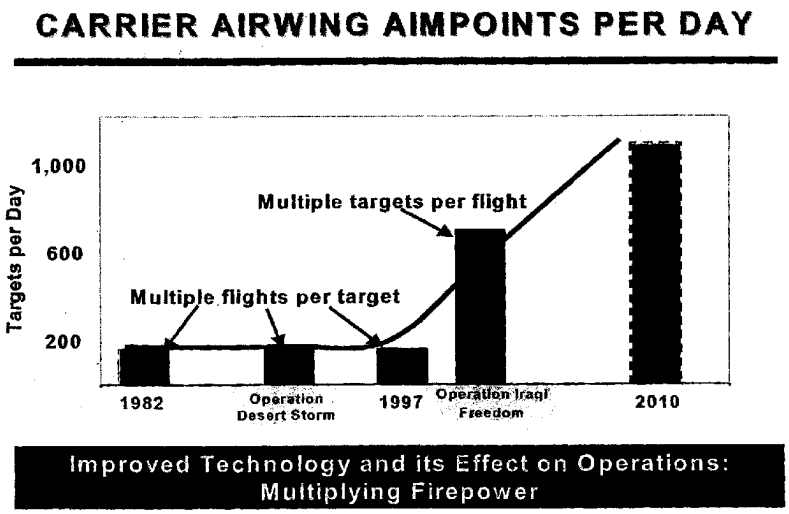


Figure 6

Shipbuilding and Design

In addition to new concepts of operation and the technology that supports them, we are thinking anew about shipbuilding and design. For the first time in decades, we are building entirely new types of ships in fiscal year 2006 and beyond; the modular nature of these ships will give us flexibility and adaptability to fight in diverse environments against a variety of possible enemies. It also allows us to dramatically expand their growth potential with less technical and fiscal risk.

What all of this means is that we are investing in the right capabilities for the future, not just the platforms that carry them. Further, I believe that the current low rate of ship construction and the resultant escalation of platform cost will constrain the future size of the fleet. As I have previously testified, I don't believe that it's all about numbers; numbers have a quality all their own, there's no question about that. But, it is more important that we buy the right kinds of capabilities in the ships that we're procuring in the future, and that we properly posture our force to provide the speed and agility for seizing and retaining the initiative in any fight.

The ultimate requirement for shipbuilding, however, will be shaped by the potential of emerging technologies, the amount of forward basing, and innovative manning concepts such as Sea Swap. Additional variables range from operational availability and force posture to survivability and war plan timelines.

The notional diagram below (Figure 7) illustrates how manning concepts and anticipated technological adaptation will modify the number of ships required. The blue and yellow lines represent levels of combat capability and the ships required to achieve that capability. For example, the left side of the diagram shows our current number of ships (290) and the current projection of ships required to fully meet global war on terror requirements (375) in the future. The right side of the diagram shows a projection that provides the same combat capability but fully leverages technological advances with maximum use of Sea Swap. It is a range of numbers because the degree of technological adaptation is a variable, as is the degree to which we can implement Sea Swap. The middle portion of the curve (in the red ellipse) shows a projected range that assumes a less extensive projection of technological adaptation and use of Sea swap. Although simplified, this diagram shows how the application of transformational new technologies coupled with new manning concepts will enable us to attain the desired future combat capability with a force posture between 260 and 325 ships.

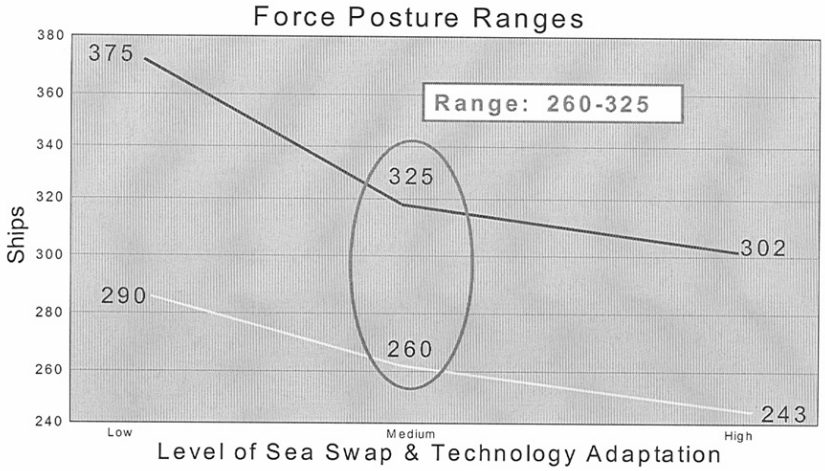


Figure 7

Shipbuilding Priorities

Our shipbuilding priorities and my testimony to Congress on that subject over the last 5 years have been consistent. My themes have been and remain:

- The ship procurement rate—dating back to the procurement holiday of the 1990s—was insufficient to sustain long-term needs;
- We seek a level-loaded shipbuilding investment stream;
- We need to partner with you and with industry to regain our buying power. Acquisition and budgeting reforms, such as multi-year procurement, economic order quantity, and other approaches help to stabilize the production path, and in our view, reduce per unit cost of ships and increase the shipbuilding rate.

In no other area of our Armed Forces do we make such large capital investments that, in turn, impact important technological and industrial sectors of our economy. In making these investments, we would appreciate legislative relief with more flexible funding mechanisms to support shipbuilding—such as funding CVN21 and LHA(R) over 2 years—as we fight a global war while transforming to meet the demands of the changed strategic landscape. Our investments are influenced by:

Cost of War

The shift in the strategic landscape occurs as we cope with the fiscal realities of funding current operations. Of note, the Navy absorbed $1.5 billion in corporate bills for cost of war items not funded by fiscal year 2004 global war on terrorism supplemental. To meet this obligation, $200 million was charged to my Working Capital Fund, $600 million was charged to O&M funds (including $135 million from CNI infrastructure), and $687 million was charged to our investment funds to fund force protection, equipment, and personnel costs.

Shipbuilding cost growth

Among the greatest risks we face is the spiraling cost of procurement for modern military systems, and shipbuilding is no exception. When adjusted for inflation, for example, the real cost increase in every class of ship that we have bought since I was an Ensign, United States Navy, has been truly incredible.

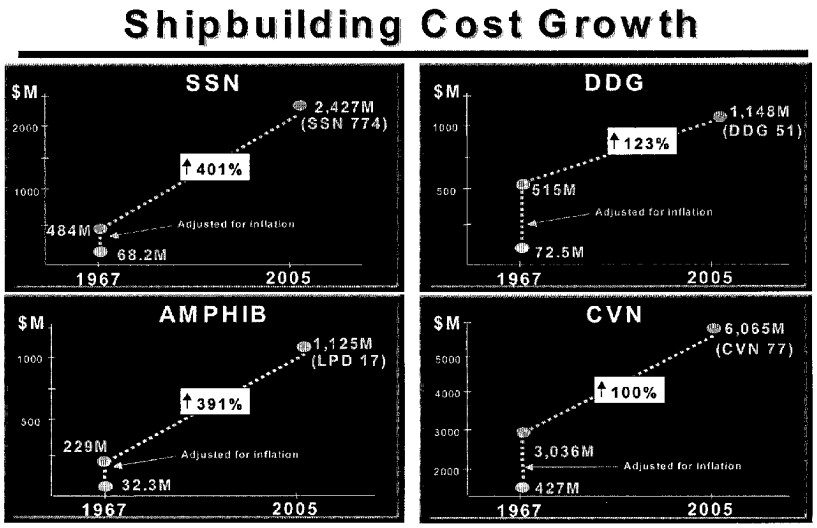


Figure 8

It becomes more so when taken in comparison to other capital goods like automobiles, where the inflation-adjusted cost growth has been relatively flat over the same period of time. Shipbuilding cost increases have grown beyond our ability to control as compared to decades prior. As we seek greater combat capability and greater operational efficiencies through upgraded power, propulsion, and computing technologies, we find a ratio of cost growth beyond our seeming control, which may not be fully explainable solely by reduced economies of scale. See Figure 8.

The total costs of manpower have increased significantly since I have been CNO. Those costs are having an impact, not only on our ability to maximize the talents of our people, but also on the investments needed to transform our combat capability for the future. We have kept faith with those who serve by advocating better pay and benefits, and we have also kept faith with the taxpayers who expect that the Navy they have bought and paid for is ready when you call upon us. Having said that, the combat power of your Navy is not defined by the number of sailors in the ranks. We are therefore taking steps to redefine our approach to human capital and to our operational concepts. Once again, I ask you to approve a force with reductions in personnel end strength.

III: OUR FISCAL YEAR 2006 BUDGET REQUEST

This past year our Navy's budget request continued our effort to sustain our current readiness gains, shape the 21st century workforce, and invest in our transformational Sea Power 21 vision while harvesting the efficiencies needed to fund and support these three critical priorities. The current strategic environment demands balanced funding between current operations and future investments, and the fiscal year 2006 budget meets this balance in funding.

This year we intend to:

- Continue to deliver the right readiness at the right cost to fight the global war on terrorism and support the Nation's warfighting needs;
- Accelerate development of our Human Capital Strategy that delivers the right skills, at the right time, for the right work, unleashing the power of our people;
- Maximize our investment in Sea Power 21 capabilities to transform our force and the joint warfighting team.
- At the same time, we will continue to pursue the Sea Enterprise improvements that make us a more effective Navy in both fiscal year 2006 and beyond.

As our budget is finalized in the coming months, there will be a number of fiscal issues and processes that will have an impact, specifically: the cost of war in Iraq,

Base Realignment and Closure decisions, and the findings of the Quadrennial Defense Review. With that in mind, our Navy budget request for fiscal year 2006 and the future includes:

- Four new construction ships in fiscal year 2006:
  - One SSN 774
  - One Littoral Combat Ship
  - One T-AKE
  - One LPD–17

The investment plan across the future year's defense program (FYDP) calls for 49 new construction ships, including DD(X), LHA(R) Flight 0, MPF(F), CVN–21, and SSN 774s. While our build rate dips to four ships in this budget year, this is a reflection of a shift in focus to the next generation surface combatants and sea basing capabilities.

- Procurement of 138 new aircraft in fiscal year 2006, including the first 4 EA–18G aircraft and 3 Firescout unmanned aerial vehicles (UAVs). The budget continues to maximize return on procurement dollars, primarily through the use of multi-year procurement (MYP) for the F/A–18E/F and EA–18G, the E–2C, the MH–60S, and the KC–130J programs. We have also made research and development investments in the Joint Strike Fighter (JSF) and the broad area anti-submarine, anti-surface, maritime and littoral intelligence, surveillance and reconnaissance (ISR) capable multi-mission maritime aircraft (MMA).
- Investment in transformational unmanned underwater vehicles (UUV) like the Mission Reconfigurable UUV System, and unmanned aviation vehicles (UAV) such as the Broad Area Maritime Surveillance (BAMS) UAV and the Joint Unmanned Combat Air System (J–UCAS). The budget also requests funding for experimental hull forms like the X-Craft, and other advanced technologies including the joint aerial common sensor (JACS).
- A 3.1 percent basic pay raise for our sailors, a 2.3 percent pay raise for our civilian workforce, and investment in housing and public-private ventures that will help eliminate inadequate barracks and family housing by fiscal year 2007 and enable us to house shipboard sailors ashore when their vessel is in homeport by fiscal year 2008;
- Readiness investment that supports the fleet response plan, including sustained funding for ship and aircraft operations, aviation depot maintenance, and precision-guided munitions. This includes improvements in ship maintenance and training scheduling to maximize surge capabilities.

A. Continuing to deliver the right readiness at the right cost to fight the global war on terrorism

Getting to the fight faster to seize and retain the initiative means that a key word in our future is "surge." If a resource doesn't have surge capability, we are not going to own it. Every part of the fleet will be organized around this surge operational concept and its associated training, maintenance, and logistics processes. We must understand and adapt our warfare doctrine, supporting procedures, training, and schedules to take best advantage of FRP and other emerging operational constructs. We must also determine, accurately articulate, and continuously validate our readiness requirements. Taking prudent risks and attacking cost will permit us to fund essential requirements, optimizing the operational impact of today's Navy while creating a future Navy that capitalizes upon and can rapidly field new technology.

- Ship Operations and Flying Hours requests funds for ship operations OPTEMPO of 51 days per quarter for our deployed forces and 24 days per quarter for our non-deployed forces. We have properly funded the flying hour account to support the appropriate levels of readiness and longer employability requirements of the FRP. This level of steaming and flying hours will enable our ships and air wings to achieve the required readiness over the longer periods defined by the Fleet Response Plan, and as a result, it will improve our ability to surge in crisis and sustain readiness during deployment.
- Ship and Aviation Maintenance. We have made significant improvements these last few years by reducing major ship depot maintenance backlogs and aircraft depot-level repair back orders; improving aircraft engine spares; adding ship depot availabilities; ramping up ordnance and spare parts production; maintaining steady "mission capable" rates in deployed aircraft; fully funding aviation initial outfitting; and investing in reliability improvements. Our fiscal year 2006 request continues the improved availability of non-deployed aircraft and meets our 100 percent deployed airframe goals. Our ship maintenance request continues to "buy-down" the annual deferred maintenance backlog and sustains our overall ship maintenance requirement. We are making great strides in improving the visibility and cost-effec-

tiveness of our ship depot maintenance program, reducing the number of changes in work package planning and using our continuous maintenance practices when changes must be made.

• Shore Installations. Our facilities sustainment, restoration, and modernization (SRM) program remains focused on improving readiness and quality of service for our sailors. Our Fiscal Year 2006 Military Construction and Sustainment program reflects difficult but necessary tradeoffs between shore infrastructure and fleet recapitalization. Facilities sustainment is 95 percent in fiscal year 2006, the same as in fiscal year 2005. Our budget request keeps us on a course to achieve the DON goals to eliminate inadequate family and bachelor housing by fiscal year 2007 and provide homeport ashore bachelor housing by fiscal year 2008. We are exploring innovative solutions to provide safe, efficient installations for our service members, including design-build improvements, and BRAC land sales via the GSA Internet. Additionally, with the establishment of Navy Installations Command, we have improved our capability to manage our dispersed facility operations, conserve valuable resources, establish enterprise-wide standards and continue to improve our facility infrastructure.

• Precision-Guided Munitions receive continued investment in our fiscal year 2006 request with emphasis on the joint stand-off weapon (JSOW), joint direct attack munition (JDAM), tactical tomahawk (TACTOM), and laser-guided bomb (LGB) inventory levels. Joint partnerships with the Air Force and Army in several of our munitions programs continue to help us optimize both our inventories and precious research and development investments and will remain a focus for us in the future.

• Training Readiness. We continue to make significant strides in this critical area. In fiscal year 2004, Congress supported two important programs to advance our training readiness. First, you endorsed the Training Resource Strategy (TRS), to provide more complex threat scenarios and to improve the overall realism and value of our training. Additionally, you funded the Tactical TrainingTheater Assessment and Planning Program to provide for a comprehensive training range sustainment plan. Our fiscal year 2006 budget continues this work. We are working to make the Joint National Training Capability a reality. We have established a single office to direct policy and management oversight for all Navy ranges as well as serve as the resource sponsor for all training ranges, target development and procurement, and the Navy portion of the Major Range Test Facility Base (MRTFB).

• Environmental Readiness. I would like to highlight our gratitude to you in Congress for the amendments to the Endangered Species Act (ESA), the Marine Mammal Protection Act (MMPA) and the Migratory Bird Treaty Act (MBTA) enacted in the 2003 and 2004 National Defense Authorization Act (NDAA). These amendments made favorable changes that have improved our Navy's performance in both environmental stewardship and fleet training operations. Clarifying our current and future responsibilities and providing assurances that these standards will remain constant is helping us to plan and resource for stable, long-term programs that will benefit both fleet readiness and the land and life that abounds on and around our ranges.

B. Accelerating Development of our Human Capital Strategy

When I testified before your committee last year, I said that we would take the opportunity afforded by success in recruiting, retention, and attrition to begin the hard work of fundamentally restructuring our personnel system to compete for talent in the 21st century marketplace. Your support has been instrumental in getting to this point. The improvements and pilots that Congress has supported—including bonuses, pay table adjustments, retirement reforms, better medical benefits, and our Sea Warrior initiatives—are having the desired impact.

We also continue to challenge all assumptions when it comes to determining manning strategies. The fleet is implementing best practices from last year's optimal manning experiments to find the right mix of talent for pilot programs in U.S.S. *Nimitz* and Carrier Air Wing Eleven. We've begun a new pilot program in U.S.S. *Decatur* designed to allow chief petty officers to fill the majority of division officer billets. We are continuing our Sea Swap experiments with U.S.S. *Gonzalez, Laboon,* and *Stout* crews, even as we examine results from previous DD/DDG experiments to determine this concept's applicability to other ship classes.

Inherent to our new Human Capital Strategy will be the pursuit of new technologies and competitive personnel policies that will streamline combat and noncombat personnel positions, improve the integration of active and Reserve missions, and reduce the Navy's total manpower structure. We will change our processes to eliminate "make-work," and use available technology to do away with work that is unfulfilling. We're going to change policies and organizational structures—like nonrated billets—that inhibit the growth and development of our people. We're going

to build future ships and aircraft to maximize human performance while inspiring great leaps in human possibilities.

Our fiscal year 2006 budget request includes the following tools we need to enhance mission accomplishment and professional growth:

• Selective Reenlistment Bonus (SRB). Targeted bonuses such as SRB are critical to our ability to compete for our highly trained and talented workforce both within the Navy and with employers across the Nation as well. Proper funding, adequate room for growth and the flexible authorities needed to target the right skills against the right market forces are important to the shape of the workforce. This program specifically targets retention bonuses against the most critical skills we need for our future. We ask for your continued support and full funding of this program.

• Perform to Serve (PTS). Two years ago, we introduced PTS to align our Navy personnel inventory and skill sets through a centrally managed reenlistment program and instill competition in the retention process. The pilot program has proven so successful in steering sailors in overmanned ratings into skill areas where they are most needed that the program has been expanded. More than 46,000 sailors have been steered to undermanned ratings and approved for in-rate reenlistment since the program began in 2003 and we will continue this effort in 2006.

• Assignment Incentive Pay (AIP) is a financial incentive designed to attract qualified sailors to a select group of difficult to fill duty stations. AIP allows sailors to bid for additional monetary compensation in return for service in these locations. An integral part of our Sea Warrior effort, AIP will enhance combat readiness by permitting market forces to efficiently distribute sailors where they are most needed. Since the pilot program began in 2003, more than 9,000 AIP bids have been processed resulting in nearly 3,000 sailors receiving bonuses for duty in these demanding billets. We ask for continued support of this initiative.

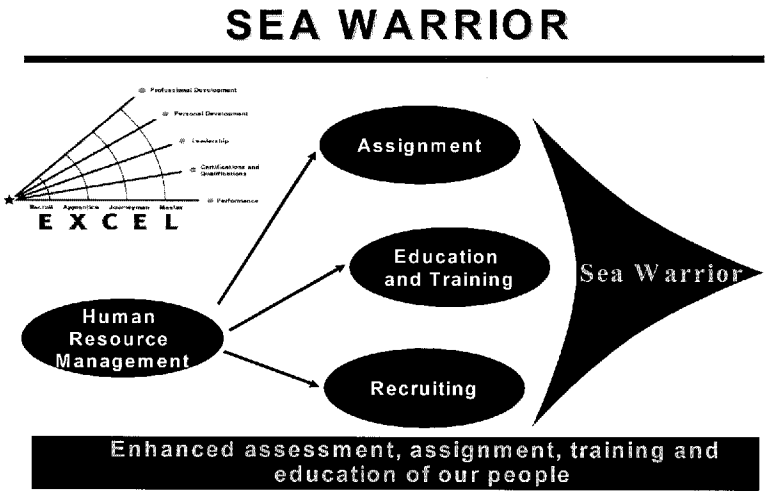


Figure 9

• Professional Military Education (PME). Full implementation of the relevant provisions of the NDAA for Fiscal Year 2005 is a significant step forward for joint PME, and has my full support.

This year, we plan to take several actions that can ensure that our professional military education programs continue to foster and build upon the confidence we currently experience in our joint warfighting capabilities.

First, JPME should focus more sharply on the interagency aspect of military operations. Given the necessity of interagency planning and decisionmaking in the execution of the global war on terrorism, we should examine this area closely for possible introduction to the JPME requirement.

Additionally, we need to prepare more officers to be joint operational planners. These officers must be ready to plan and execute new joint operational concepts in both headquarters staffs and joint task forces. We also need to better identify the

knowledge and skill sets required for specific joint duty assignments, and then provide learning opportunities that target these requirements via multiple delivery methods. This effort should capitalize on reusable content and joint standards at all of our service colleges as well as training within the Combatant Commands.

In view of the foregoing, JPME is clearly relevant to the Navy's development of a Human Capital Strategy. In fact, JPME must be a central element of that strategy if we are to be successful in creating a better trained, better educated and better compensated, but smaller workforce in the future. In this regard, we are moving forward with efforts to exploit the Naval War College's web-enabled, non-resident program to create new delivery mechanisms for PME across the total force. That includes not just Active and Reserve Forces, but our civilian workforce as well. The Defense Leadership and Management Program (DLAMP) is an important tool that complements DON efforts in this area, and I support DLAMP initiatives to better incorporate senior civilians from DOD and other Federal agencies in PME programs. Lastly, I believe we can improve the trust and confidence of officers in coalition forces by focusing on the issue of participation by international officers in our JPME programs and by U.S. students at foreign war colleges.

• The integrated learning environment (ILE) is the heart of our revolution in training. ILE is a family of systems that, when linked, will provide our sailors with the ability to develop their own learning plans, diagnose their strengths and weaknesses, and tailor their education to support both personal and professional growth. They will manage their career requirements, training and education records. It will match content to career requirements so training is delivered at the right time. Most importantly, these services will be provided anytime, anywhere via the Internet and the Navy-Marine Corps intranet (NMCI).

C. Maximizing Our Investment in Sea Power 21

As I have previously testified, Sea Power 21 defines the capabilities and processes that the 21 century Navy will deliver. Bridging to the future described in that vision requires innovation, experimentation, and rapid technology insertion resulting in mid- and long-term warfighting improvements. Speed, agility and a commitment to joint and coalition interoperability are core attributes of this evolving Navy. Further analyzing, understanding, and applying prudent risk to capability and program decisions are essential to achieving future warfighting wholeness.

This year, we will further maximize our investment in Sea Power 21 capabilities, pursuing distributed and networked solutions, focusing on the power of Sea Basing and our complementary capability and alignment with our number one joint partner, the U.S. Marine Corps.

Sea Basing is the projection of operational independence. Our future investments will exploit the largest maneuver areas on the face of the Earth: the sea. Sea Basing serves as the foundation from which offensive and defensive fires are projected—making Sea Strike and Sea Shield a reality. Sea Basing capabilities include: Joint Command and Control, afloat power projection and integrated joint logistics. Our intent is to maximize our sea basing capability and minimize as much as possible our reliance on shore-based support nodes. To do this, we will make doctrinal, organizational and operational changes mandated by this concept and by the underlying technology that makes it possible. We have an opportunity here, along with the U.S. Marine Corps and the U.S. Army, to reexamine some of the fundamentals of not only how we move and stage ground forces, but how we fight ashore as well.

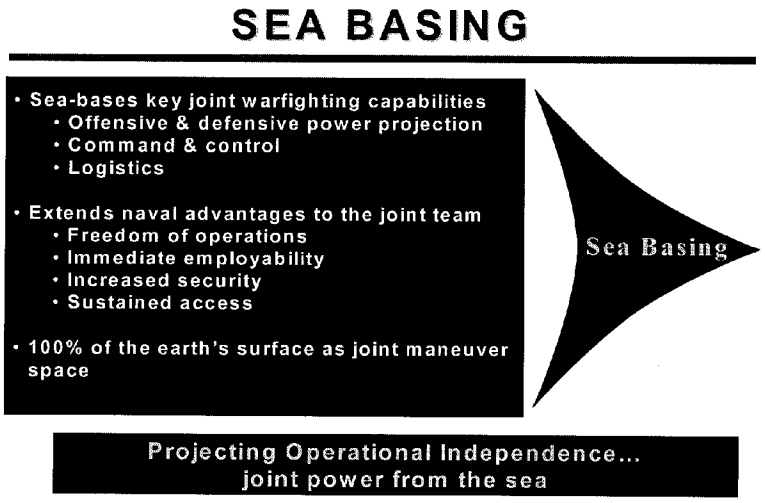


Figure 10

Our highest priority Sea Basing investments include:

• Surface Combatant Family of Ships. As I've already testified, the power of joint forces in OIF was in the synergy of individual service strengths. The same concept holds true within the Navy itself. We seek the synergy of networks, sensors, weapons and platforms that will make the joint force greater in combat power than the sum of the individual parts. Development of the next generation of surface combatants as "sea frames"—analogous to "air frames"—that are part of a modular system is just such an endeavor.

The surface combatant family of ships allows us to dramatically expand the growth potential of our surface combatants with less technical and fiscal risk. To bring these concepts to life and to take them—and the fight—to the enemy, we have decided upon three entirely new ship classes. The first to premier will be the LCS in 2007. The advanced guided missile and strike destroyer (DD(X)) will follow in about 2011. Just a few years after the first DD(X), the keel will be laid on the first CG(X), the next class of cruiser designed from the keel up for theater air and ballistic missile defense.

Our research and development efforts and experimentation with high speed and theater support vessels like HSV Swift and the X-Craft are helping us reduce our technical risk and apply important lessons in hull design and mission modularity to the development of the surface combatant family of ships. DD(X)is the heart of the family and will spiral promising technologies to both CG(X) and LCS in the future. I will discuss each one of these ships in more detail below.

• CVN 21 is the centerpiece of the Navy carrier strike group of the future. It will bring transformational capabilities to the fleet, including a new electrical generation and distribution system, the electromagnetic aircraft launching system (EMALS), a new/enlarged flight deck, weapons and material handling improvements, and a crew reduction of at least 800 personnel. It will be able to generate higher daily and sustained sortie rates than our Nimitz-class aircraft carriers. Our fiscal year 2006 request of $873 million in SCN and R&D funding continues the development of CVN 21 and several critical technologies in the lead ship, including the EMALS prototype and testing already ongoing in Lakehurst, New Jersey. Construction of the CVN 21 will start in fiscal year 2008 with delivery in fiscal year 2015.

• MPF(F). These future Maritime Pre-positioning Ships will serve a broader operational function than current pre-positioned ships, creating greatly expanded operational flexibility and effectiveness. We envision a force that will enhance the responsiveness of the joint team by the at-sea assembly of a marine expeditionary brigade that arrives by high-speed airlift or sealift from the United States or forward operating locations or bases. These ships will off-load forces, weapons and supplies selectively while remaining far over the horizon, and they will reconstitute ground maneuver forces aboard ship after completing assaults deep inland. They will sus-

tain in-theater logistics, communications and medical capabilities for the joint force for extended periods as well. Our fiscal year 2006 request of $66 million in research and development reflects our emphasis on Sea Basing capabilities.

• CG modernization. The CG Modernization program was restructured in fiscal year 2006 in accordance with congressional direction. Under the restructured plan, the older baseline 2 and 3 ships will be modernized first. The Cruiser Modernization Program is a mid-life upgrade for our existing AEGIS cruisers that will ensure modern, relevant combat capability well into this century and against evolving threats. These warships will provide enhanced area air defense to the Joint Force Commander. These modifications include installations of the cooperative engagement capability, which enhances and leverages the air defense capability of these ships, and an ASW improvement package. These converted cruisers could also be available for integration into ballistic missile defense missions when that capability matures. Our first cruiser modernization begins in fiscal year 2008.

• DDG–51 Modernization. The DDG–51 class guided missile destroyer program has been an unqualified success. We believe these ships will continue to be a "workhorse" of the Fleet for the foreseeable future, with 62 hulls eventually planned. But the first ships of this class are already approaching mid-life. Keeping these ships in fighting shape will mean making the appropriate investment in their engineering plants and updating their combat system to pace new threats in the next two decades. It is also important that we continue to apply new technologies to the *Arleigh Burke*s that will permit reductions in crew size, so that the Navy's manpower footprint continues to decrease. Funding for DDG modernization begins in fiscal year 2006, and the program will commence with the completion of the last new construction DDGs of the *Arleigh Burke* class in fiscal year 2010.

Sea Strike is the projection of precise and persistent offensive power.

Figure 11

The core capabilities include: time sensitive strike; intelligence, surveillance and reconnaissance; ship to objective maneuver; and electronic warfare and information operations. We are already investing in impressive programs that will provide the capabilities necessary to support Sea Strike; these include the following fiscal year 2006 priorities:

• DD(X). The technology engine for the fleet and the bridge to CG(X), DD(X) is the centerpiece of a surface combatant family of ships and will deliver a broad range of capabilities. This advanced multi-mission destroyer will bring revolutionary improvements to precise, time-critical strike and joint fires and our expeditionary and carrier strike groups of the future.

Transformational and leap ahead technologies include an electric drive and integrated power system; an advanced gun system with the high rate of fire and precision to reach almost eight times farther and command more than 110 times the area of our current 5-inch capability; the new multi-function radar/volume search radar suite; optimal manning through advanced system automation, stealth through re-

duced acoustic, magnetic, IR, and radar cross-section signature; and enhanced survivability through automated damage control and fire protection systems. DD(X) is an enabler both technically and operationally. This seaframe will also reduce our seagoing manpower requirements and will lower total ownership costs.

This program will provide a baseline for spiral development of technology and engineering to support a range of future seaframes such as CG(X), LHA(R), and CVN–21; the new multi-function radar/volume search radar suite is currently operational at our Wallops Island site and is delivering impressive results. It will also enable the transformation of our operations ashore as on-demand, persistent, time-critical strike revolutionizes our joint fire support and ground maneuver concepts of operation and frees our strike fighter aircraft for more difficult targets at greater ranges. DD(X)'s all-electric drive, called the integrated power system (IPS), will not only drive the ship through the water, but will also generate the kind of power capacity that will enable eventual replacement of the advanced gun system (AGS). When combined with the physical capacity and volume of the hull form, DD(X) could lead us to revolutionary technologies from the naval research enterprise like the electromagnetic rail gun and directed energy weapons. The fact that rail guns do not require any explosives will free up magazine space for other mission areas and enhance survivability. DD(X) will be in service for decades after that; having the kind of growth potential to install those kinds of technologies dramatically lowers our future development costs.

The funding profile for DD(X) supports the 14,000-ton design and the S-Band volume search radar (VSR). Lead ship construction starts in fiscal year 2007.

• JSF. The Joint Strike Fighter will enhance our Navy precision with unprecedented stealth and range as part of the family of tri-service, next-generation strike aircraft. It will maximize commonality and technological superiority while minimizing life cycle cost. The JSF remains vital to our future. It will give us the range, persistence and survivability needed to keep our strike fighters viable for years to come.

• *Virginia*-class submarine (SSN–774). The first ship of this class was commissioned this year. This class will replace *Los Angeles*-class (SSN–688) attack submarines and will incorporate new capabilities, including unmanned vehicles, and the ability to support Special Warfare forces. It will be an integral part of the joint, networked, dispersed 21 century fleet. Our fiscal year 2004 budget funded the first of five submarines under the multi-year procurement (MYP) contract authorized by Congress. The second submarine of the MYP contract was funded in fiscal year 2005. Approximately $100 million in economic order quantity advance procurement is funded in fiscal year 2006 in support of this contract.

• SSGN. Funding is included in fiscal year 2006 to continue the SSGN conversion program. Our future SSGN capability will provide covert conventional strike platforms capable of carrying 154 Tomahawk missiles. The SSGN will also have the capacity and capability to support Special Operations Forces for an extended period, providing clandestine insertion and retrieval by lockout chamber, dry deck shelters or the advanced seal delivery system, and they will be arrayed with a variety of unmanned vehicles to enhance the Joint Force Commander's knowledge of the battlespace. The inherently large capacity of these hulls will enable us to leverage future payloads and sensors for years to come. We still expect our first SSGN to be operational in 2007.

• EA–18G. Using the demonstrated growth capacity of the F/A–18E/F, the EA–18G will quickly recapitalize our electronic attack capability at lower procurement cost, with significant savings in operating and support costs; all while providing the growth potential for future electronic warfare (EW) system improvements. It will use the improved capability three (ICAP III) receiver suite and provide selective reactive jamming capability to the warfighter. This will both improve the lethality of the air wing and enhance the commonality of aircraft on the carrier deck. We begin purchasing airframes in fiscal year 2006 and will achieve initial operating capability in 2009.

Sea Shield is the projection of layered, global defensive power. Sea Shield will enhance deterrence and warfighting power by way of real-time integration with joint and Coalition Forces, high speed littoral attack platforms setting and exploiting widely distributed sensors, and the direct projection of defensive power in the littoral and deep inland.

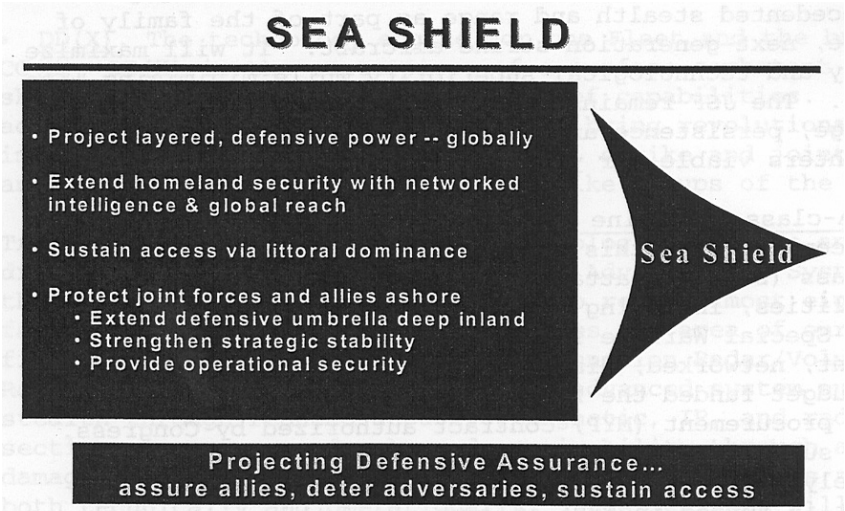


Figure 12

Sea Shield capabilities include: homeland defense, sea and littoral control, and theater air and missile defense. Our highest priority Sea Shield programs this year include:

Mine Warfare Programs

We intend to field a set of unmanned, modular mine countermeasure (MCM) systems employable from a variety of host platforms to minimize our risk from mines and sustain our national economic and military access to every corner of the globe. Our future MCM capability will be faster, more precise and organic to both Expeditionary and Carrier Strike Groups and will ultimately remove both the man and our mammals from the minefield. Within the FYDP, we expect to reduce the time that it takes to render sea mining ineffective by at least half of the time that it takes us today. Our fiscal year 2006 budget request includes $943 million funding to maintain and upgrade our existing forces (MCM–1 class ships, MH–53E helicopters) as well as funding to field advanced technologies necessary to transform MCM capability. We have also requested $6.78 billion across the FYDP for mine warfare programs, to include unmanned vehicles such as the mission reconfigurable unmanned underwater vehicle (MRUUV) which, when fielded, will provide a clandestine mine reconnaissance capability from our *Los Angeles*-class submarines, and the remote minehunting system on *Arleigh Burke*-class destroyers. Both of these programs will reach initial operating capability (IOC) within the FYDP. Future introduction of the LCS with mine warfare mission modules will improve the ability of strike groups to neutralize mine threats in parallel with—not in sequence before—other operations.

• Littoral Combat Ship (LCS). The role of LCS is to provide access to joint forces in the littorals; a capability gap we identified as a result of the 2001 Quadrennial Defense Review. During the past few years, considerable campaign analysis and fleet battle experiments have demonstrated that naval forces need better ways to fight mines; small, fast, highly armed boats; and quiet diesel and advanced air-independent propulsion submarines operating in shallow waters. The performance of U.S. Navy Patrol Craft and the experimental HSV-X1 Joint Venture in the Iraqi littoral was critical to the early detection and destruction of the Iraqi mine threat. The same kind of capability needs to be delivered in a fast, maneuverable, shallow-draft platform that has the survivability to operate independently. LCS will have these characteristics, along with self-defense, navigation, command-and-control systems, and reduced requirements for manpower relative to current warship design. The ship will have a top speed of 56 knots, and a crew requirement of only 76 people.

LCS will be built from the keel up to be a part of a netted and distributed force, and will be the first ship designed with FORCEnet as a requirement. The main battery of LCS will be its off-board systems: manned helicopters and unmanned aerial,

surface and underwater vehicles. It is the off-board vehicles—with both sensors and weapons—that will enter the highest threat areas. Its modular design, built to open-systems architecture standards, provides flexibility and a means to rapidly reconfigure mission modules and payloads. In fact, 40 percent of LCS's payload volume will be reconfigurable. As technology matures, the Navy will not have to buy a new LCS platform, but will upgrade the mission modules or the unmanned systems.

LCS also will have an advanced hull design and be significantly different from any warship that has been built for the U.S. Navy. We searched the world over for the very best systems, balancing risk with affordability and speed of construction. LCS will share a common three-dimensional radar with U.S. Coast Guard cutters. In addition, there are three other nations interested in purchasing the seaframe, while 22 more are interested in the mission modules.

Detail design and construction of the first LCS Flight 0 ship will begin in June of this year. The LCS requirements process is tailored to support the rapid delivery of two flights (Flight 0 and 1) of ships, using an evolutionary, "spiral" acquisition approach. The spiral development process allows time-phased capability improvement for ship and mission systems. The first ship of the class will be 80 percent complete when construction on the second ship begins. This incremental development and delivery strategy supports the ship's accelerated acquisition schedule, diverse threat and capability requirements, and dynamic levels of technology push/pull. The ship's modular, open design will also enable lifecycle adaptability and affordability.

• Missile Defense. Our Navy is poised to contribute significantly in fielding sea-based missile defense capabilities to meet the near-term ballistic missile threat to our homeland, our deployed forces, and our friends and allies. We are working closely under the authority of the Missile Defense Agency (MDA) to deliver this much-needed capability to the Nation's combatant commanders. Our sea-based missile defense programs experienced an important milestone this year with the first ever deployment of an initial defensive operations capability, providing long-range surveillance and tracking. Within 4 years, 18 warships will be fitted with this transformational ballistic missile surveillance, tracking, and engagement capability, extending the defensive reach of naval forces deep over land.

• Multi-mission Maritime Aircraft (MMA)—Broad Area Maritime Surveillance (BAMS). This year we awarded a contract to design and develop the multi-mission aircraft to recapitalize our 1950s—era Lockheed "Electra"-based P–3 force. Our acquisition plan includes the integration of the broad area maritime surveillance—unmanned aerial vehicle (BAMS UAV) program into the overarching maritime patrol and armed reconnaissance requirement. This lethal combination of manned and unmanned reconnaissance aircraft will recapitalize our maritime patrol anti-submarine warfare, anti-surface warfare and armed intelligence, surveillance and reconnaissance capability. We expect to reach IOC of the MMA and BAMS UAV in 2013.

FORCEnet is the operational construct and architectural framework for naval warfare in the joint, information age.

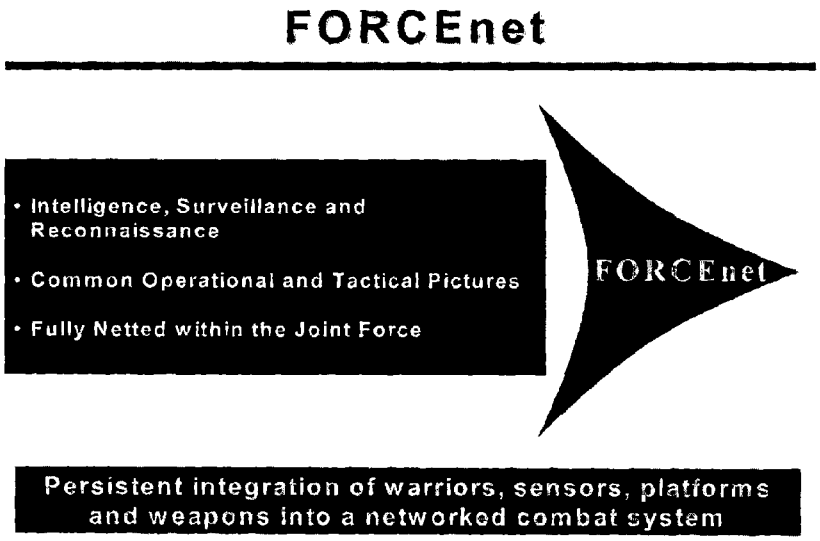


Figure 13

It will allow systems, functions, and missions to be aligned in a way that will transform our situational awareness, accelerate speed of decisions and allow naval forces to greatly distribute its combat power in a unified, joint battlespace. FORCEnet provides the standards of interoperability for the world-class IT tools that we need to continue to be the world-class Navy.

Programs that will enable the future force to be more networked, highly adaptive, human-centric, integrated, and enhance speed of command include:

• Navy Marine Corps Intranet (NMCI). NMCI provides commercial IT services for more than 380,000 DON employees. This initiative, as part of our FORCEnet strategy, is providing a single, secure shore-based network and will link with our tactical networks to provide end-to-end collaboration within the DON and across the joint community. Fiscal year 2006 funding of $1.6 billion provides for NMCI operations and, at the same time, continues transition of the remaining legacy IT networks to NMCI enterprise network services.

• Mobile User Objective System (MUOS). The MUOS satellite communications (SATCOM) program will increase DOD Narrowband UHF SATCOM capacity by roughly 1,300 percent over current capabilities. MUOS is a $6 billion joint interest program, and it supports a particularly important "Comms-on-the-Move" capability for handheld terminals, aircraft, missiles, and UAVs in urban and heavily wooded terrain. We plan to reach the initial operating capability milestone in 2010, with full operational capability in 2014.

• Joint Aerial Common Sensor (JACS). We have partnered with the Army in the joint aerial common sensor development program in our pursuit of a replacement for the aging EP–3 airborne information warfare and tactical signals intelligence (SIGINT) aircraft. JACS will provide multi-intelligence strike targeting data and signals intelligence capabilities, and will include a synthetic aperture radar, ground moving target indicator, electro-optical and infrared sights, and measurements and signature capabilities. These will be coupled with automatic/manual data fusion. Our fiscal year 2006 request includes $134 million for this program.

• Joint Tactical Radio System (JTRS). JTRS will be the wireless "last tactical mile" component of the Global Information Grid (GIG) ad will transform Navy's tactical communications systems by incorporating internet protocol (IP) communications over multi-spectral radio frequency (RF) media. JTRS is a software programmable, multi-band, multi-mode family of net-workable radios, capable of simultaneous voice, data, video communications and mobile ad hoc networking. Our fiscal year 2006 request includes $251 million for JTRS.

• Fire Scout. Our fiscal year 2006 request includes $77.6 million to continue the development of the Fire Scout UAV. The Fire Scout is a vertical takeoff and landing tactical UAV (VTUAV) designed to operate from all air-capable ships, carry modular

mission payloads, and operate using the tactical control system and tactical common data link. The Fire Scout UAV will provide day/night real time ISR and targeting as well as communication-relay and battlefield management capabilities for ASW, MIW, and ASUW.

• E–2 Advanced Hawkeye. The E–2 Advanced Hawkeye (AHE) program will modernize the E–2 weapons system by replacing the current radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral ocean surveillance and Theater Air Defense and Missile Defense capabilities against emerging threats in the high-clutter environment. The AHE program plans to build 75 new aircraft with the modernized weapons system with pilot production in fiscal year 2007.

D. Continuing our efforts to become more effective and efficient in the use of taxpayer resources.

We are well underway in our Sea Enterprise journey to be more effective and efficient, yet more needs to be done to generate the resources necessary to implement our Sea Power 21 vision. We must provide incentives for innovation in the workplace, and implement tools and techniques that enable the workforce to challenge existing assumptions, eliminate unnecessary costs, and increase efficiency and effectiveness. Sharing best practices, and leveraging core competencies and continuous process improvement are essential ingredients to our success. The promise of increased effectiveness, productivity, and alignment can only be realized by extending both the extent and depth of collaboration across the enterprise.

The DON enterprise resource planning (ERP) initiative has created the framework that will enable the transformation of key acquisition, logistics, and financial business activities into an integrated network of decisionmaking processes. This past August the Joint Requirements Oversight Council approved the Navy ERP operational requirements document (ORD) and cleared the way for the Navy to purchase ERP software and hire an integration contractor. With the fiscal year 2006 budget, the Navy will continue to capitalize on demonstrated ERP technology advances in creating and disseminating decisionmaking information. The ERP program is expected to continue to improve integration, leverage economy-of-scale, consolidate legacy systems and software using the best business and commercial practices available and align the President's management agenda (PMA) within the Department. We are pursuing an acquisition strategy that will support operational test and evaluation by fiscal year 2006.

Sea Enterprise efficiency/mitigation initiatives valued in excess of $50 billion across the FYDP. More importantly, however, Sea Enterprise offers a genuine understanding of program costs that empowers our research and development, enables our program execution, and enhances the overall management of our Navy. Accordingly there is increased relevance of our cost data and no built-in cost margins built into our budget. Put simply, our budget has the most granularity and cost refinement than in any time in my tenure as CNO. This sometimes translates into savings for our government but also means that unforeseen budget cuts directly affect the heart of our programs and not just marginal costs.

IV. CONCLUSION

Our mission remains bringing the fight to our enemies. We will execute the global war on terror while continuing our transformation for the future. We have set in motion forces of change, beginning the journey that I believe we must undertake if we are to maintain the greatness that our 229 years of naval history has bestowed upon us. But change is demanding, difficult, and uncertain in its effects. It requires extraordinary effort, especially for a large, public institution. It is precisely for these reasons that change must be harnessed as a positive force in our Navy.

Positive change is the bridge to our future. To get there we must also think anew about the opportunities that we have now to make our Navy even better. Tomorrow's Navy will, in many ways, be strikingly dissimilar to our Navy today. But one thing is clear: the business of the Navy will always be combat, and victory is both our mission and our heritage. None of this would be possible without the constant support of Congress and the people of the United States of America. I would therefore like to thank you once again, on behalf of the dedicated men and women prepared to go in harm's way for our great Nation, for all that you do to make the United States Navy ready today and prepared for the future.

Chairman WARNER. Thank you, Admiral.

We'll have Chief—General Hagee.

STATEMENT OF GEN. MICHAEL W. HAGEE, USAF, COMMANDANT, UNITED STATES MARINE CORPS

General HAGEE. Sir, good morning, sir.

Chairman Warner, Senator Levin, distinguished members of the committee, it is truly my privilege to report to you on the state of your Marine Corps.

Mr. Chairman, as you said, today we are at war. But the Congress' consistent fiscal and legislative support over the past few years has been critical in delivering the high-quality American equipment and training capabilities needed on today's battlefields.

I would also like to thank you, personally, for your caring visits to our wounded and your comforting actions for those families who have lost loved ones. Marines and their families greatly appreciate your unwavering support.

Last year when I appeared before this committee, I highlighted the importance of the flexibility and adaptability of your marines in rapidly responding to multiple and varied contingencies, many on short notice, since September 11. Again, over the course of this past year, the value of this expeditionary force in readiness, able to operate and sustain itself as part of a joint force across the spectrum of conflict, was demonstrated repeatedly in Iraq, Afghanistan, Horn of Africa, Haiti, and, of course, most recently, in the relief efforts for the victims of the Indian Ocean disaster.

A notable example of the value of your marines' readiness, the quality of their training, their leadership, and their understanding of joint and coalition operations was in the Al Anbar Province. In November of last year, the Marine Corps force tightly integrated with Army brigades, Seabees, joint air assets, and Coalition Forces, including five Iraqi battalions, mounted a high-intensity joint assault in a demanding urban environment, destroying the insurgents' safe haven in Fallujah. This close-quarters fight against an adaptable and dangerous enemy was executed rapidly and successfully. Equally impressive, but, in my opinion, not often noted, was that, after the assault, the same force immediately returned to counterinsurgency and civil-affairs operations.

While your marines and their equipment have performed well both at home and abroad, we do face some significant challenges ahead. The tempo of operations and demands on the force are extremely high across the entire Marine Corps, both regular and Reserve, in supporting the global war on terror. In the past 2 years, we have gone from a peacetime deployment rotation of 6 months deployed and 18 months home to our current one-to-one rotation, 7 months out, 7 months back for our battalions, squadrons, and other high-demand capabilities. This means that Marine Corps units in the operating forces are either deployed or are training to relieve deployed units. No forces have been fenced. Since September 11, we have activated in excess of 95 percent of our selected Marine Corps Reserve units, the majority who have served in either Iraq or Afghanistan. I can tell you, they have performed magnificently in both those places.

Last year, we met our recruiting and retention goals, both in quantity and quality. Although we remain on track to meet our annual goal this year, the additional effort required by our recruiters and our career retention specialists is quite significant. Your con-

tinued support of recruit advertising and re-enlistment bonuses is important.

The Marine Corps greatly appreciates Congress' authorization last year to increase our end strength by 3,000 marines. Internally, we have also reviewed our current force structure and have begun to implement initiatives to better organize our Marine Corps to meet the operational needs of the combatant commanders and reduce the operational tempo (OPTEMPO) on our force. We are working with the other Services and the combatant commanders to project future force requirements. Based on these projections, our internal structural changes, and the Secretary's 3 percent authorization, I do not believe we need an end strength increase beyond 178,000 at this time. If the current force-level projections hold, we hope to be able to reduce our OPTEMPO to two-to-one by the first part of next year. That said, we will continue to evaluate our structure and end strength against the combatant commanders' requirements.

Mr. Chairman, as you said, we have tremendous support from our families, and this support sustains us both at home and when deployed in harm's way. Your continued support of quality-of-life issues, injured-marine programs, and our families who have lost loved ones are critical to our success.

With regard to materiel and equipment, we currently have 30 percent of our ground equipment and 25 percent of our aviation equipment deployed in-theater in one of the harshest operating environments on the planet. Our fiscal year 2005 supplemental submission addresses the significant increases in wear and tear, in addition to combat losses, we are experiencing. Together, our fiscal year 2006 budget request and the supplemental will ensure that our essential warfighting capability and readiness remains high to meet the combatant commanders' operational requirements.

The global war on terror will be long, and the sustainment of our near-term readiness is vital to ensuring victory. Additionally, we must also keep a weather eye to the future and ensure we are prepared for other contingencies and emerging challenges. The successes of our Armed Forces today are a reflection of Congress' strong fiscal support over the past years. Our equipment, support facilities, and the personnel policies that attract, create, and keep our most lethal and effective weapon, our high-quality marines, are the product of your long-term sustained investments.

The funding of our modernization and transformation accounts will ensure that future Joint Force Commanders will have the right capabilities. Joint seabasing is the Navy/Marine Corps team's overarching operating concept for using the sea as maneuver space. This transformational concept breaks down the traditional sea-land barrier. It will enable the Joint Force Commander to project joint and combined forces anywhere in the world. Seabasing assures joint access by leveraging the operational maneuver of forces on the sea and by reducing dependence on fixed land bases. This concept will provide our combatant commanders with unprecedented versatility in operations spanning from cooperative security to major combat.

In support of our transformation efforts, it is critically important that funding for seabasing research and development be fully sup-

ported to ensure our upcoming experiments in research that will support critical design and doctrinal decisions.

Mr. Chairman, in conclusion, let me emphasize that your marines are fully dedicated to the idea of service to this great Nation, and they know they have the solid backing of Congress and the American people. We fully understand that our greatest contribution to the Nation is our high level of readiness to respond across the spectrum of conflict. Marines and their families greatly appreciate your support in achieving our high level of success and your efforts to ensure that we will be able to respond to future contingencies.

Sir, I look forward to your questions.

[The prepared statement of General Hagee follows:]

PREPARED STATEMENT BY GEN. MICHAEL W. HAGEE, USMC

Chairman Warner, Senator Levin, distinguished members of the committee; it is my honor to report to you on the state of readiness of your Marine Corps. Today, we are at war and your marines are performing well because of the support they have received from Congress and their extraordinary courage, dedication, and commitment. Marines realize the danger to the Nation, their vital role, and the magnitude of their responsibilities. Many have been wounded or killed in action over the past year carrying out these responsibilities.

Marines continue to demonstrate that we are an expeditionary force in readiness—Most Ready When the Nation is Least Ready. Your continued support has made this possible. The global war on terror will be long; therefore, sustaining and improving our readiness for future challenges is critical to ensuring that the Marine Corps continues to provide the combatant commanders the critical capabilities needed. On behalf of all marines and their families, I thank this committee for your sustained and indispensable support during these challenging times.

I. INTRODUCTION AND THE VALUE OF READINESS

Currently, your marines are fully engaged across the spectrum of military capabilities in prosecuting the global war on terror. Since the watershed events of September 11, 2001, the core competencies, capabilities, and emphasis on readiness that the Marine Corps has structured itself around over many years have repeatedly proven their value in the numerous and varied operations this conflict demands. The importance of our Nation's ability to project power and conduct military operations over long distances for extended periods of time as part of a joint force has been revalidated. The Marine Corps' role as the Nation's premier expeditionary force-in-readiness, combined with our forward deployed posture, has enabled us to rapidly and effectively contribute to these joint operations. Our scalable, combined arms teams, seamlessly integrating our robust ground and aviation forces with adaptive logistics, create speed, flexibility, and agility to effectively respond to each unique emerging situation. The high state of training and quality of our marines along with our warrior ethos—highlighted by our creed that every marine is a rifleman—allows marines to thrive in the chaotic, unstable, and unpredictable environment that has always characterized warfare and that our very adaptable enemies methodically attempt to exploit.

Previously I have highlighted to Congress that in the early phases of Operation Enduring Freedom, two forward-deployed marine expeditionary units formed Task Force 58 and projected the first major conventional combat units into Afghanistan—more than 350 miles from its sea base of amphibious shipping. Operation Iraq Freedom, I witnessed the flexibility of our projection capabilities when a combat ready marine expeditionary force of over 70,000 marines and sailors was deployed in less than 60 days by multiple means—forward deployed marine expeditionary units, amphibious shipping embarked from stateside bases, maritime prepositioned ships, the use of amphibious ships as sea-based aviation power projection platforms, as well as strategic air and sealift assets. The significant capabilities of this combined arms force—as it attacked more than 500 miles from its off-load areas in Kuwait, rendering ten Iraqi divisions combat ineffective, and seizing half of Baghdad as well as key areas to the north—were also demonstrated.

During this past year, marines have continued to demonstrate their readiness across the spectrum of required missions. Shortly after their return from Operation Iraqi Freedom, the Marine Corps received a short-notice tasking to deploy 25,000

marines back to Iraq. Since March 2004, marines have led the Multi-National-Force-West, responsible for stability and security in the Al Anbar Province in Iraq. Our expeditious and innovative pre-deployment combat skills training program, rapid modifications of our training and equipment to meet an evolving threat, and our emphasis on cultural and language capabilities properly prepared us for the challenges in this complex region. The I Marine Expeditionary Force, reinforced by three marine expeditionary units, is currently executing multiple security, urban combat, nation building, counter-insurgency, aviation command and control, and force protection missions with great confidence and skill, in the face of an adaptable and dangerous enemy.

In Afghanistan this past spring, in addition to the infantry battalion and helicopter support already supporting Operation Enduring Freedom, we provided, on short-notice, a regimental headquarters and a combined arms marine expeditionary unit. This marine force was a major element of the combined joint task force assigned to counter a suspected Taliban "Spring Offensive." The success of this force greatly assisted in setting the conditions for the Afghan national elections later in the year and in establishment of a secure and stable government. We continue to provide both ground and aviation forces—currently an infantry battalion, elements of two helicopter squadrons, and training teams—to protect and foster this new democracy.

In addition to these operations, our concurrent support to other regions including the Horn of Africa, the Pacific, support to the evacuation of non-combatants from Liberia, and the unexpected peace operation in Haiti has demonstrated our great range of flexibility. As on numerous previous occasions, marines are deeply involved in humanitarian efforts in the wake of the Sumatran earthquake and Indian Ocean tsunami. The value of our readiness across the spectrum of military capability; our forward presence and security cooperation efforts in this region for years; and our significant planning, logistical and transportation capabilities from our robust seabase platforms have again proven critical in the effective projection of America's power—this time our power of humanitarian assistance. We should not underestimate the importance of this humanitarian operation on the stability of this critical region nor its potential favorable impact on the global war on terror.

Currently, we are conducting a major rotation of our units and headquarters in Iraq. Many of these units have previously deployed to this theater, but we continue to aggressively match our training and equipment to the changing threat. We expect our commitment to Iraq to remain at about 23,000 marines and sailors, with the Marine Corps Reserve Forces providing about 3,000 of these personnel into 2006.

Your support has ensured our near-term readiness remains strong. We will need your continued support in order to retain this readiness into the future. The current demand on the force is high. The entire Marine Corps is supporting the global war on terror, and no forces have been fenced. In the past 2 years, we have gone from a deployment rotation of one-to-three (6 months out/18 months back) to our current one-to-one ratio (7 months out/7 months back) for our infantry battalions, aviation squadrons, and other, high demand capabilities. This means that marine units in the operating forces are either deployed or are training to relieve deployed units. Since September 11, we have activated in excess of 95 percent of our Selected Marine Corps Reserve units. The vast majority have served in either Iraq or Afghanistan. Despite this high operational tempo, the Marine Corps continues to meet its recruiting and retention goals in quantity and quality, but the effort required by individual recruiters and career retention specialists is significant. The Marine Corps greatly appreciates Congress' authorization to increase our end strength by 3,000 marines in the National Defense Authorization Act for Fiscal Year 2005. These additional marines will assist in reducing demands on marines by filling our battalions to their designed strengths. We are currently assessing whether a further increase of personnel beyond 178,000 will be required to meet long-term commitments in the global war on terror.

Last year, we completed a force structure review to determine how we could better meet the operational needs of the global war on terror within our then approved end strength of 175,000. This effort, addressed in detail in the Personnel Readiness section below, will result in the creation of additional high demand units and capabilities to address pressures within the force.

The significant increase in wear and tear on materiel—in addition to combat losses—is a considerable monetary challenge that we identified in our fiscal year 2005 supplemental submission. This submission also includes our request for essential warfighting and force protection equipment. These funds are critical to our sustained readiness.

Operations over these past few years have dramatically highlighted that our focus on readiness to fight across the spectrum of conflict is on the mark. Your continued

support to fully fund our modernization and transformation accounts will ensure that marine forces will be able to respond to the Joint Force Commanders' requirements.

II. PERSONNEL READINESS

The Marine Corps continues to answer the call because of our individual marines and the support they receive from their families and from the Nation. Morale and commitment are high. Marines join the Marine Corps to "fight and win battles" and we are certainly giving them the opportunity to do that. We are an expeditionary force accustomed to deployments, but never at such a high tempo.

Marines

End Strength

The Marine Corps greatly appreciates the congressional end strength increase to 178,000. Our first priority for this increase is to enhance the manning of our infantry units. We will also create dedicated foreign military training units and add to our recruiting force, our trainers, and other support for the operating forces. Coupled with initiatives implemented as part of the recent force structure review and our military to civilian conversions, we will place many more marines in our operating forces to reduce the tempo of operations on marines and their families.

Force Structure Review

The Marine Corps—recognizing the need to continue transformation and the rebalancing of forces to meet the needs of the 21st century and the long-term global war on terror—completed a review of our total force structure, active and Reserve, last year. We are implementing the recommended force structure initiatives with the majority achieving initial operational capability in fiscal year 2006 and full operational capability by fiscal year 2008. These initiatives are end strength and structure neutral—offsets to balance these increases in capabilities are internal to the Marine Corps and come from military to civilian conversions and the disestablishment and reorganization of less critical capabilities. Implementation of these initiatives will require additional equipment, facilities, and operations and maintenance resources. The Marine Corps will continue to evaluate our force structure to ensure that it provides the needed capabilities in a timely manner to support our national security requirements.

Major structure changes in the active component include the establishment of two additional infantry battalions, three light armored reconnaissance companies, three reconnaissance companies, two force reconnaissance platoons, and an additional Air-Naval Gunfire Liaison Company (ANGLICO). We will also augment our existing explosive ordnance disposal, intelligence, aviation support, civil affairs, command and control, and psychological operations assets.

In the Reserve component these structure initiatives will increase the capability of Marine Forces Reserve Command to better respond to the global war on terror. We will establish an intelligence support battalion, a security/anti-terrorism battalion, and two additional light-armored reconnaissance companies. We will also augment existing capabilities in the areas of civil affairs and command and control, and we are restructuring some Reserve units to convert them into individual mobilization augmentee (IMA) detachments—allowing more timely access to these marine reservists to support contingency operations.

Military to Civilian Conversions

The Marine Corps continues to pursue sensible military to civilian conversions in order to increase the number of marines in the operating force. In fiscal year 2004, the Marine Corps converted 664 billets. We plan to continue our program for conversions, and we are on course to achieve 2,397 conversions through September 2006.

Retention

The primary concern with increased personnel and operational tempo is its long-term impact on the career force, especially the officers and the staff noncommissioned officers who have between 8 and 12 years of service. The end strength increase, implementation of our force structure initiatives, and military-civilian conversions are expected to partially mitigate the negative effects of this high tempo on the individual marine and the force. Strong retention is a complex function of leadership opportunities, sense of purpose, compensation, quality of life, and educational opportunities.

Enlisted Retention. We are a young force. Maintaining a continuous flow of quality new accessions is of fundamental importance to well-balanced readiness. Over 26,000 of our active duty enlisted marines are still teenagers, and 104,000 are serv-

ing on their first enlistment. In fiscal year 2004, the Marine Corps achieved 100 percent of our goals for both first term and career (second reenlistment and beyond) active duty reenlistments. Selected Reserve enlisted retention for fiscal year 2004 was slightly above our historical norm. In fiscal year 2005, we are again off to a strong start in all categories. We will continue to monitor this area closely. Although the Selective Reenlistment Bonus represents just one-half of 1 percent of our military personnel budget, it remains a powerful retention tool, and we take pride in our prudent stewardship of this resource. This year it will play an even more important role in retaining our best marines as we maintain an end strength of 178,000. These reenlisted noncommissioned and staff noncommissioned officers will form the core of our new units.

Officer Retention. Overall, we continue to achieve our goals for officer retention. We are retaining experienced and high quality officers. Our aggregate officer retention rate was 91.0 percent for fiscal year 2004, at our historical average. Reserve officer retention of 75 percent is slightly below the historical norm of 77 percent. It is important to note that high retention in the active component reduces the number of officers transitioning (accessions) into the Selected Marine Corps Reserve.

Recruiting

A successful retention effort is but one part of ensuring there is a properly trained marine in the right place at the right time. Successful recruiting is essential to replenishing the force and maintaining a high state of readiness. In fiscal year 2004, the Marine Corps recruited 100 percent of its active component goal of 30,608 marines, with 97.7 percent being Tier I High School graduates. The Marine Corps Reserve also achieved 100 percent of its recruiting goals with the accession of 6,165 non-prior service marines and 2,083 prior-service marines. Officer accessions, in both the active and Reserve components, achieved their goals, but Reserve officer numbers remain challenging because our primary accession source is officers leaving active duty. We are currently exploring new options in this area and believe that the authority for a Selected Reserve Officer Affiliation Bonus in the National Defense Authorization Act for Fiscal Year 2005 may contribute significantly to these efforts. For fiscal year 2005, both active and Reserve recruiting are challenging, but we are currently on track to meet our goals.

We believe the recruiting and retention "marketplace" is going to become more challenging. Your continued support for a strong reenlistment bonus and advertising programs will be essential to meet this challenge.

Marine Corps Reserve

The morale and patriotic spirit of the Marine Corps Reserves, their families, and their employers remains extraordinarily high. As demonstrated over this past year, the Marine Corps Reserve continues to be fully ready and capable of rapid activation and deployment to augment and reinforce the active component of the Marine Corps as required. This capability has helped us to avoid untimely deployment extensions, maximize force management of our Reserves, maintain unit integrity, sustain the Reserve Force, and lessen the burden on marines and their families. To date almost 30,000 Reserve marines have served on active duty in the global war on terror. Currently, over 13,000 Reserve marines are on active duty with over 11,500 in cohesive Reserve ground, aviation and combat support units and almost 1,600 serving as individual augments in both marine and joint commands. As of January 2005, the Marine Corps Reserve began activating 3,000 Selected Marine Corps Reserve marines in support of operations in Iraq and 500 for Afghanistan.

Despite the high tempo of operations, the Marine Corps Reserve continues to meet its goals for recruiting and retaining quality men and women willing to manage commitments to their families, their communities, their civilian careers, and the Marine Corps. The Marine Corps is closely monitoring post-mobilization retention in order to assess any potential long-term negative impact from recent activations. As we build on the lessons of the recent past and begin to implement adjustments to the structure of our Reserve Forces, we will ensure that these changes are made with full recognition that the Marine Corps Reserve is a community-based force.

Marine For Life

Initiated in fiscal year 2002, the Marine For Life program continues to provide support for 27,000 marines transitioning from active service back to civilian life each year. Built on the philosophy, "Once a Marine, Always a Marine," Reserve marines in over 80 cities help transitioning marines and their families to get settled in their new communities. Sponsorship includes assistance with employment, education, housing, childcare, veterans' benefits, and other support services needed to make a smooth transition. To provide this support, the Marine For Life program taps into a network of former marines and marine-friendly businesses, organiza-

tions, and individuals willing to lend a hand to a marine who has served honorably. Approximately 2,000 marines are logging onto the web-based electronic network for assistance each month. Assistance from career retention specialists and transitional recruiters helps transitioning marines tremendously by getting the word out about the program.

Marine For Life—Injured Support

Leveraging the organizational network and strengths of the Marine for Life program, we are currently implementing an Injured Support program to assist injured marines, sailors serving with marines, and their families. The goal is to bridge the gap between military medical care and the Department of Veterans Affairs—providing continuity of support through transition and assistance for several years afterwards. Planned features of the program include advocacy for marines, sailors, and their families within the Marine Corps and with external agencies; pre- and post-Service separation case management; assistance in working with physical evaluation boards; an interactive web site for disability/benefit information; an enhanced Marine Corps Community Services (MCCS) "One Source" capability for 24/7/365 information; facilitation assistance with Federal hiring preferences; coordination with veterans, public, and private organizations providing support to our seriously injured; improved Department of Veterans Affairs handling of marine cases; and development of any required proposals for legislative changes to better support our marines and sailors. This program began limited operations in early January 2005.

Civilian Marines

Marine Corps Civilian Workforce Campaign Plan

Marines, more than ever before, recognize the importance of our civilian teammates and the invaluable service they provide to our Marine Corps as an integral component of the Total Force. To that end we continue to mature and execute our Civilian Workforce Campaign Plan, a strategic road map to achieve a civilian workforce capable of meeting the challenges of the future. We are committed to building leadership skills at all levels, providing interesting and challenging training and career opportunities, and improving the quality of work life for all appropriated and nonappropriated civilian marines. As part of our effort to meet our goal of accessing and retaining a select group of civilians imbued with our core values, we have developed a program to provide our civilian marines an opportunity to learn about the Marine Corps' ethos, history, and core values—to properly acculturate them to this special institution. All this supports our value proposition, why a civilian chooses to pursue a job with the Marine Corps: to "Support Our Marines. Be Part of the Team."

National Security Personnel System

The Marine Corps is actively participating with the Department of Defense in the development and implementation of the new personnel system. Following an intensive training program for supervisors, managers, human resources specialists, employees, commanders, and senior management, we will join with the Department in the first phase of implementation, tentatively scheduled for July 2005. In the Marine Corps, we will lead from the top and have our Headquarters Marine Corps civilian personnel included in the first phase of implementation, known as 'Spiral One.'

Information Technology

We remain committed to transforming our manpower processes by leveraging the unique capabilities resident in the Marine Corps Total Force System (MCTFS), our fully integrated personnel, pay, and manpower system that serves active, Reserve and retired members. The integrated nature of MCTFS allows us to develop our Total Force Administration System (TFAS); a web based and virtually paperless administration system that provides marines and commanders 24-hour access to administrative processes via Marine OnLine. Our TFAS allows administrative personnel to refocus their efforts from routine tasks to more complex analytical duties, and ultimately will enable greater efficiencies. Additionally, MCTFS facilitates our single source of manpower data, directly feeding our Operational Data Store Enterprise and Total Force Data Warehouse. This distinctive capability allows us to accurately forecast manpower trends and fuels our manpower performance indicators, which provide near real time graphical representation of the Marine Corps' manpower status such as our deployment tempo. Properly managing our manpower requirements and processes requires continued investment in modern technologies and we are committed to these prudent investments.

Quality of Life

Marine Corps Community Services

Taking care of marines and their families is essential to the operational readiness of the Corps. The relevance of this mission is particularly evident when leaders at all levels assess preparedness of their command and unit functioning before, during, and after forward deployments. As an expeditionary force we are accustomed to frequent deployments, yet the current environment contains elements of personal danger and family risk that must be addressed with appropriate and timely support. To date in Operations Iraqi Freedom and Enduring Freedom, we have been careful to closely monitor our programs and adjust support to ensure our marines and their families receive the necessary care to sustain them throughout the deployment cycle. In this regard, our MCCS organizations' combined structure of family services, morale, welfare and recreation programs, voluntary off-duty education, and exchange operations has positioned us to efficiently and effectively leverage and direct community services assets to help marines and their families meet the challenges associated with our lifestyle and current operational tempo.

Deployment Support

During pre-deployment, marines and families attend to wills, powers of attorney, and family care plans; and spouses establish a vital connection through the commander's Key Volunteer Network that is organized to provide accurate and timely information on the status of the deployment. We have developed a series of pre-deployment, in-theater, return and reunion, and post-deployment awareness and support services to mitigate problems created by traumatic combat experiences and their associated stress. We fully understand that marines and their families are not immune from social risks such as suicide, domestic violence, or sexual assault. We also understand that risk factors can be exacerbated by the current operational tempo, and we have a variety of proactive counseling services to address individual and unit readiness concerns. Examples include: Critical Incident Stress Debriefing Program designed to address the symptoms and risks of untreated combat stress, its signs, and the resources available for treatment; and our Operational Stress Control and Readiness Program (OSCAR), which embeds mental health professionals at battalion aid stations and has resulted in a marked decrease in medical evacuations for mental health reasons. Prior to departing a combat zone, we also plan for a decompression period in which military chaplains provide a Warrior Transition Brief focused on better preparing our marines to reintegrate with family and society. We offer similar return and reunion programs for families awaiting the homecoming of a deployed marine. A wide array of services is available at our installations through chaplains, medical treatment facilities, and MCCS to support the marine and family members in the post deployment phase. For those marines and families in need who are residing a distance from our installations, face-to-face counseling services are available through MCCS One Source. MCCS One Source offers 24/7/365 information and referral services via toll-free telephone and internet access. MCCS One Source has also proven to be an especially valuable resource to assist Reserve marines and their families who often experience special challenges when trying to acclimate to requirements, procedures, and support associated with various military programs and benefits.

We recognize that family readiness is integral to unit readiness. To help our families through the separation and stress of deployment, respite and extended childcare services have been made possible by Congress in supplemental appropriations. Information and referral services are offered via different access points such as unit/command websites, hotlines and MCCS One Source. While forward deployed, marines have access to tactical field exchanges; a variety of fitness, recreation, and leisure facilities; and telecommunication services. We are utilizing our postal marines to expedite mail delivery. We also conducted a successful voter awareness campaign that ensured our marines had the opportunity to exercise their right and civic responsibility to vote, even from austere, forward deployed locations.

Casualty Assistance

The Marine Corps, and most importantly marine families, appreciate recent legislative actions, including the expanded authorizations for parents of our deceased to attend funerals when they are not the primary next-of-kin, and also the enhanced travel to bedside benefits that are so important to the morale of those marines subject to extended hospital stays. We have built internal support services, including an extensive network of Casualty Assistance Calls Officers (CACOs) throughout the country who serve as the primary point of contact for the families of deceased and severely injured marines regarding all military benefits, entitlements, or offers from benevolent organizations. CACO support is managed through our Headquarters

Casualty Affairs section and has been enhanced by the development and implementation of an Office of the Secretary of Defense-funded Injured/Ill Patient Tracking website in March 2004. Commanders at all levels now have visibility of their marines at all stages in the medical and convalescence process.

I would like to thank Congress for your continued support of the programs and services so critical to the readiness of our Corps, to include provisions of supplemental appropriations; all of which directly contribute to quality of life enhancements. Also, your kind and caring visits with our wounded marines, sailors, and their families are greatly appreciated.

III. TRAINING AND EDUCATION

The Marine Corps' Training and Education Command continues to incorporate lessons learned from the global war on terror, ensuring that marines are fully trained and prepared to meet the challenges of the demanding operational environments in Afghanistan, Iraq, and around the world. In many respects, the hard won lessons from these most recent battlefields have served to validate our training policies and programs. The training at the recruit depots continues to deliver basic trained marines, imbued with the core values and warrior ethos necessary to ensure their rapid integration into operational units. In particular, our fundamental tenet, "Every Marine a Rifleman," has proven its worth time and again. Marines in almost every occupational field have executed the tasks of provisional riflemen, from establishing security to patrolling their areas of responsibility. In a conflict where nearly every convoy is a combat patrol, the fact that all marines are taught basic combat and infantry skills at the Schools of Infantry has helped ensure their survival and mission accomplishment in an environment where traditional lines between the front and the rear are virtually indistinct.

Adapting to a Thinking Foe

Where needed, we have adjusted the curricula at formal schools to ensure that marines are trained using the latest lessons learned. Our enemies are constantly adapting, and we must ensure that our training reflects the modifications to tactics, techniques, and procedures that are necessary to counter these changes. Our schools maintain close communication with the operating forces through the review of after-action reports, lessons-learned data, surveys, and personal interviews with returning marines. For example, classes in improvised explosive device awareness, reaction to vehicle ambush, and combat leadership discussions with returning combat veterans have been integrated into appropriate programs of instruction. In addition, new infantry lieutenants receive enhanced training in urban patrolling, and their 96-hour final field exercise encompasses both conventional operations and stability and support operations. Military occupational specialty schools are also adjusting their curricula to ensure that we adapt our focus from fighting a conventional force to dealing with the challenges posed by irregular forces. For example, at our intelligence schools, counter-insurgency training has been added to the curriculum, illustrating changes in the collection procedures necessary for greater effectiveness in an insurgency environment. We are weaving cultural training throughout the training continuum to reinforce the understanding of the operational importance of culture and to help marines more effectively interact with civilian populations.

Focused Pre-Deployment Training

To focus training efforts, all deploying marine units rotate through a standardized training package. Building on home station training in basic urban skills, ground units deploy to the Marine Air Ground Task Force Training Center at Twentynine Palms, California, for in-depth training in convoy operations, fire support, and small-unit coordinated assaults against defended positions. Following that, the units move to March Air Reserve Base at Riverside, California, for a graduate-level training exercise in urban operations, including stability and support operations. In addition, ground units scheduled to deploy to Afghanistan train at the Marine Corps Mountain Warfare Training Center at Bridgeport, California. Here they focus on gaining the skills necessary to operate in demanding high-altitude environments like they will experience in Afghanistan. Marine Corps aviation units participate in a standardized training package, Desert Talon, in Yuma, Arizona. All of these training events are solidly grounded on lessons learned from the operating forces.

Initiatives for Future Challenges

While we adjust to the current operational environment, we also keep our eye on the future. We are currently undertaking initiatives that will further strengthen the training and education that marines receive in years to come. One key initiative is the development of military occupational specialty roadmaps to help individual ma-

rines and leaders map out career paths. Complementing this effort, we are conducting a complete reevaluation of our entire professional military education program to ensure that it seamlessly reinforces our military occupational specialty training as well as ensuring, at the appropriate levels, a strong bond with joint professional military education. In the joint arena, we are also heavily engaged in supporting the Department of Defense efforts to create a flexible and dynamic Joint National Training Capability. In this respect, and thanks to the generous support of Congress, we are making large infrastructure investments at our Combat Training Center at Twentynine Palms, California. We are in the process of building a number of urban warfare training facilities on this base that will allow us to conduct battalion and company-sized urban warfare training, further enhancing the combat ability of marine units. All these efforts will ensure the continued ability of the Marine Corps to respond whenever and wherever the Nation calls.

IV. EQUIPMENT AND MATERIEL READINESS

Our readiness priority is the support and sustainment of our forward deployed forces. Currently, the Marine Corps has 26 percent of our active operating forces deployed in support of the global war on terror utilizing 30 percent of our ground equipment and 25 percent of our aviation assets.

Demand on Equipment

The global war on terror equipment usage rates average 8:1 over normal peacetime usage due to continuous combat operations. This high usage rate in a harsh operating environment, coupled with the added weight of armor and unavoidable delays of scheduled maintenance due to combat, is degrading our equipment at an accelerated rate. More than 1,800 principal end items valued at $94.3 million have been destroyed. Repairs on 2,300 damaged end items will require additional depot maintenance.

Readiness Rates

The equipment readiness (mission capable) rates of our deployed forces average 95 percent for ground equipment and 72 percent for aviation units. Our pre-positioned stocks, within both the Marine Corps Preposition Program—Norway and Maritime Prepositioned Shipping—have ensured the sustained readiness of our deployed ground units. In order to improve our readiness rate in theater, we are creating a limited aircraft depot maintenance capability, coordinating with the Army to leverage their ground depot maintenance capability, and establishing a pool of ground equipment to expedite the replacement of damaged major end items. The corresponding equipment readiness (mission capable) rates for units remaining in garrison are 81 percent for ground equipment and 69 percent for aviation units. We currently are rebalancing the ground equipment assets of our non-deployed units to maximize equipment availability for unit training. We anticipate a reduction in the size of our force deployed to Iraq in the Operation Iraqi Freedom 04–06 rotation and plan to return the associated equipment to the non-deployed operating forces. We will need your continued support in order to recapitalize and reconstitute our prepositioned stocks.

Meeting Urgent Operational Requirements

A critical factor for both Operations Enduring Freedom and Iraqi Freedom in ensuring our marines were as adequately equipped as possible is the Urgent Universal Needs Statement (UUNS) process that we initiated in 2002. This process has provided a way for the leaders and members of our operating forces to identify and forward new requirements for weapons and gear up the chain of command for quick review and approval—most in under 90 days. Upon approval by the Marine Corps Requirements Oversight Council, the Marine Corps and the Department of the Navy have realigned funds as necessary within permitted reprogramming thresholds. When required by reprogramming authority rules, we have forwarded requests that exceed the established reprogramming thresholds to Congress for approval. The sources for these reprogramming actions have been our investment account assets. In many cases, the funding was made available by our decision to accept risk and defer the full execution of otherwise approved programs in order to address immediate warfighting needs. Through this process we have acquired more than 200,000 pieces of essential warfighting equipment that have been provided to the operational commanders. Some examples are:

- Vehicle hardening:
  - Purchased factory produced and field expedient armor for nearly 4,000 vehicles

  - Fielded 37 export model M1114 up-armored high mobility multi-purpose wheeled vehicles (HMMWV)
  - Will procure and field 498 M1114s up-armored HMMWVs
  - Producing the marine armor kit (MAK) for HMMWVs and the marine armor system (MAS) for the medium tactical vehicle replacement (installation for both systems will be operationally driven and is planned to begin between February and May 2005).
- Numerous types of weapons sights
  - Advanced combat optic gunsights (ACOG)
  - Thermal weapons sights
- Family of explosive ordnance disposal (EOD) equipment including unmanned robotics and blast suits
- Counter improvised explosive device (IED) jammers
- Unmanned aerial vehicles (UAV)—Dragon Eye and Scan Eagle
- Hardened engineer vehicles—Cougar and Buffalo systems being acquired from the U.S. Army
- Radios: personal role radios, PRC–148, PRC–117F, and Tropo satellite support radios
- Unit operations centers
- Night vision devices
- Dust abatement chemicals and sprayer systems
- Individual body armor
- Backscatter X-Ray machines
- Blue force tracker

The Marine Corps, with superb assistance from the Department of the Navy, realigned funds and received supplemental funding to fund these acquisitions. The impact of the reprogramming was deferred deliveries or delays in the execution of other approved procurement programs. Affected Marine Corps programs include personal gear and weaponry, vehicles, command and control systems, communications, and tactical computers at a cost to the Marine Corps of over $300 million. Similarly, Marine Corps initiatives within the Navy budget affected by reprogramming included ships, naval weapons systems and aircraft replacements/modifications that marines man or that directly support us. The funding required to buy back some of these critical capabilities is included in the fiscal year 2005 supplemental request.

Replacements and Depot Maintenance

Our equipment replacement strategies support our long-term commitment and considerations for new item modernization or transformation opportunities whenever possible. Use of the Marine Corps depot maintenance capability has been optimized using our organic depots, other service depots, and commercial sources—in that order. For our depots, we have requested $319 million in fiscal year 2005, which includes the baseline programmed appropriation of $114 million, an approved congressional increase of $43 million, and our request for an additional $162 million in supplemental funding.

V. FUTURE READINESS

While the primary focus of the Marine Corps is supporting the global war on terror, we also have a responsibility to prepare for future conflicts and contingencies. Our continued transformation recognizes that an array of non-traditional threats will increasingly influence our development of tomorrow's Marine Corps. Our challenge is to determine the right balance of capabilities that the Marine Corps must provide to the Nation in order to help defeat a broad range of adversaries. The review of our force structure, referred to earlier, is an example of how we are adapting to better prosecute the global war on terror and meet future national security requirements.

Logistics Modernization

Logistics modernization is the most comprehensive approach ever to improving tactical and operational level logistics. It is a Marine Corps-wide, multi-year, people-focused program designed to improve processes and technology supporting Marine Air Ground Task Force operations. Logistics modernization consists of seven initiatives that—when fully implemented—will; modernize our people through logistics chain-oriented education and effective change management and communications; will modernize processes through moving to a logistics chain management approach that integrates supply, maintenance and distribution; and will modernize technology through acquisition and fielding of Global Combat Support System Marine Corps

(GCSS–MC). Logistics modernization initiatives will address Operation Iraqi Freedom lessons through their laser focus on the deployed environment and the last tactical mile and increase Marine Air Ground Task Force lethality by providing increased accuracy, reliability, and responsiveness of logistics information to marines deployed on the battlefield.

Power Projection and Sustainable Forcible Entry Capability

Whatever the future brings, we believe that the Nation will continue to require the capability to project and sustain joint power from the sea, despite adversaries' attempts to deny us access. The Navy-Marine Corps team—with the immediate capabilities of our forward deployed forces, the rapid deployment of medium weight forces, and the full spectrum capability for major combat operations—provides our Joint Force Commanders with flexible options to meet a wide range of potential circumstances. As we look into the future, the requirements for naval forces to maintain presence, engage allies and potential coalition partners, build understanding and operational relationships for the future, relentlessly pursue terrorist organizations, and project sustainable forces ashore for a wide variety of operations will only increase. We must continue to improve our ability to use the sea and our maritime superiority in order to gain access, to reinforce and defend allies, aid victims of catastrophic disaster, or defeat aggressors.

As an element of our joint power projection capability, forcible entry is a core competency that the Navy-Marine Corps team provides to Joint Force Commanders. Our ability to use the sea as maneuver space, to provide us with overwhelming strategic mobility, and to protect us from the majority of challengers must remain one of our asymmetric advantages. It ensures that any adversary must devote considerable resources and time in attempting to deal with our unique ability to hold the length and depth of his coastline at risk, while he considers his military—even political—options. As we increase our investment in non-traditional capabilities, we will continue to transform the means by which the Nation projects offensive, defensive, sustainment, and command and control capabilities from the freedom of the high seas.

Amphibious and Maritime Preposition Force Capability

To this end, amphibious and maritime prepositioned force capabilities remain the critical factors necessary to fully realize this essential warfighting capability for the Nation. Naval forces must maintain the ability to rapidly close, effectively employ, and sustain a persistent military force from the sea, thereby willfully projecting power ashore. The Marine Corps warfighting requirement for forcible entry amphibious shipping remains the ability to lift the assault echelon of three marine expeditionary brigades, fiscally constrained to 2.5. In addition, our proven maritime prepositioned ships—capable of supporting the rapid deployment of three marine expeditionary brigades are an important complement to our amphibious capability. Combined, these capabilities enable the Marine Corps to rapidly react to a crisis in a number of potential theaters and the flexibility to employ forces across the battlespace.

Seabasing Concept

Seabasing is our overarching operating concept for using the sea as maneuver space. This transformational concept breaks down the traditional sea-land barrier. It will enable us to project naval, joint, and combined forces anywhere in the world. Recognized as a key future joint military capability, Seabasing assures joint access by leveraging the operational maneuver of forces on the sea and by reducing dependence upon fixed and vulnerable land bases. This concept will provide our combatant commanders with unprecedented versatility in operations spanning from cooperative security to major combat. A Department of the Navy requirements study planned for this year will identify the necessary naval capabilities and requirements for Seabasing—particularly with regard to amphibious and pre-positioned shipping, connectors, fires, and other necessary support. We are also leading the development of a Seabasing Joint Integrating Concept to better consider opportunities and options for each of the Services to exploit our command of the sea.

Programs

The following is a summary of programs to achieve these concepts, requirements and capabilities:

Maritime Prepositioning Force (Future) (MPF(F))

The MPF(F) will be a key enabler for sea-based operations. It will allow us to better exploit the sea as maneuver space to conduct joint operations at a time and place of our choosing. MPF(F) will enable four new capabilities: (1) at-sea arrival

and assembly (2) direct support of the assault echelon of the amphibious task force; (3) long-term, sea-based sustainment; and (4) at-sea reconstitution and redeployment. These capabilities will be invaluable in supporting forward engagement, presence, and relationship building operations with allies and potential coalition partners by our forward deployed forces as well as through support to disaster relief and humanitarian operations. During the combat phases of a joint campaign, these platforms as element of the seabase will deliver and support the rapid reinforcement by a single marine expeditionary brigade as well as key support to the marine expedition force and elements of the joint force from the sea. Additionally, these flexible assets can remain in support of post-conflict activities and forces from a relatively secure location at sea. The specific ship mix and number of MPF(F) ships are yet to be determined, but the final mix will be capable of prepositioning critical equipment and 20 days of supplies for our future marine expeditionary brigades in each maritime prepositioning squadron.

Landing Platform Dock (LPD)

The LPD 17 *San Antonio* class of amphibious ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet. The lead ship was successfully launched in July 2003 and production efforts are focused on meeting test milestones for a summer 2005 delivery. The LPD 17 class replaces four classes of older ships—the LKA, LST, LSD 36, and the LPD 4—and is being built with a 40-year expected service life. The LPD 17 class ships will play a key role in supporting the ongoing global war on terror by forward deploying marines and their equipment to rapidly respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air Ground Task Force far into the future.

Landing Helicopter Assault (Replacement) (LHA (R))

Our *Tarawa*-class amphibious assault ships reach the end of their service life during the next decade (2011–2015). An eighth *Wasp*-class amphibious assault ship is under construction and will replace one *Tarawa*-class ship during fiscal year 2007. In order to meet future warfighting requirements and fully capitalize on the Navy's investment in aviation, ships with enhanced aviation capabilities will replace the remaining LHAs. The LHA (R) will support requirements in the larger context of joint Seabasing, power projection, and the global war on terror. The first ship, LHA(R) Flight Zero, is a transitional ship to the succeeding ships in the class that will be transformational in capability and design—interoperable with future sea-basing ships and platforms that will better support and take advantage of our investment in the MV–22 and Joint Strike Fighter. This lead ship is currently in the capabilities development stage of the acquisition process with advanced procurement funds provided in the fiscal year 2005 budget.

High Speed Connectors

The joint high speed vessel will address combatant commanders' requirements for a forward deployed rapid force closure capability. Army, Marine Corps and Navy programs were recently merged into a Navy-led program office with an acquisition strategy intended to leverage current commercial fast ferry technology. We are pursuing an aggressive research and development effort to enhance our capability to conduct ship-to-ship transfers of personnel and equipment. Capitalizing on lessons learned in recent operations, United States European Command's Exercise African Lion 05 is being planned to explore the capability of high speed connectors to facilitate reception, staging, onward movement, and integration of forces. To meet the combatant commanders' high-speed intra-theater lift requirements, we are investigating ways to continue leases of foreign-built vessels until U.S.-built ships are available. HSC–2 Swift and Westpac Express enabled the Third Marine Expeditionary Force to expand training and engagement in the western Pacific while increasing training time. They are currently being used in support of tsunami relief operations in the Indian Ocean. HSC–2 Swift provides a research and development test bed and serves as an operational platform in support of contingency response requirements. Contract awards for new vessels are expected in fiscal year 2008 with delivery in 2010.

MV–22 Osprey

The MV–22 remains the Marine Corps' number one aviation acquisition priority. The Osprey's increased range, speed, payload, and survivability will generate transformational tactical and operational capabilities. The superior mobility of the MV–22 allows the sea-based force to bypass enemy strengths and anti-access measures,

attack vulnerabilities, and contribute substantially to the operational agility necessary to establish advantages of dominant maneuver. Ospreys will replace our aging fleets of CH–46E Sea Knight and CH–53D Sea Stallion helicopters beginning in fiscal year 2007 and provide both strategic and tactical flexibility to meet emerging threats in the global war on terror. Utilization rates far above peacetime rates and the physical demands of continuous operations in the harsh conditions of Iraq and Afghanistan are accelerating the deterioration of aircraft and increasing operating costs. The combination of these factors makes a timely fielding of the MV–22 necessary.

Short Take Off Vertical Landing Joint Strike Fighter (STOVL JSF)

The STOVL JSF will be a single engine, stealthy, supersonic, strike-fighter capable of short take-offs and vertical landings. The aircraft was designed to replace the current F/A–18 and AV–8B with an affordable platform that optimizes Marine Corps Tactical Aircraft (TacAir) missions through improved survivability, lethal precision engagement capability, and supportable expeditionary operations. The STOVL aircraft is capable of operating from amphibious ships, aircraft carriers, and austere sites. It is designed to survive in the future battlespace because of a reduced radio frequency and infrared signature, on-board sensing and countermeasures, and agile combat maneuverability. Able to perform offensive air support, destruction of enemy air defense, armed reconnaissance, and control of aircraft and missiles missions, the Joint Strike Fighter will counter existing and emerging threat systems at extended ranges providing a highly effective, flexible, responsive capability.

H–1 (AH–1Z/UH–1Y)

The current fleet of AH–1W attack helicopters and UH–1N utility helicopters continue to perform superbly in the global war on terror. High demand for their capabilities in a harsh environment is highlighting known deficiencies of these aging helicopters—particularly with regard to crew and passenger survivability, payload lift, power availability, endurance, range, airspeed, maneuverability, and supportability. The Department of the Navy determined that the H–1 Upgrade Program is the most cost-effective alternative for the Marine Corps' attack and utility helicopter requirements. The H–1 Upgrade Program is a key modernization effort designed to resolve existing safety deficiencies, enhance operational effectiveness of both the AH–1W and the UH–1N, and extend the service life of both aircraft. Additionally, the commonality gained between the AH–1Z and UH–1Y (84 percent) will significantly reduce life-cycle costs and logistical footprint, while increasing the maintainability and deployability of both aircraft. In October 2003, the program entered initial low-rate production. A follow-on low-rate production is scheduled to start in February 2005, and operational and evaluation testing is planned to begin in July 2005. Due to aircraft attrition in operations supporting the global war on terror, we are pursuing funding for a 'build-new' strategy for additional AH–1Z and UH–1Y aircraft, in order to prevent inventory shortfalls that would be unacceptable in light of current and expected operational commitments.

Heavy Lift Replacement (HLR)

The HLR will replace our aging fleet of CH–53E Super Stallion helicopters to fulfill the Marine Corps' vertical heavy lift requirement. The aircraft will provide required capabilities, not resident in any other platform, to insert and sustain a credible sea-based force. The HRL will transport 27,000 pounds to distances of 110 nautical miles under most environmental conditions. Its payloads will include armored combat vehicles or two armored HMMWVs per sortie. To sustain the force, the HLR will transport three independent loads tailored to individual receiving unit requirements and provide the critical logistics air connector to facilitate sea-based power projection operations. This reliable, cost-effective heavy lift capability will address critical challenges in maintainability, reliability, and affordability found in present-day operations supporting the global war on terror.

Vertical Unmanned Air Vehicles (VUAV)

Unmanned Air Vehicles (UAV) have played a critical role in recent operations, and they are also a key element of our transformation. We are pursing the replacement of our almost 20-year old Pioneer UAV systems—which are currently flying at almost ten times the normal peacetime rate—with the Eagle Eye tilt-rotor VUAV beginning in fiscal year 2009. The Eagle Eye platform is being developed by the Coast Guard, and spiral development of the program will achieve the speed, range, payload, survivability, reliability, interoperability, and supportability required by our marines well into the future. Our intended procurement of a common Air Force, Army, and Marine Corps UAV ground control station will enhance cost efficiency and interoperability of the system.

Expeditionary Fighting Vehicle

The Expeditionary Fighting Vehicle (EFV), our priority ground program, will provide marine surface assault elements the operational and tactical mobility to exploit fleeting opportunities in the fluid operational environment of the future. Designed to launch from amphibious ships from over the horizon, the EFV will be capable of carrying a reinforced marine rifle squad at speeds in excess of 20 nautical miles per hour in a significant wave height of 3 feet. This capability will reduce the vulnerability of our naval forces to enemy threats by keeping them well out to sea while providing our surface assault forces mounted in EFVs the mobility to react to and exploit gaps in enemy defenses ashore. Once ashore, EFVs will provide marine maneuver units with an armored personnel carrier designed to meet the threats of the future. With its high-speed land and water maneuverability, highly lethal day/night fighting ability, enhanced communications capability, advanced armor and nuclear, biological, and chemical collective protection, the EFV will significantly enhance the lethality and survivability of marine maneuver units and provide the Marine Air Ground Task Force and Expeditionary Strike Group with increased operational tempo across the spectrum of operations. Beginning in fiscal year 2010, the EFV will replace the aging assault amphibious vehicle (AAV) that has been in service since 1972.

Ground Indirect Fires

As events in Iraq and Afghanistan have demonstrated—and suggest for the future—the increased range and speed of expeditionary forces and the depth of their influence landward has increased and will continue to do so. In addition, the complementary capabilities of surface- and air-delivered fires continue to be highlighted in ongoing combat operations in Operation Enduring Freedom and Operation Iraqi Freedom. The importance of both precision and volume fires is critical to the lethality and survivability of marine forces. Precision fires assist in reducing both collateral damage and the demands on tactical logistics. Marine combat forces continue to validate the requirement for volume fires in support of maneuver warfare tactics. These fires allow maneuver forces to take advantage of maneuver warfare opportunities before precision intelligence can be developed and precision fires can be employed against fleeting targets or rapidly developing enemy defensive postures. The Marine Corps will address the need for complementary fire support capabilities through procurement of a triad of ground-based indirect fire support systems, and support for acquisition of naval aviation and surface fire support capabilities.

The new M777A1 lightweight howitzer completed operational testing in November 2004. It will replace M198 howitzers in the Marine Corps, as well as the M198s in Army Airborne, Light Units, and Stryker Brigade Combat Teams. The howitzer can be lifted by the MV–22 and CH–53E helicopters and is paired with the Medium Tactical Vehicle Replacement truck in the Marine Corps for improved cross-country mobility. The M777A1, through design innovation, navigation and positioning aides, and digital fire control offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. Delivery to the Marine Corps of low rate initial production howitzers began in December 2004. A full rate production decision is expected in February 2005, and full operational capability in the Marine Corps is planned for fiscal year 2009.

The high mobility artillery rocket system (HIMARS) fulfills a critical range and volume gap in Marine Corps fire support assets by providing 24-hour, all weather, ground-based, general support, general support-reinforcing, and reinforcing indirect precision and volume fires throughout all phases of combat operations ashore. HIMARS will be fielded to one artillery battalion of the active component and one battalion of the Reserve component. An interim capability of one battery is planned during fiscal years 2005–2006. An initial operational capability is planned for fiscal year 2007 with a full capability expected during fiscal year 2008.

The Expeditionary Fire Support System (EFSS) is the third element of the triad of indirect fire support systems. It will be the principal indirect fire support system for the vertical assault element of a Marine Expeditionary Unit (Special Operations Capable). The EFSS is a towed 120mm mortar paired with an internally transported vehicle, which permits the entire mortar/vehicle combination to be internally transported aboard MV–22 and CH–53E aircraft. EFSS-equipped units will provide the ground component of a vertical assault element with immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned for fiscal year 2006 and full operational capability is planned for fiscal year 2008.

DD(X) Land Attack Destroyer

The DD(X) land attack destroyer will provide both precision and volume fires to supported ground forces ashore. The planned 155 millimeter advanced gun system (2 per ship) will provide increased firepower range and lethality over currently available naval guns through its associated long range land attack projectile. This combination of gun and projectile will enable target engagement up to 83 nautical miles from the ship with precision accuracy. Each ship will be designed to carry 600 long-range land attack projectiles. Additionally, long-range strike options are provided through use of Tomahawk land attack missiles from the ship's peripheral vertical launch systems. The DD(X) will provide Marine Corps and Joint Force Commanders with an immediately responsive, sustainable, lethal fire support capability at ranges in support of current and future operating concepts. Initial operational capability is planned for fiscal year 2013.

Initiatives

The following key initiatives will increase our flexibility and required warfighting capabilities:

USMC/US Special Operations Command Initiatives

Ongoing operations in support of the global war on terror highlight the interdependence in the battlespace between Marine Corps operating forces and Special Operation Forces. Initiatives directed at improving the manner in which the Marine Corps and U.S. Special Operations Command (USSOCOM) operate together fall into three broad categories: people, equipment, and training. The Marine Corps and USSOCOM continue to assess current and future personnel exchanges to enhance respective warfighting capabilities. Recently, the Marine Corps initiated formation of three Foreign Military Training Units to assist USSOCOM with this critical military cooperation mission. Compatibility of equipment is another key ingredient to our successful relationship. A number of collaborative efforts, from the internally transportable vehicle to the MV–22, demonstrate the commitment to compatibility and efficiencies gained through joint acquisition. Lastly, we continue to improve our relationship through pre-deployment training, which materially contributes to battlefield success. Despite current operations tempo, our forces are making great strides.

Tactical Air Integration Initiative

Naval Tactical Aircraft (TacAir) integration is a program that allows all naval strike-fighter aircraft to meet both Services' warfighting and training requirements. Marine fighter-attack squadrons are deploying with carrier air wings aboard aircraft carriers, and Navy strike-fighter squadrons are being assigned to the Marine Corps' Unit Deployment Program for land-based deployments. Force structure reductions associated with this plan and the fielding of the Joint Strike Fighter should result in a total cost savings and cost avoidance of over $30 billion.

TacAir integration retains our warfighting potential and brings the naval services a step closer to the flexible sea based force satisfying all global war on terror, Global Naval Force Presence Posture, and operation plan requirements. A leaner, more efficient naval fighter/attack force is possible through 'global sourcing'—the ability to task any Department of the Navy squadron to either Service's mission. This concept is enabled by maintaining a 'level readiness' posture through alignment of resources to operational and training requirements.

Experimentation

Rigorous experimentation, assessment, and analysis are the primary mechanism for fostering innovation. Experimentation is vital to provide valuable information that determines the extent that concepts and force development strategies need revision. The Marine Corps works closely with our sister Services and the Joint Forces Command in fostering the creation of new concepts, refining them in the experimentation crucible, and aligning the efforts of combatant commanders, Services, interagency, multi-national, and industry partners. We believe experimentation is the foundation for all new joint concept recommendations.

The Marine Corps Combat Development Command has realigned its experimentation program around the Sea Viking Campaign. The insights gathered from Sea Viking are essential in determining potential joint force capabilities required for the conduct of forcible entry operations from a sea base. Our experimentation efforts will continue as we explore new and emerging technologies to address the interface challenges of transferring personnel and equipment utilizing sea base connectors and maritime prepositioned ships. In addition, the Marine Corps continues to conduct vital experimentation with non-lethal weapons due to the nature of conflict and its proximity to non-combatants. Although lethal force is necessary to wage success-

ful war, we have learned that it is not always appropriate for winning the peace. As we field these important new tools for operating in adverse environments where combatants and noncombatants are often intermingled, we are also assessing new options that will assist us in accomplishing our mission while minimizing unnecessary loss of life, injury, and damage to property. Research and vital experimentation continue as we evaluate new technologies to refine our capability needs.

Sea Swap

Sea Swap is a concept for gaining efficiencies in forward deployed naval forces. The concept extends ship deployment to 12 to 24 months, while rotating crews and embarked personnel on shorter periods, generally 6 months. Deployed forces increase on-station forward presence by reducing steaming time from homeport to fleet operating areas. The Marine Corps is committed to developing and testing the Sea Swap concept. While current operational tempo precludes us from dedicating a marine expeditionary unit to Sea Swap experimentation in the near future, we are continuing analytical work in conjunction with the Navy to thoroughly examine the concept to identify benefits and risks. As our operational tempo normalizes, we anticipate developing a phased training approach that will experiment with elements of the concept that apply to a marine expeditionary unit.

Expeditionary Strike Groups

The Navy-Marine Corps team has completed deployments of several expeditionary strike groups (ESG) to the U.S. Central Command area of responsibility. The ESG combines the capabilities of surface combatants, a submarine, and a tethered maritime patrol aircraft with those of an amphibious ready group and marine expeditionary unit (Special Operations capable) to provide greater combat capabilities to regional combatant commanders. Current operations have precluded us from conducting further testing to make key decisions about doctrine, organization, training, and leadership. Future proof of concept deployments will assist us in determining the way ahead for the ESG.

VI. INFRASTRUCTURE

The Marine Corps continues to make wise use of constrained resources in operating and maintaining its infrastructure. This is being accomplished by balancing new construction with demolition of inadequate or unsafe facilities, use of sustainment metrics in maintaining the structures we have, reduction in energy consumption, and use of better business practices. Long term planning is also being used to ensure our installations evolve and transition in step with our operating forces. The end state of these on-going efforts is support of combat ready marines and their families.

Corps Better Business Practices

Marine Corps Business Enterprise

The Business Enterprise Office is charged with the mission of improving the Marine Corps' business practices. The recently approved Business Enterprise Strategic Plan is designed to guide end-to-end assessment and improvement of Marine Corps business processes through fiscal year 2012. It incorporates regionalization, competition, divestiture, elimination of low-value activities and services, continuous process improvement, and investment in training our civilian marine workforce to facilitate transforming the Marine Corps into a performance based organization in support of the warfighter. The plan establishes a savings goal for the Program Objective Memorandum 2008 period that culminates in $200 million annual savings across all business processes and frees 1,700 marines for reassignment to warfighting requirements.

Regionalization of Bases and Stations

The Marine Corps is transforming its bases from singularly managed and resourced entities to ones strategically managed in geographic regions. Our goal is to position our installations to be more effective and consistent providers of support to the warfighter and will use the Marine Corps business enterprise and other initiatives to do so. Our regions will reach initial operational capability during fiscal year 2005 and full operational capability during fiscal year 2006.

Public Private Venture

Efforts to improve housing for marines and their families continue. Thanks to congressional action last year that eliminated the budgetary authority cap on public-private venture investments in military family housing, the Marine Corps remains

on track to meet the Strategic Planning Guidance goal to eliminate inadequate housing by 2007.

Force Structure Review Initiative Facility Requirements

Implementation of the approved force structure review initiatives includes facilities construction requirements to support rapid and significant force structure changes. New force structure that must be supported includes infantry, reconnaissance and intelligence units in the active component, and reconnaissance, anti-terrorism, and an intelligence unit in the Reserves. Your support for the acquisition of facilities needed to support the standup of these units is appreciated.

Encroachment

The Marine Corps has been successful in using the land-space buffering tool Congress provided the armed services in 2003 to protect areas in proximity to military lands from incompatible development. We are participating in conservation forums with land conservators, city and county planners, and open land advocates in communities where our training ranges are located. One of the goals is to preserve open space and endangered species habitat in those areas as well as deter potential incompatible development near our installations. These projects are ongoing at most of our installations.

Last year's National Defense Authorization Act also amended the Endangered Species Act to allow the Secretary of the Interior to accept Integrated Natural Resources Management Plans as suitable substitutes for critical habitat designation. The Marine Corps is using this legislation to protect and enhance populations of these species while continuing to conduct essential training.

VII. SAFETY

Effective safety programs are vital to force protection and operational readiness. Marine leaders understand the importance of leadership, education, and accountability in the effort to reduce mishaps and accidents. As a result of actions taken and programs implemented, fiscal year 2004 mishap fatalities were driven downward from the previous fiscal year. Operational mishap fatalities during the same period were also significantly reduced. Although Aviation mishaps trended upward during fiscal year 2004, marine aviation is working myriad initiatives to improve our aviation safety performance this fiscal year. Additionally, we saw a reduction in mishap fatalities (fatalities not resulting from enemy action) in Operation Iraqi Freedom II from Operation Iraqi Freedom I. Our leadership is energized at every level. From the Executive Safety Board's leadership initiatives, to the introduction of mentorship programs at the unit level and driver's improvement in recruit training, we are actively involved in the effort to safeguard our most precious assets—our marines and sailors.

VIII. CONCLUSION

In conclusion, let me emphasize that your marines, as shown in recent battles like Fallujah, are courageous and fully dedicated to whatever sacrifice is required to protect this Nation. Their bravery, sacrifice, and commitment to warfighting excellence have added new chapters to our Marine Corps' rich legacy. Your marines recognize they have an essential mission. They know that they are well equipped, well led, well trained, and have the solid backing of the American people. The Marine Corps fully understands that our greatest contribution to the Nation is our high-level of readiness—across the spectrum of conflict. With your continued support, we will ensure that your marines, their equipment, their training, and our organization are ready for any potential contingency. Marines and their families greatly appreciate the unwavering support of Congress in achieving our high level of success.

Chairman WARNER. Thank you very much, General.

General Jumper.

STATEMENT OF GEN. JOHN P. JUMPER, USAF, CHIEF OF STAFF, UNITED STATES AIR FORCE

General JUMPER. Mr. Chairman, Senator Levin, I appreciate the opportunity to be here today and tell you a little bit about your Air Force.

First of all, sir, let me say what a pleasure it is for me to serve with the gentlemen that sit at this table before you today. I can

tell you, we spend hours in conference every week, and this group pays most attention to what's good for the Nation, setting parochial interests aside, and I couldn't be more proud not only to wear this uniform, but to be a member of this great joint group that sits before you here today.

Sir, I would like to thank members of the committee, along with my colleagues, for all you've done to make yourself visible and for your visible support of all that we're engaged in around the world today. Many members of the committee have visited overseas, sir, as you have done. I was talking with Senator Levin yesterday. When you wear your uniform anywhere in this Nation, in downtown America, people come out of nowhere and say, "Thank you for what you're doing." They don't know if you're a general or an airman first class. What they know is that you're wearing that uniform, and they're grateful for what you do. It's your support, sir—it's your visible presence in the area of responsibility (AOR) that helps us greatly with our morale and makes those troops grateful for what they do for this Nation.

Sir, as we sit here today, we have 30,000 airmen deployed around the world. Over in the AOR, we have 14 bases that are still open and active. We have 10,000 people in the borders of the United States, in Operation Noble Eagle, patrolling the skies over America.

We continue to mature our Air Expeditionary Force (AEF) concept, which we began in 1997. We now have 270,000, out of 360,000 active-duty members, in the AEF deployment cycle, taking great advantage of everyone, including staff members—as a matter of fact, we have about 100 people from the air staff in the Pentagon deployed today, taking advantage of their skills.

As you mentioned, Mr. Chairman, the numbers include about 2,000 airmen that are on convoy duty with the United States Army today, driving trucks with the Army through some of the most dangerous regions, and dealing with the improvised explosive devices (IEDs) right alongside their Army colleagues.

We don't do this without some stress. The 14 bases we have open over there today has put some stress on our combat support activities, our security forces, our transportation forces, our civil engineers, and we're managing those the best we can within that AEF construct that I mentioned earlier.

The Air Force is putting the full weight of its air mobility, its special operations, its close-air support, its surveillance activity—surveillance activity all the way from Predator unmanned air vehicles all the way to satellites orbiting space—in support of our ground operations in Iraq and in Afghanistan while standing duty in other places of the world, like Guam and Diego Garcia, from which we sortie, to assure the stability that we need around the world.

In the AOR, we're flying about 225 sorties a day. We are very proud of the fact that our Air National Guard and our Air Force Reserve has a great part of what we do every day. About 55 percent of our 170,000 airlift sorties and our 36,000 air-refueling sorties last year, more than half of those were flown by Air Force—or Air National Guard and Air Force Reserve. Also, they have

about 80 percent of the 6,200 or so missions we fly every year over this Nation in Operation Noble Eagle.

Our mobility forces responded well to the disaster of the tsunami in South Asia. To date, we've delivered over 15 million pounds of relief supplies to that tragedy that occurred in South Asia.

While we're doing this, we're keeping an eye on the future. As we look out toward increasing the production of unmanned air vehicles, as we look to the F/A–22 as a way to guard against the series of surface-to-air missiles and airplanes and other things that will contest airspace around the world that needs to be penetrated, this will be our best hope for dealing with those improvements—in space, through transformational communications, through space-based radar, in trying to find ways to connect the transformational communications and space-based radar capabilities to the warfighter. In this budget, sir, you will see the improvements that have been made that make those space systems more viable and more in contact with commanders on the ground.

Of course, in the Air Force we're dealing today with the oldest fleet we've ever had. The need to begin recapitalization on some of these assets, to us, is very important, and we will continue to pursue that, sir, as we look out toward the future.

Finally, sir, you always end with people. Our recruiting and retention on the active-duty side is right where we want it to be. We ended last year, sir, with an over end strength condition in the United States Air Force. When stop loss came off, people did not leave at the rates that we had expected. We ended up with an overage in the Air Force, and we've been working on cutting down to our authorized end strength as quickly as possible. So our retention rates are obviously lower as we work that problem to incentivize the return to that end strength number.

Our recruiting figures are above normal. We have actually shut down recruiting for the first 3 months of this year so that we can stabilize at the proper end strength by the end of this fiscal year.

On the Air National Guard and Air Force Reserve side, right now they are about 2 percent below their targets in both officer and enlisted, but that's a seasonal thing, and that's what we would expect, and we would expect that they would make both of their marks by the end of the year.

Sir, I can just add to what my colleagues have said about the superb performance of our soldiers, sailors, airmen, and marines that are deployed today. I pinned a Purple Heart on a second lieutenant here last week, a security-forces person who received burns over about 40 percent of her body. Just like everyone at this table would tell you, the first words out of her mouth were, "Please let me stay in the Air Force." That's the people we have serving with us today.

We are most grateful for the support of this committee, sir, and I thank you and look forward to your questions.

[The prepared statement of General Jumper follows:]

PREPARED STATEMENT BY GEN. JOHN P. JUMPER, USAF

INTRODUCTION

Today's security environment is characterized by change and ambiguity. The future will include a variety of challenges, including the risk of catastrophic attacks on the homeland, and the possibility of disruptive technological breakthroughs by

our adversaries. The number and character of potential U.S. adversaries are growing, as states and non-state actors acquire advanced technology and even weapons of mass destruction. We can foresee the near-term threats posed by ballistic and cruise missiles; chemical, biological, radiological, and nuclear weapons; advanced double-digit surface-to-air missiles; and sophisticated combat aircraft. We should also anticipate computer network attacks and attacks on other critical infrastructure, including space networks. Not only must we be prepared to confront these known threats, but we also must be ready for unexpected, disruptive breakthroughs in technology that may undercut traditional U.S. advantages. Maintaining a strong defense able to overcome and defeat these threats remains an imperative for our Nation. Currently, the Air Force can command the global commons of air and space, and significantly influence the global commons of sea and cyberspace; however, we cannot maintain this advantage using yesterday's technology in the systems and air and space vehicles of our current force structure. Recapitalizing our aging systems is our number one challenge.

We are meeting these challenges head on. With capabilities-based planning; investments in modernization, science and technology; airmen development; and a focus on integration, we will transform into a more lethal force.

We are working with equal intensity to increase the integration and effectiveness of the joint and interagency team. The Air Force is responsible for several missions essential to the successful prosecution of any joint expeditionary operation: we provide the persistent intelligence and communications networks that deliver decision-quality information to the Joint Force Commander; we provide global mobility in the airlift and tanker forces that move people and equipment anywhere on the planet; and we provide rapid strike by employing an umbrella of kinetic and non-kinetic strike capabilities to deliver precise, tailored effects.

For America to hold its military advantage, the Air Force must continue to improve its vital national capabilities. This means anticipating the battlespace effects required in the future; we must begin today to create the force we will need tomorrow. The Air Force must adapt for the future without degrading its ability to conduct operations now and in the near term. At the same time, we must recognize fiscal constraints and remain a responsible custodian of the taxpayers' dollar. We have developed a long-range plan to allocate resources, balance risks, and shape the force to protect our Nation—a comprehensive Future Total Force (FTF).

Within FTF, we are restructuring our organizations for the decades ahead. The organizational concept within FTF leverages the strengths of all three components (Active Duty, Air Force Reserve, and Air National Guard), as well as anticipated advances in technology, to create the effects needed in tomorrow's battlespace. FTF encompasses all domains: space, air, ground, and information. Most importantly, it capitalizes on our most potent, flexible resource: our airmen.

Our airmen are a vital national resource. A key element in their development is continuing to adapt the force structure to support expeditionary operations. We face the paradox of suffering shortfalls in certain high-demand career fields while exceeding our overall congressionally authorized end strength. Therefore, we have enacted several programs to reduce the total number of Air Force personnel while reinvigorating career fields experiencing shortfalls.

As this century unfolds, technological innovation is accelerating at an unprecedented pace. Our challenge is to quickly convert laboratory ideas into battlefield effects. This entails more than creating new weapon systems; it means adopting a developmental culture that is inherently agile and responsive, enabling state-of-the-art technologies to reach the battlefield in real time. Such institutional agility will allow us to aggressively divest our legacy systems, while fielding the capabilities needed to meet new strategic challenges.

We have the finest airmen employing the most advanced technology. We are integrating operations with those of the other Services and our coalition partners. Air and space power is an essential component of a joint warfighting team and a critical force multiplier for our soldiers, sailors, and marines. Our paramount responsibility is to provide air and space dominance over the battlefield to enable the freedom of maneuver necessary for the success of joint and coalition operations.

Whether strengthening the capabilities of airmen on the battlefield; enabling joint service net-centric operations; furnishing more airlift and aerial refueling capability; or establishing an Air Component Coordination Element with ground force commanders, the Air Force is committed to increasing support to the joint warfighter. The United States Air Force makes the whole team better.

Even as the Air Force moves forward with the Future Total Force, we are engaged around the globe. Across many continents and missions and in air and space, the Air Force is a complete partner with our sister Services, interagency partners, and friends and allies.

Global War on Terrorism

Since the shockwaves of September 11, 2001, the Air Force has been integral to conducting and enabling joint and coalition operations in the global war on terrorism. Across three campaigns, Operation Noble Eagle (ONE), Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), the Air Force capabilities of rapid strike, global mobility, and persistent command, control, communications, computers, intelligence, surveillance, and reconnaissance (C^4ISR) helped defend the air sovereignty of North America; break Taliban control of Afghanistan; identify, target, and destroy al Qaeda terrorist nests in Afghanistan; overthrow Saddam Hussein's regime; and conduct reconstruction and counter-insurgency operations in Iraq. Although the threat of terrorist attacks against the United States remains, the joint team—strengthened by the Air Force—has made substantial progress in putting terrorists on the defensive and developing the new security partnerships essential for a sustained global war on terrorism.

Operations Iraqi Freedom and Enduring Freedom

The Air Force continues joint operations against Taliban remnants and Iraqi insurgents. At the close of 2004, we maintained nearly 31,000 airmen in the region—including 5,000 Air National Guardsmen and 2,500 Air Force reservists—and were flying 225 sorties a day over Iraq and Afghanistan. Having already flown more than 250,000 sorties, the Total Force team of Active, Guard, and Reserve airmen continues to perform aeromedical evacuation, persistent C^4ISR from air and space, close air support, aerial refueling, and intertheater and intratheater airlift, while successfully adapting to the dynamic environment of asymmetric warfare.

While certainly prominent in major combat operations, rapid strike has continued to enhance joint warfighting during reconstruction and stability operations. Strikes against Taliban forces and Iraqi insurgents show the enduring need for strike capabilities and the capability of the Air Force to strike time-sensitive targets with minimal collateral damage. The Air Force is bolstering this capability with the deployment of 500-pound joint direct attack munitions now in theater, development of the small diameter bomb, and development of directed energy weapons capable of delivering precise and tailored effects in adverse environments.

Not only are airmen directly overhead in Iraq and Afghanistan, but airmen from as far away as Nevada also are controlling remotely piloted aircraft critical to persistent C^4ISR and rapid strike missions. For instance, Predator aircraft are able to transmit their live video pictures to ground-based targeting teams that are equipped with the prototype remote operations video enhanced receiver (ROVER) system. Linking rapid strike and persistent C^4ISR to forces on the ground, ROVER has been used repeatedly to detect, target, and destroy improvised explosive devices (IEDs), mortars, rockets, and other insurgent activities across the region. Bolstering these capabilities are tactical airborne reconnaissance system (TARS) equipped F–16s flown by deployed Air National Guard units. The digital cameras on the TARS pod allow the pilot to conduct reconnaissance while simultaneously providing close air support. Integrating these two missions is the essence of responsive reconnaissance and integral to Air Force support to ground forces.

To help defeat IEDs, the Air Force has fielded specialized explosive detection dogs and upgraded three flying platforms that specifically focus on detecting and defeating IEDs. In the future, we will deploy IED defeat field teams to further study where Air Force unique systems can make an impact.

To ensure uninterrupted sustainment of our deployed forces and unhindered global mobility, several initiatives are being implemented to enhance aircraft protection capabilities, including upgrades to existing aircraft defensive systems, accelerated installation of new systems, and improvements in software and flare dispensing patterns. These improvements will increase the capability to detect and defeat shoulder-fired missiles being used against our mobility aircraft. Recently, these mobility assets have been used to reduce the need for ground convoys on supply routes in Iraq. Flying above the IEDs and ambushes that challenge convoys, the use of Air Force airlifters like the C–130 and C–17 has reduced the number of trucks in convoys by nearly 350 trucks per day.

Operations in Iraq and Afghanistan also highlight the importance of space-based C^4ISR capabilities to U.S. and coalition forces. These capabilities have become integral to effective warfighting operations and include precision position, navigation

and timing; secure communications; global weather; launch and support operations; persistent worldwide missile warning; and intelligence gathering. OIF and OEF relied on the all-weather precise position, navigation, and timing capability provided by the Air Force's Global Positioning System (GPS) constellation, satellite communications (SATCOM), and timely observations of weather and enemy activity. Carrying out time-sensitive targeting of Iraqi leadership and other critical targets during major combat operations, nearly 40 percent of all munitions used in OIF were GPS-guided and unaffected by the driving sand storms and inclement weather. Holding the ultimate high ground, Air Force space professionals keep a constant vigil over a global battlespace—planning, acquiring, maintaining and operating the systems that sustain America's decisive advantage in space.

Operation Noble Eagle and Homeland Defense

The Air Force's principal homeland defense mission is air defense and preserving the air sovereignty of the United States and its territories. Since September 11, over 37,000 fighter, aerial refueling, and airborne early warning sorties have been flown in defense of the United States, while over 1,800 air patrols have responded to actual incidents and suspicious flight operations. A mission that leverages the Air Force Reserve, Air National Guard, and Active-Duty components, the citizen airmen of the Air National Guard have primary responsibility for providing alert aircraft at 17 of 18 sites.

Moving beyond internal Air Force organization, the Air Force also has worked extensively with joint, interagency, and combined organizations to improve the effectiveness of homeland defense activities.

Exercises like Determined Promise-04 and Unified Defense-04 illustrated how rapid strike, persistent C^4ISR, and global mobility can be seamlessly integrated with other agencies, and prove critical to supporting U.S. Northern Command and the Department of Homeland Security.

The Civil Air Patrol provides additional capability to Northern Command, Federal agencies, and state and local governments in the global war on terrorism. Located throughout all 50 States, the District of Columbia, and Puerto Rico, the Civil Air Patrol leverages the skills and vigilance of 64,000 non-paid volunteers in over 1,700 units to bolster the Nation's defense.

Other Contingency Operations

In addition to operations at home and Southwest Asia, the Air Force supported multiple operations around the globe in 2004. Complementing our permanent presence in Northeast Asia, we bolstered the deterrence of North Korea with the continuous deployment of six B–52 bomber aircraft to the American territory of Guam. The 8,400 airmen stationed in South Korea alongside soldiers, sailors, marines and our South Korean allies are critical to regional stability, and have maintained the United Nations armistice on the Korean peninsula for over 51 years.

In the Balkans, airmen have flown over 27,000 sorties in support of Operations Joint Forge and Joint Guardian. These North Atlantic Treaty Organization (NATO)-led operations combine joint and allied forces to implement the Dayton Peace Accords in Bosnia-Herzegovina and enforce the Military Technical Agreement in Kosovo. At the end of 2004, approximately 475 airmen were supporting NATO's goal of achieving a secure and stable environment.

Since December 1989 and throughout 2004, airmen have been a critical part of the interagency fight against illegal drug and narcotics trafficking. Deployed along the southern United States, in the Caribbean, and Central and South America, eight aerostats and five ground-based radars provide round-the-clock detection and monitoring of air space. Operating these C^4ISR installations, airmen detected, monitored, and provided intercepts on hundreds of targets attempting to infiltrate U.S. airspace without proper clearance. Along with our joint and interagency partners, these operations resulted in hundreds of arrests and stopped thousands of pounds of contraband from being smuggled into the U.S.

Additionally, the Air Force is heavily involved in providing humanitarian relief to people in need around the globe. Most recently the Air Force deployed aircraft and airmen to assist in relief efforts for the Southeast Asian countries struck by tsunamis. In the initial days, C–130s and KC–135s, flying 21 missions, delivered over 120 tons of food, water, medical supplies, vehicles, and personnel to assess relief assistance. In another region of the world, the Air Force provided airlift and logistical support to the deployment of African Union peacekeepers to the war torn area of Darfur in Sudan. Also, during recent elections in Afghanistan, we airdropped water and food to remote areas to help ensure a secure and smooth voting process.

Supporting all of these Air Force operations is a robust training program that allows our Airmen to train like they fight. Competition for scarce air, land, and water

resources threatens to further encroach onto our installations, ranges, and air space—vital national assets for developing and testing new weapons, training forces, and conducting joint exercises. The Air Force supports legislative, regulatory, and management initiatives that protect Air Force operational capability while sustaining, restoring, and modernizing our natural infrastructure.

Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) is how the Air Force organizes, trains, equips, and sustains forces to meet defense strategy requirements outlined in the National Military Strategy and Strategic Planning Guidance. Including the active duty, Air Force Reserve, and Air National Guard, the Air Force is divided into 10 AEFs and an enabler force to support and sustain global expeditionary operations. Each AEF provides a portfolio of effects-based capabilities for the combatant commander. These capabilities are immediately available in two AEFs continually postured for rapid deployment. The remaining eight AEFs are in various stages of redeployment, rest, training, or deployment preparation but could rapidly deploy to a combat area if needed. When necessary, the full capability of the Total Force can be realized by surging the remaining AEFs.

During 2004, worldwide requirements of OIF, OEF, and global war on terrorism placed high demands on our expeditionary combat support (ECS) forces, long-range bombers, security forces, and other units. Due to this increased tempo, selected Air Force forces are still deployed at nearly twice the numbers that AEF policy defines as "sustainable." To adapt to this new set of circumstances, we changed our AEF deployment length from 90 days to 120 days, and the AEF cycle from 15 months to 20 months. The greater deployment length allows greater continuity for expeditionary commanders in the field.

New Triad

The National Military Strategy impacts our strategic forces as well. The Department of Defense's new defense strategy of employing a capabilities- vs. threat-based approach to planning led to the ongoing transformation of the existing triad of U.S. strategic nuclear forces (intercontinental and sea-launched ballistic missiles, and bomber aircraft) into a new triad composed of a diverse portfolio of systems. The elements of the new triad will contain non-nuclear and nuclear "strike capabilities;" active and passive defenses; and research and development and industrial infrastructure for developing, building, and maintaining offensive forces and defensive systems.

Worldwide Force Protection Challenges

The United States faces an array of asymmetric threats from terrorists and rogue states necessitating a new force protection concept of integrated base defense. The new concept draws from recent lessons learned and defines a Force Protection role for every airman as a defender of bases and critical assets. We are also developing a wide range of offensive and defensive capabilities to include new ground sensors, unmanned aerospace sensors, a common operating picture, and a command and control suite that links these sensors to remotely operated weapons and robotic systems. Non-lethal weapon systems have the potential for bringing a revolutionary set of capabilities to commanders.

Countering and defending against chemical, biological, radiological, nuclear, and high-yield explosive (CBRNE) weapons is another element of force protection and integrated base defense. To prevent adversary acquisition or development of these weapons, neutralize their capabilities, and restore essential operations and services after an attack, we are implementing a counter-CBRNE Master Plan. This will improve our ability to meet operational needs, while maximizing joint cooperation and leveraging existing institutions and capabilities.

AIR AND SPACE POWER, TOMORROW THROUGH THE FYDP

Base Realignment and Closure 2005

Base Realignment and Closure (BRAC) 2005 is the primary means by which the Air Force will optimize current infrastructure to enhance both warfighting capability and efficiency for the future. Taking a comprehensive, 20-year view, BRAC 2005 will allow the Air Force to realign the posture of our forces to better address the new challenges we face. Through creation of innovative organizational and basing solutions, the Air Force will facilitate joint and multi-component missions, reduce inefficiencies, and free up valuable resources to recruit quality people, modernize equipment and infrastructure, and develop the capabilities needed to meet 21st century threats.

While doing this we will remain focused on our three core competencies, which enable us to create the effects required on the battlefield of the future: developing airmen, technology to warfighting, and integrating operations. By focusing on these areas the Air Force has created a program through the Future Years Defense Program, which optimizes the return on our resources.

Developing Airmen

To adapt to dramatic changes in force structure and the security environment, we established a set of strategic goals to focus our personnel mission.

Force Shaping

We are on track to bring active duty end strength to the congressionally authorized level of 359,700 by the end of fiscal year 2005. This planned reduction shapes the future force without jeopardizing career field health.

The Force Shaping plan has two phases: 1) increase voluntary separations and retirements, and 2) further increase voluntary separations while simultaneously reducing programmed accessions. Phase 1, implemented in February 2004, was used to judge retention behavior and ensure a measured approach to reducing end strength. Phase 2, begun in May 2004, opened the aperture to allow more service members an opportunity to leave Active Duty. Additionally, we significantly reduced the Selective Reenlistment Bonus (SRB) program from 146 to 62 enlisted skills, resulting in a significant decrease in first term reenlistment rates; and we continue to review further reduction of SRB skills.

Other Force Shaping initiatives include the Palace Chase program—early separation from Active Duty to serve with the Air National Guard or Air Force Reserve—waiving of Active-Duty service commitments, and resurrection of the Career Job Reservation Program to correct skill imbalances and re-train first-term airmen into needed skills. Additionally, we took advantage of the statutory authority that allows 2 percent of colonels and lieutenant colonels with 2 years time-in-grade to retire in grade instead of waiting the normal 3 years; and some Air Force Reserve Officer Training Corps graduates may now go directly into the Air National Guard or Air Force Reserve.

In fiscal year 2004, we lowered accession goals by approximately 3,000. In fiscal year 2005, we continued to lower our accession goals, and have temporarily limited enlisted accessions to only the 58 most critical combat and combat support skills.

The results of our Force Shaping efforts are positive, facilitating the migration of personnel into critical shortage specialties while reducing manpower to ensure we meet authorized end strength requirements by the end of fiscal year 2005.

Rebalancing the Force

As we return to our authorized end strength, relief is flowing to "over stressed" career fields. This is a multi-step process, but our guiding principle is simple—we will properly size and shape the force to meet the needs of the Air Expeditionary Force. We are drawing down prudently, designating specialties and specific year groups within those specialties where we have more people than we need. At the same time, we are correcting our skill imbalances by realigning manpower and expanding training pipelines.

We are also taking a hard look at where our people serve. We have airmen serving outside the Air Force who don't deploy as part of an Air Expeditionary Force. They serve in joint and defense agency positions, some of which require uniformed people; however, others do not. Through military-to-civilian conversions and competitive sourcing initiatives, we are returning these airmen "to the fold."

The Guard and Reserve play a critical role in this endeavor. Today, 25 percent of the air expeditionary packages are composed of Air National Guard and Air Force Reserve volunteers. As we take steps to ensure the long-term health of our Active-Duty Forces, we must do the same for our citizen airmen.

Recruiting/Retention

While reducing accessions is a tool currently being used to bring the force down to authorized levels, it is imperative that we continue to renew and replenish the ranks with targeted recruiting. For fiscal year 2005, we plan to access nearly 19,000 enlisted members and just over 5,000 officers—a 44-percent reduction from normal enlisted recruiting levels and a slightly lower level of officers compared to fiscal year 2004.

As outlined under Force Shaping, a significant 1-year reduction in our recruiting goal is part of a deliberate effort to reduce force size without jeopardizing long-term health. A 1-year reduction will create a temporary decrease offset by the number of personnel accessed in preceding and subsequent years. We are committed to returning to normal recruiting targets as quickly as possible. Continued congressional

support of our recruiting and marketing programs will greatly enhance the Air Force's competitiveness in a dynamic job market.

A critical element for success is the ability to offer bonuses and incentives where we have traditionally experienced shortfalls. To protect this valuable resource we ensure active senior leadership management, including semi-annual reviews of which career specialties, and which year groups within those specialties, are eligible for bonuses. Congressional support for these programs, along with increases in pay and benefits and quality of life initiatives, have greatly helped us retain airmen and their families.

Personnel Service Delivery Transformation

To achieve the Secretary of Defense's objective of shifting resources "from bureaucracy to battlefield," personnel services are being overhauled. Our personnel service delivery transformation dramatically modernizes the processes, organizations, and technology by which we support airmen and their commanders. Routine personnel transactions, for instance, may now be done "on-line."

As a result, we deliver higher-quality personnel services with greater access, speed, accuracy, reliability, and efficiency. We programmed the resulting manpower savings to other compelling Air Force needs over the next 6 years. This initiative enhances our ability to acquire, train, educate, and deliver airmen with the needed skills, knowledge, and experience to accomplish Air Force missions.

National Security Personnel System

Our civilian workforce will go through a significant transformation as well with implementation of the Department of Defense National Security Personnel System (NSPS). NSPS is a simplified and more flexible civilian personnel system that will improve the way we hire, assign, compensate, and reward our valuable civilian employees. This modern, agile human resource system will be responsive to the national security environment, while preserving employee protections and benefits, as well as the core values of the civil service. Implementation will begin as early as July 2005.

NSPS design and development has been a broad-based, participative process including employees, supervisors and managers, unions, employee advocacy groups, and various public interest groups. Employees slated for conversion to the new system will be included in groupings called Spirals. Spiral One will include approximately 85,400 General Schedule and Acquisition Demonstration Project, U.S.-based Air Force civilian employees and will be rolled out in three phases over an 18-month period. The labor relations provisions of NSPS will be implemented across the Department this summer as well. NSPS is the most comprehensive new Federal personnel system in more than 50 years and a key component in the Department's achievement of a total force structure.

Culture of Airmen

We completed an Air Force-wide assessment of our sexual assault prevention and response capabilities, knowing we were not where we needed to be in addressing this societal problem that has serious readiness implications. A campaign plan was approved, and we are implementing specific initiatives to better understand the problem of sexual assault, do everything within our ability to prevent it, and prepare ourselves to provide consistent and continuing care for victims when it occurs.

In response to an increased suicide rate among airmen, we re-emphasized, and continue to stress, the need for airmen to look after one another. Commanders and co-workers are rethinking the way airmen interact with one another, calling attention to behavioral indicators and risk factors associated with suicide. Safety and risk management are also being emphasized to reduce the number of accident-related fatalities. We are weaving this mindset into the very fabric of our culture.

All airmen have a responsibility to get involved, pay attention and ensure the health and well being of their wingman. It's not a program, it's a mindset; a cultural shift designed to take better care of our most valuable resource—our people.

Air Reserve Component (Air Force Reserve and Air National Guard)

Recruiting and retaining quality service members are top priorities for the Air Force Reserve. Despite the strains mobilization places on the personal and professional lives of Reserve members, volunteerism remains high. In fiscal year 2004, and for the last 4 years, Air Force Reserve exceeded its recruiting goal. Despite the long-term effects of high operations and personnel tempo, Air Force Reserve end strength was within 0.7 percent of fiscal year 2004 congressionally-mandated requirements.

Reduced success in attracting military Air Force members who are separating from Active Duty has steered the Air Force Reserve toward recruitment and acces-

sion of non-prior service members. To meet the resulting increased training demand, 4,000 training slots per year are now allocated and funded for the Air Force Reserve. In addition, the Air Force Reserve is taking advantage of the previously mentioned Palace Chase program, which allows Active-Duty members the opportunity to move to the Air Force Reserve or Air National Guard. These experienced members are then placed into critical career skills.

Complementing the Air Force Reserve, the Air National Guard plays a vital role in support of the homeland defense mission and force transformation. The ability of the Air National Guard to achieve recruiting and retention goals through fiscal year 2006 will help determine how well the Air Force assumes new missions and supports homeland defense.

As the Air Force Reserve and Air National Guard continue to surge to meet operational requirements, we are examining existing law and policy that govern enlisted incentives and related compensation with an eye toward identifying changes that will encourage volunteerism. The Reserve enlisted bonus program is a major contributor to attracting and retaining both unit and individual mobilization augmentee members in critical career fields. To enhance retention, we are ensuring relevant compensation statutes reflect the growing reliance on the Air Force Reserve and Air National Guard to accomplish Air Force missions. We continue to explore enhanced bonus authorities, which will provide the flexibility to target our most pressing needs.

In addition, the Aviation Continuation Pay, the Career Enlisted Flyers Incentive Pay, and Aircrew Incentive Pay continue to be offered to retain our rated officer and enlisted personnel. We expanded the Air Force Reserve Special Duty Assignment Pay (SDAP) program by including an additional six career fields to enhance recruiting and retention, improve program alignment, and provide parity to Air Force Reserve members. The expansion authorizes the payment of SDAP to a reservist qualifying in the same skill and location as their Active-Duty counterpart.

The Air Force has made great strides in increasing education benefits for our Air Force Reserve and Air National Guard members, offering 100 percent tuition assistance for individuals pursuing an undergraduate degree and continuing to pay 75 percent for graduate degrees. In addition, we appreciate the President proposing and Congress enacting enhanced Montgomery GI Bill benefits for Reserve and Guard members who have served lengthy deployments.

The National Defense Authorization Act (NDAA) for Fiscal Year 2005 made permanent several authorities providing enhanced Health Care/TRICARE benefits for Air Force Reserve and Air National Guard members. For members with delayed-effective-date orders to serve on active duty in support of a contingency operation for more than 30 days, the new legislation permanently authorizes TRICARE eligibility for up to 90 days prior to the member's activation date for eligible members and their families. Additionally, the NDAA extended the Transitional Assistance Management Program benefit period from 60 and 120 days to 180 days for eligible members and their families.

Training

Distributed Mission Operations (DMO) is the cornerstone for Air Force training transformation. It is a readiness initiative to train warfighters as they expect to fight using simulation and high-fidelity architecture to link training at dispersed locations. DMO will reduce travel costs and operations tempo while providing mission rehearsal in an operationally realistic environment to maintain combat readiness and provide support to operations. It will prepare and assess Air and Space Expeditionary Forces and prepare AOC weapon systems, including Joint Force Air Component Commanders, for real-world missions. As an integration effort, DMO will leverage existing and emerging programs and technologies to fill gaps in total team training, rehearsal, and operations support.

Due to the continuing high operations tempo, the Air Force is filling over 1,900 positions in 16 different combat support skills for the U.S. Army in deployed locations—one of those skills is combat convoy operations. As a result, we established the Basic Combat Convoy Course to supplement Army training. This comprehensive, self-contained course emphasizes small unit leadership, teamwork, weapons training, and tactical convoy operations, greatly improving convoy operations and personnel survivability. It also reduced total training time in Kuwait from approximately 6 weeks to one.

Housing and Military Construction

Through military construction and housing privatization, we are providing quality homes faster than ever. Over the next 2 years, we will renovate or replace nearly

36,000 homes through privatization, and an additional 11,000 homes through military construction.

Still, airmen primarily live in communities near our installations. Basic allowance for housing increases have reduced their average out-of-pocket costs over the past few years, and will eliminate out-of-pocket costs altogether in 2005; allowing greater flexibility for airmen who reside off base.

Investment in dormitories continues to accelerate in order to provide superior housing to our unaccompanied members—evidenced by nearly 4,400 dormitory rooms programmed for funding over the next 4 years. Approximately 75 percent of these will address existing inadequate dormitory conditions. Our new "Dorms-4-Airmen" standard is designed to increase camaraderie, social interaction, and accountability by providing four single occupancy bedroom/bathrooms with a common kitchen and living area in each module. The combination of the new standard and the Air Force's unit integrity assignment policy provides an excellent platform to increase interaction within the same unit. Finally, the remaining dormitory program jumpstarts a buy-out of inadequate "pipeline" dormitories—those dorms that house young enlisted students during their initial technical training. Pipeline dormitory standards provide a large living area for two students, two walk-in closets, a bathroom, and a separate vanity for each occupant. All substandard dorms will be replaced by 2009. Knowing the Air Force provides for a family's housing needs allows every airman to focus on the mission.

Airmen's performance and morale is directly influenced by quality work centers as well. Therefore, we've placed significant emphasis on recapitalizing and improving work facilities. We've focused investment in training facilities to ensure a quality technical and mission-oriented learning environment. Similarly, we've implemented a plan to ensure all fitness centers meet current Air Force standards by 2011. Finally, we've continued our focus on providing quality childcare facilities.

Battlefield Airmen

Airmen are engaged beyond the airbase; bringing technology to warfighting on the ground using advanced systems to designate targets, control aircraft, rescue personnel, and gather vital meteorological data. The Air Force is optimizing this family of specialties, known as battlefield airmen. So far, we have identified program management, acquisition, and sustainment synergies across the combat rescue, combat control, terminal attack control, and Special Operations weather functional areas. Because Air Force personnel are an integral part of the battlespace, we are also identifying common training requirements for these airmen.

We need to organize battlefield airmen for maximum effectiveness in the modern battlespace. In addition, we must train battlefield airmen in the skills required to maximize airpower, and standardize that training across those specialties with different Battlefield Airmen skills. Finally, we want to equip our battlefield airmen with improved and standardized equipment for missions in the forward and deep battlespace.

This will expand commanders' abilities to employ battlefield airpower experts who can introduce unequaled accuracy, responsiveness, flexibility, and persistence into designated air operations.

Joint Terminal Attack Controllers (JTACs), a subset of battlefield airmen, direct the action of combat aircraft engaged in close air support and other offensive air operations from a forward position. For the first time, JTACs will be recognized across the Department of Defense as capable and authorized to perform terminal attack control in accordance with a joint standard. The Joint Close Air Support Executive Steering Committee directed the drafting of a memorandum of agreement defining the qualifications, certifications, and currencies these JTACs must possess and maintain.

In addition to night vision equipment, JTACs carry a hardened laptop computer and multi-channel radio. We've significantly reduced the weight these battlefield airmen must carry while simultaneously providing them with the ability to do such things as designate targets several kilometers away. We must further decrease the weight of their gear while increasing the capabilities and interoperability of their equipment with other air, space, and ground assets. This combination of technology facilitates the direct transfer of information to combat aircraft, minimizing errors in data transfer. To that end, the integrated air-ground imaging initiative: enables the A–10 to send digital targeting information instead of lengthy voice briefings; provides a LITENING or Sniper Targeting Pod video down link to the JTAC; and equips our JTACs with a multi-channel video receiver. This equipment will increase situational awareness, assist in combat identification, maximize first-attack success, shorten the kill-chain, and ultimately provide better support to ground forces.

Technology-to-Warfighting

Capabilities-based Concepts of Operation

The Air Force has established a capabilities-based approach to both war planning and force development, allowing focused investments on those capabilities needed to achieve the battlespace effects required by the joint warfighter. Our capabilities-based approach frees us from platform-centric force planning, leading to new ways of thinking and innovative combinations of systems.

The Air Force has developed seven concepts of operation (CONOPs)—six operational and one supporting foundational concept—for capabilities-based planning. The CONOPs define the effects we can produce across the span of joint tasks we may be tasked to perform, and help us identify those capabilities an expeditionary air force will need to achieve the desired battlespace effects. They also provide an operational context for determining how good our capability levels need to be and assessing how close we are to that objective.

- Homeland security CONOPs leverages Air Force capabilities with joint and interagency efforts to prevent, protect, and respond to threats against our homeland.
- Space and C^4ISR CONOPs encompasses the integration of manned, unmanned, and space systems to provide persistent situational awareness, space control, and decision-quality information.
- Global Mobility CONOPs provides the planning, command and control, and operations capabilities to enable timely and effective projection, employment, and sustainment of U.S. power in support of U.S. global interests.
- Global Strike CONOPs employs joint power projection capabilities to engage anti-access and high-value targets, gain access to denied battlespace, and maintain that operational access for required joint/coalition follow-on operations.
- Global Persistent Attack CONOPs provides a spectrum of capabilities from major combat to peacekeeping and sustainment operations. Global Persistent Attack assumes that once access conditions are established via the Global Strike CONOPs, there will be a need for persistent and sustained air, space, and information operations.
- Nuclear Response CONOPs provides the deterrent "umbrella" under which conventional forces operate and, should deterrence fail, provides options for a scalable response.
- The Agile Combat Support CONOPs details the capability to create, protect, and sustain air and space forces across the full spectrum of military operations. It is the foundational, crosscutting, and distinctive capability that enables Air Force operational concepts.

The CONOPs approach articulates operational capabilities that will prevail in combat and avert technological surprises. Through capabilities-based planning, we will continue to invest in our core competency of bringing technology to the warfighter, which will maintain our technical advantage and keep our air and space capabilities up to date.

Capabilities Review and Risk Assessment

The Capabilities Review and Risk Assessment (CRRA) process is the starting point for Air Force force planning and capabilities development. It replaced an outdated threat-based review process that focused on platforms instead of warfighting effects and the capabilities needed to achieve them. The CRRA requires a focus on capabilities and fosters development of innovative solution sets. The CRRA uses our six operational concepts and the foundational agile combat support concept to examine and assess our Air Force capabilities now and in the future.

During the CRRA cycle, risk assessment teams, composed of experts drawn from all specialties in the Air Force and supported by models, simulations, and other analytical tools, consider the requirements of the CONOPs. They review existing and planned programs, science and technology activities, and non-material factors. They determine the Air Force's ability to deal with an adverse event and the impact on achievement of the joint warfighting effects if the Service fails to provide the capability. Any shortfalls are screened against documented lessons learned and combatant commander integrated priority lists.

The CRRA provides senior Air Force leaders an operational-, capabilities-, and risk-based focus for investment decisionmaking. It uses operational warfighting effects as the drivers for Air Force resource allocation, while also protecting public health and natural resources.

Recapitalization / Modernization

The number one challenge for the Air Force is the need to recapitalize our aging systems. For example, our aircraft fleet now averages 23 years old. To determine the viability of these aging fleets, we chartered the Air Force Fleet Viability Board (AF FVB) in 2004 to establish a continuous, repeatable process for conducting fleet assessments. The AF FVB completed its first assessment, of the C–5A, in July 2004, and is currently studying the 43-year-old KC–135 fleet.

The principles we applied this year during the CRRA process ensured sufficient readiness to support the global war on terrorism while transforming the force and maintaining an acceptable level of risk. We have proposed recapitalization and modernization project funding necessary to extend today's legacy forces while bridging to required future systems.

Our primary modernization program is the F/A–22 Raptor. The F/A–22's revolutionary low observable technology, supercruise (Mach 1.5 without afterburner), integrated avionics, and exceptional maneuverability will guarantee America's air dominance and joint force freedom of operation. The F/A–22 program is transitioning from development to full rate production and fielding, where the aircraft will join an integrated air and space force capable of responsive and decisive global engagement.

The program entered initial operational test and evaluation (IOT&E) last April to evaluate its operational effectiveness and suitability. Air-to-air capabilities were successfully demonstrated, and initial air-to-ground capabilities were demonstrated with successful testing of the joint direct attack munition. In parallel with IOT&E, F/A–22 aircraft deliveries continue at Tyndall Air Force Base, Florida, where the first cadre of operational F/A–22 pilots is training. The 27th Fighter Squadron at Langley Air Force Base, Virginia, is on track to establish initial operational capability for the F/A–22 in December 2005.

Complementing the tremendous capabilities of the F/A–22 is the F–35 Joint Strike Fighter, an important element of the Joint Warfighter's tactical aircraft modernization plan. For the Air Force, it will recapitalize today's F–16 and A–10 combat capabilities. Specifically, it will provide affordable and survivable precision engagement and global persistent attack capabilities. Optimized for all-weather performance, the F–35 will destroy an enemy's ability to attack or defend. In 2004, the F–35 program successfully addressed early design maturity challenges. The service acquisition executive responsibility also switched from the Navy to the Air Force. In this capacity, we will continue to develop the three basic aircraft variants and coordinate the interests of the Navy and Marine Corps, along with our numerous international partners.

Remotely piloted aircraft have demonstrated their combat value in the global war on terrorism. The RQ–1/MQ–1 Predator continues to transform warfighting; providing persistent intelligence, surveillance, and reconnaissance; target acquisition; and strike capabilities against time sensitive targets. Used in every Air Force operation since 1995, Predator has amassed over 100,000 flying hours. Today, with U.S.-based flight and mission control, Predator is truly providing a revolutionary leap in how we provide military capability. Equipped with an electro-optical, infrared, and laser designator sensor, and armed with Hellfire missiles, Predator not only shortened the sensor-to-shooter timeline—the sensor is now the shooter.

We are developing the ability to operate multiple aircraft from a single ground station—in effect, multiplying our overall combat effectiveness over the battlefield. We are also developing and deploying a larger, more capable, and more lethal variant—the MQ–9 Predator B. The MQ–9 Predator B will employ robust sensors to automatically find, fix, track, and target critical emerging time sensitive targets.

By contrast, Global Hawk is a high altitude, long endurance, remotely piloted aircraft that provides robust surveillance and reconnaissance capabilities. Through the innovative use of synthetic aperture radar and electro-optical and infrared sensors, Global Hawk provides the warfighter unrelenting observation of intelligence targets in night, day, and adverse weather. Since its first flight in 1998, Global Hawk has flown over 5,000 hours—over half of that time in combat.

Global Hawk provides superior intelligence, surveillance, and reconnaissance data while deployed in support of the global war on terrorism. While cruising at extremely high altitudes, Global Hawk can collect information on spot targets and survey large geographic areas, providing military decisionmakers the most current information about enemy location, resources, and personnel. Dissemination and ground support exploitation systems consistently deliver timely intelligence to bring immediate advantage to combat operations. Despite its developmental status, Global Hawk is in constant demand by combatant commanders.

The C–17 production program continues to be a success story for the joint warfighting community. We are on schedule to receive the 180th of these force mul-

tipliers in 2008. In concert with C–5 modernization programs, C–17 acquisition is the critical enabler for meeting established airlift requirements in support of the current force-planning construct. Currently, the Joint Staff, Office of the Secretary of Defense, and Air Mobility Command are reviewing mobility requirements in light of the new National Military Strategy and the global war on terrorism. This Mobility Capabilities Study will provide a basis for determining future wartime airlift requirements. In the meantime, the C–17 has been the airlifter of choice in contingency operations. During Operation Enduring Freedom, C–17s airdropped over two million humanitarian rations. In Operation Iraqi Freedom, the C–17 performed the largest troop airdrop since Operation Just Cause in Panama, opening the Northern Front during initial operations.

Tomorrow's enabling capabilities will be hosted on a variety of systems to include the E–10A aircraft. The E–10A is being developed to identify and track enemy, friendly, and neutral forces, as well as noncombatants. It will provide persistent intelligence, surveillance, reconnaissance, and environmental data, and fuse multisource information into a common operating picture. In addition, it will find, fix, track, and target low flying cruise missiles and moving surface targets. The E–10A program and its Multi-Platform Radar Technology Insertion Program, in conjunction with other weapon system platforms, will give the combatant commander a seamless picture of the battlespace and an integrated defense against the cruise missile threat. This capability allows friendly forces to respond to time-sensitive opportunities with decisive force.

We must also recapitalize our aging aircraft tanker fleet. Based on the completion of the KC–135 recapitalization analysis of alternatives, the air refueling portion of the Mobility Capabilities Study, and the results of the Air Force Fleet Viability Board study, the Air Force anticipates Department of Defense direction to execute the KC–135 recapitalization program of record. This program will support both the National Defense Authorization Act for Fiscal Year 2005, which authorized purchase of up to 100 tanker aircraft through a multi-year contract, and the 2004 Defense Appropriations Act that established a $100 million tanker replacement transfer fund.

Capabilities-driven modernization and recapitalization efforts continue on space systems as well; as we modernize our critical constellations and capabilities across the spectrum of navigation, weather, communication, missile warning, launch, surveillance, and ground systems.

The evolved expendable launch vehicle (EELV) fields two launch designs to provide assured access to space for government systems. The transformational communications satellite will employ Internet Protocol networks and high-bandwidth lasers in space to dramatically increase warfighter communications connectivity. Modernization of Global Positioning System (GPS) and development of the next-generation GPS III will enhance navigation capability and improve resistance to jamming. In partnership with NASA and the Department of Commerce, the Air Force is developing the National Polar-orbiting Operational Environmental Satellite System, which offers next-generation meteorological capability. We are well on the way to deployment of the Space Based Infrared System, a transformational leap in capability over our aging Defense Support Program satellites. The Space-Based Radar effort has been refocused on developing a system that meets the needs of both military and intelligence community users. Each of these systems support critical C^4ISR capabilities that give the Joint Force Commander increased technological and asymmetric advantages.

Space superiority efforts are enabled by comprehensive space situational awareness (SSA) and defensive and offensive counterspace capabilities. Enhanced ground-based and new space-based SSA assets will provide the necessary information to gain and maintain space superiority. With respect to defensive counterspace, we maintain a diversified ground-based command and control network and are developing increased protection for our satellites and space-based services to ensure the capabilities are there in time of battle. We also recently fielded the counter-communications system to deny these same services to our adversaries. A well-balanced architecture will enable execution of an effective space superiority strategy.

Our Depot Maintenance Strategy and Master Plan calls for major transformation in financial and infrastructure capitalization. To support this plan, the Air Force increased funding in fiscal years 2004–2009 for depot facilities and equipment modernization. We also began a significant push to require weapon system managers to establish their product support and depot maintenance programs early in the acquisition cycle, and to plan and program the necessary investment dollars required for capacity and capability. Additionally, we are partnering with private industry to adopt technologies to meet capability requirements. The result—enhanced warfighter support.

Finally, improvements to our air and space systems will require improvements in our foundational support systems. Deteriorating airfields, hangars, waterlines, electrical networks, and air traffic control approach and landing systems are just some of the infrastructure elements needing immediate attention. Our investment strategy focuses on three simultaneous steps: disposing of excess facilities; sustaining our facilities and infrastructure; and establishing a sustainable investment program for future modernization.

Expectation Management/Spiral Development/Systems Engineering

To improve effectiveness in providing technology to the warfighter, we've enacted several new acquisition policies. Expectation management, spiral development, and renewed emphasis on systems engineering will eliminate technological surprises and reduce weapon system delivery cycle times.

Expectation management means better collaboration between the warfighting and acquisition communities during the life cycle of a weapon system. At least yearly, general officers from the major commands and acquisition community will formally review the cost, schedule, and performance of acquisition programs. Beginning with frank discussion about the "art of the possible," these sessions will subsequently inform decisionmakers about the ramifications of evolving requirements and funding changes.

With a spiral development acquisition process, we expect to deliver a baseline combat capability to the warfighter faster than a process which focuses solely on a "100-percent solution." This approach increases flexibility to respond to the ever-changing nature of external threats and resource fluctuations. Building on a solid systems engineering foundation, we expect to maximize improvements in communication and development strategy, paying dividends in transitioning technology to warfighting faster, and at reduced cost.

Systems engineering ensures that contractor-proposed solutions are both consistent with sound engineering principles and are spiral capable. It is the chief means by which we can hedge against technology risk. We must have the capability to proceed smoothly from one spiral development effort to the next; capturing as much capability as current technology and funding can produce. Under the direction of the Service Acquisition Executive, Milestone Decision Authorities will now review a program's proposed approach to systems engineering prior to approving acquisition strategy plans. Indeed, systems engineering performance is so critical to our capability to transition technology to the warfighter, that it is included among contractor incentives. Many of the above approaches are already in use.

In our space system acquisition, we will continue to emphasize the transition from "cost as the primary driver" to "mission success as the primary driver." We will also continue to stress the importance of budgeting to the most probable cost—with realistic Reserves—and the value of independent cost assessments, program assessments, and reviews. Maintaining sufficient Reserves is essential to effectively execute these challenging National Security Space Programs.

Transforming Business Process

By leveraging the availability of global information, we are achieving significant operational advantages. All Air Force Concepts of Operation rely heavily on critical information resources that are available "on the network" and delivered through a net-centric operating environment that is robust, secure, and available. To maintain information superiority, the Air Force must target a common infrastructure and fully leverage enterprise services and shared capabilities. To ensure the most efficient infrastructure, we are identifying enterprise-wide information resource solutions. These solutions are designed to deliver and implement efficiencies, which allow us to accelerate horizontal information integration, reduce information exchange barriers, reduce the total cost of information delivery, and shift resources to support warfighter operations and weapon system modernization.

For example, we reduced operating costs over the last 2 years by consolidating our networks and servers that provide information technology (IT) services. More important, networks are more stable with increased uptime and lower failure rates. We have improved our security with a better computer defense posture and are able to deploy patches and updates to the field quickly, resulting in fewer successful intrusions and denial of service incidents. In addition, the stand up of the Air Force Network Operations and Security Center will advance our consolidation efforts and real-time monitoring of performance, configuration control, and security posture.

The GeoBase program provides standardized installation mapping and visualization support to airmen through deployment of integrated aerial photography and geospatial data layers. These IT products support the joint warfighter common operating picture, minimize wasteful and potentially dangerous redundant data collec-

tion efforts, and enable cross-service situational awareness and decisionmaking capabilities.

IT portfolio management ensures IT investments align with Air Force priorities and produce measurable results. Annual Air Force-wide portfolio assessment ensures scarce resources are managed through the Capital Planning Investment Control processes: select, control, and evaluate. Senior leadership support of portfolio management enables the Air Force to gain greater visibility into resources from an IT enterprise perspective.

Likewise, we are transforming financial management by procuring and implementing a modern commercial off-the-shelf accounting system that will produce accurate, reliable, and timely information. We are also streamlining and centralizing our customer service organizations and processes to invest more resources towards value-added demands while reducing the cost of transaction-oriented tasks. The result will be a smaller, but more efficient organization with enhanced financial management skills that can partner with stakeholders to make informed financial decisions based upon real-time information.

Department of Defense Teleport Program

The DOD teleport program is the expansion of defense satellite communications system's standardized tactical entry point (STEP) program. Teleport builds on the existing STEP program concept and was approved for initial development in 1998. Seven STEP sites have been selected to be upgraded to six teleports: Defense Information Systems Network Northwest, Virginia; Fort Buckner, Japan; Wahiawa, Hawaii; Camp Roberts, California; Lago di Patria, Italy; and Ramstein Air Base/Landstuhl, Germany (combined teleport site). Teleport extends services to the deployed user, providing secure and non-secure telephone service; secure and non-secure Internet Protocol routing; and video teleconferencing through worldwide satellite coverage between 65 degrees north and 65 degrees south latitudes. DOD Teleport provides these services through a variety of satellite communication systems, including the use of commercial satellites.

Air and Space Operations Center Weapon System (AOC WS)

The AOC WS is the focal point where command and control of all air and space power is harnessed to deliver combat effects to the warfighter. To make this center more effective, we made it a weapon system—and we man it and train like it's a weapon system: certified and standardized. We've injected the technology to increase machine-to-machine connectivity by developing the software and procedures to enable information fusion and accelerate the decider-to-shooter loop. We expect to have all five of our AOC weapon systems (known as Falconers) fully operational by fiscal year 2006.

Integrating Operations

The Air Force provides a global presence and response capability for the National Military Strategy that gives warfighters timely and reliable access to all human, materiel and information resources. With our expeditionary approach to warfighting, we are relying more heavily on global operational support processes and extensive reachback—the ability to support overseas operations from stateside locations. We are modernizing these processes and related systems.

Key to this modernization is the establishment of common and interoperable capabilities such as a single Air Force portal and data repository within the classified and unclassified domains. Over the past 18 months, we have designed and implemented the Global Combat Support System-Air Force program—a set of capabilities that support our vision and objectives. Using these capabilities, we have rapidly integrated legacy and newly developed applications and services, drawn information from global sources to provide a composite view of information, and eliminated the costly requirement for each program to purchase and support unique hardware and system software.

Operations Support Modernization Program

The Air Force's operational support (OS) transformation is a 7 to 10 year journey. By focusing on effectiveness and contribution to warfighting effects, we can identify the early steps in this transformation journey, and accelerate the delivery of changes that contribute to the core mission of the Air Force.

In May 2004, a commanders' integrated product team (CIPT) issued the operational support modernization program (OSMP) flight plan. The plan identified four OS critical processes: deployment management, operational response, agile sustainment, and focused OS command and control. The plan identified three enablers of OS transformation—providing shared authoritative data, executing an integrated workflow, and providing a common operational support picture.

Money has been set aside from fiscal year 2005 to fiscal year 2009 to fund modernization and transformation efforts under the operational support modernization initiatives (OSMI). This venture capital funding provides seed money for innovative ideas, allowing organizations to accelerate delivery of capabilities to the warfighter to improve effectiveness.

In 2004, the CIPT established organizations that have captured a significant portion of the operational support enterprise architecture; coordinated the OSMI–04 analysis and decision process; developed a draft version of the OS concept of operations for business modernization; and initiated a lean re-engineering process within the OS community while establishing the foundation for the cooperation and coordination of business modernization efforts among the Air Force domains and major commands. The present lean efforts focus on three OS critical processes: AEF deployment management, OS command & control, and full spectrum threat response, and are aimed at the needs of the warfighter.

In 2005, the CIPT expects to realize the initial benefits of the OSMP flight plan, including managing the OS processes and portfolio, fielding initial capabilities, beginning horizontal integration, increasing breadth of efforts, and engineering additional critical processes. Over the long term, CIPT hopes to institutionalize capabilities-based operational support.

OS modernization promotes Air Force-wide transformation efforts, ensuring a cross-functional, cross-major command, enterprise approach with the goal of a fast flexible, agile, horizontally integrated OS process and system infrastructure.

Likewise, warfighters and decisionmakers are dependent on information generated and shared across networks worldwide. Successful provision of warfighting integration requires an enterprise approach of total information cycle activities including people, processes, and technology. To best leverage current and emerging technologies with warfighting operational and legal requirements, we are establishing a new organization in 2005, Networks & Warfighting Integration-Chief Information Officer (SAF/NWI–CIO). This new organization will absorb and consolidate the Deputy Chief of Staff for Warfighting Integration, Chief Information Officer, and Communications Directorate within the Secretariat. The organization will be led by an active duty lieutenant general.

Our logistics transformation provides a recent example of these transformation efforts. While current logistics operations are effective, sustainment costs are rising. In fiscal year 2003, the Air Force spent over $27.5 billion in operations and sustainment of weapon systems and support equipment. The costs will continue to escalate unless current logistics processes and associated information systems are improved.

The Expeditionary Logistics for the 21st Century (eLog21) Campaign is the Air Force's logistics transformation plan, and it is essential to our overall Air Force transformation program. The eLog21 goals are straightforward: a 20-percent increase in equipment availability by 2009 and a 10-percent reduction of annual operations and support costs by fiscal year 2011. The savings gained through eLog21 will provide the resources to support our warfighters by getting the right equipment to the right place, at the right time, and at the right price.

At the core of this effort is a comprehensive examination of the core processes used to support warfighters. A few years ago, Air Force Materiel Command began a comprehensive process improvement effort called "Lean" within our three Air Logistics Centers. "Lean" produced, and will continue to produce, substantial results. For example, Robins Air Force Base, Georgia, freed up 20,000 square feet of valuable industrial floor space to support expanded activities. We seek to expand this transformational approach to base level maintenance, installation support, and training activities.

There are many other facets of eLog21 that will leverage these improvements: expanding the regional repair concept we have employed in many deployed areas; streamlining the supply chain through better collaboration with vendors; using commodity councils that are responsible for managing the purchasing of weapon system components; and leveraging the power of information technology through enterprise resource planning, known as the Expeditionary Combat Support System.

Ultimately, eLog21 is about our people. The most important factor will be our ability to tap into the ideas and energy of the thousands of logisticians who keep our Air Force operating every day. It is not just a staff project or a new information technology. It is a team of airmen developing new concepts in global mobility.

Future Total Force

As we move into the 21st century, the Air Force faces increasing modernization and recapitalization challenges, increasingly hard to define adversaries, and constrained budget realities. While we possess weapon systems to meet today's challenges and are investing in cutting edge technology and highly capable, highly trained personnel, we must make transformational changes to maximize the capability these advances provide. To accomplish this, the Air Force has developed a modified force structure and new organizational construct—the Future Total Force (FTF).

FTF provides the Air Force the capability and organizational flexibility to address the near-term challenges of aging systems and emerging missions. Furthermore, FTF will increase the Air Force's ability to deploy in support of combat while maintaining a credible force to continue necessary stateside training missions and homeland defense.

In the future, the Air Force will shift investment from "traditional" combat forces with single mission capabilities to multi-role forces, and aggressively divest itself of legacy systems. The result is a force structure with expanded capability to combat irregular, catastrophic, and disruptive threats, while maintaining the capability to combat "traditional" threats.

This smaller but more capable force will provide for modernization and recapitalization of selected weapon systems, allowing us to commit more resources to networked and integrated joint enablers. Overall, this modified force structure increases support to the joint warfighter. With more airlift and aerial refueling capability; more capable space constellations; persistent air-breathing ISR; and new ways to think about close air support, the future Air Force will provide more of the capabilities demanded by the joint force.

As part of this overall effort, the Air Force has developed an organizational construct that capitalizes on the inherent strengths of the Air Force's three components: the Active-Duty, Air Force Reserve, and Air National Guard. In order to capitalize on these strengths, we based the FTF organizational construct on the successful associate model. Associate units are comprised of two or more components that are operationally integrated but whose chains of command remain separate.

Towards this vision, new organizational constructs will integrate Air Force Reserve and Air National Guard personnel with their Active-Duty counterparts in virtually every facet of Air Force operations.

One of the key strengths of the Air Force Reserve and Air National Guard is higher personnel experience levels relative to Active-Duty personnel. Increased integration will allow us to "rebalance" these experience levels, seasoning our Active-Duty personnel through exposure to senior Reserve and Guard members. This also allows our Active-Duty pilots to gain experience flying operational sorties while capitalizing on Reserve and Guard experience in an instructor capacity.

In addition to enhancing our efforts on the battlefield, Air Force Reserve and Air National Guard members give us unsurpassed tools to conduct homeland defense missions. While still involved in expeditionary operations, FTF will increase the role of the Reserve and Guard in emerging stateside missions—a perfect fit for our citizen airmen. These changes will not only improve our operational effectiveness, but will reduce reliance on involuntary mobilization, providing more stability for citizen airmen and their civilian employers.

The FTF, a modified force structure and new organizational construct, will give us the needed capabilities to meet future strategic challenges. Along with FTF, the Air Force has instituted initiatives in several key areas for the future.

Science and Technology

The Air Force is committed to providing the Nation with the advanced air and space technologies required to protect our national security interests and ensure we remain on the cutting edge of system performance, flexibility, and affordability. Air Force science and technology (S&T) investments are focused on achieving the warfighting effects and capabilities required by the Air Force concepts of operations.

By focusing on the technologies we believe we will need in the next 10 to 25 years, we have made great strides in the information technology, battlefield air operations, space operations, directed energy, and sensors areas. We are pursuing key technologies, for example, sensors to identify concealed targets; automated information management systems essential to net-centric warfare; and countermeasures for manportable air defense systems. Other technologies, such as laser communications to increase data transfer rates or advanced micro air vehicles to provide persistent

intelligence, surveillance, and reconnaissance, will increase future warfighting capabilities.

Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance

Our goal is to achieve joint horizontal C^4ISR integration and interoperability for the entire joint force. The vision is a seamless and ubiquitous network where space, air, and terrestrial assets have global machine-to-machine connectivity; where warfighters are armed with decision dominance, speed, and precision; and where weapon systems and platforms are "network-enabled."

The Airborne Network for ConstellationNet

The Air Force provides transportation layer components of the overall Department of Defense Global Information Grid under an effort we call ConstellationNet. The ConstellationNet is the information transport network (space, air, and ground) that allows a free flow of information rapidly accessible and presented to warfighters at the right time and right place to create the combatant commander's desired effects. The key to achieving information superiority is developing a robust space and air network that provides connectivity to network enabled platforms, fused intelligence, and real-time command and control. We are building the architecture and infrastructure that connects these platforms, creating a network in the sky.

The space and air network will leverage evolving technologies and bring about the network-centric operations capabilities of internet protocol-based networks to overcome the current challenge of making the information exchange between platforms completely interoperable without degrading performance. These new technology standards and protocols will be incorporated through programs like the joint tactical radio system, the transformational communications satellite system, and the Global Information Grid-Bandwidth Expansion.

The Ground Network for ConstellationNet

The combat information transport system (CITS) provides the Air Force ground segment of the ConstellationNet. CITS is structured into three components. The first is the communications transport component, which delivers high-speed and high-capacity network backbone capability for the distribution of voice, video, data, sensor, and multimedia information inside the base campus, as well as the gateway off the base to the defense information systems network and Global Information Grid Bandwidth Expansion locations. The second component is Net Battle Management. This component provides the capability to Air Force Network Operations and Security Centers (NOSCs) to centrally command and control the Air Force ConstellationNet across space, air, and ground information transport domains. To command and control the network, the NOSCs must have the ability to control the flow, routing, and traffic priorities of information based on mission requirements. Additionally, they must have the ability to grant and deny access to the network based on mission need and threat to the Global Information Grid. This leads to the third component of CITS, Net Defense. The Net Defense component integrates and fields information assurance capabilities across the ground component, to prevent unauthorized access to ConstellationNet.

The Air Force envisions machine-to-machine communication between platforms, manned and unmanned, on the ground, in the air, and in space. To command and control these interactions, the Air Force has initiated an effort called Warfighting Headquarters.

Warfighting Headquarters

We are transforming our command and control structure by establishing new Warfighting Headquarters (WFHQ), positioned globally, and replacing our old Cold War structures to provide the Joint Force Commander with the most effective means to command and control air and space forces in support of national security objectives. This new standing command structure consists of the Commander of Air Force Forces (COMAFFOR), the COMAFFOR's personal and special staffs, and the Air Force forces functional staff. These forces will be organized and resourced to plan and deliver air and space power in support of U.S. and Unified Combatant Commander (UCC) strategies at a core capability level on a daily basis, further easing the transition from peacetime to wartime operations. The WFHQs are also structured to assume responsibilities immediately as the Combined or Joint Force Air Component Commander, and with the appropriate augmentation from the UCC, could assume the role as a Joint Task Force headquarters. The Warfighting Headquarters will also leverage the increased capabilities developed through Joint Warfighting Space.

Joint Warfighting Space

The Air Force is intensifying its focus on operationally responsive space—the ability to rapidly employ responsive spacelift vehicles and satellites and deliver space-based capabilities whenever and wherever needed. The first step in achieving a global operationally responsive space capability is the joint warfighting space (JWS) concept. JWS will provide dedicated, responsive space capabilities and effects to the Joint Force Commander in support of national security objectives. The concept seeks immediate and near-term initial operating capabilities to meet pressing Joint Force Commander needs, and a full operational capability beyond 2010. Additionally, the Air Force envisions that JWS system capabilities will evolve as technology advances and the needs of the theater commander change.

In the near-term, JWS will exploit existing off-the-shelf technologies from each Service. It will enhance and incorporate space capabilities in joint training and exercises, increase space integration in the air expeditionary force, and allow the Joint Force Commander to take advantage of the many synergies provided by multi-service space professionals. Lessons learned from JWS in exercises and crisis employment will initiate changes to space doctrine and help the Air Force, fellow Services, and joint community develop innovative space-derived effects.

As technologies mature, JWS will bring the Joint Force Commander enhanced, dedicated capabilities that eliminate gaps in present-day space operations. The long-term plan envisions a fully capable expeditionary force, ready and responsive to theater warfighters' needs at the operational and tactical levels of war.

When fully operational, the JWS capability will deliver responsive near space (i.e., the area above the earth from 65,000 to 325,000 feet altitude) and on-orbit capabilities to directly support the Joint Force Commander. If required, JWS squadrons could deploy from stateside to operate near space assets or integrate JWS capabilities into theater operations.

Improving Close Air Support and Battlefield Airmen

To increase its rapid strike capabilities in the close battlefield, the Air Force is examining new ways to improve upon its joint close air support (JCAS) mission, as well as implementing a way to better train personnel for the employment of air and space power. By combining the payload, long-loiter, and high-altitude capacity of bombers with precision munitions, improved command and control, and precise targeting, we have expanded our ability to conduct CAS. Performing CAS at high altitude with great precision and persistence is a major advancement in joint operations with land forces. Using laser and Global Positioning System-guided bombs such as the joint direct attack munition (JDAM), and with direct communications with a ground controller, a variety of aircraft are able to drop large numbers of JDAMs very close to friendly troops, destroying the enemy with massive, yet tailored, firepower. This capability provides day/night and all-weather support to ground forces.

Today, primarily fighter and bomber aircraft, like the A–10, B–52, and F–16, conduct CAS. As these aircraft begin to reach the end of their service lives, F–35A conventional takeoff and landing (CTOL) and F–35B short takeoff and vertical landing (STOVL) variants will become the Air Force's workhorses for CAS and other missions.

The F–35B STOVL variant offers a capability to operate with advancing U.S. Army, Marine Corps, and Special Operations Forces in a non-linear, dynamic battlefield. In addition, the F–35B will have commonality and interoperability with F–35s operated by other Services and allies, facilitating joint and coalition operations.

Additionally, tactical air control party modernization program improvements are transforming close air support control from reliance on voice communications during day/good weather conditions to digital/video and night/all-weather capability. The Remote Operations Video Enhanced Receiver kit provides real-time video from remotely piloted aircraft and other video transmitters. It includes computers, software, and data link operations, and can transmit targeting information as well as formatted and free-hand messages. Laser range finders and laser designators provide the ability to take full advantage of precision and near-precision munitions. Quickly and accurately identifying and relaying target information not only makes our forces safer by allowing engagement of enemy forces in minimum time, but also reduces the risk of engaging the wrong target.

Joint Unmanned Combat Air System

The Air Force has also emphasized the persistent ground attack mission for the next-generation joint unmanned combat air system capability demonstration program. This system will undergo an operational assessment in the 2007 to 2010 timeframe.

Under development is an integrated surface moving target indicator (SMTI) network composed of manned and unmanned air and space assets that will enable the combatant commander to remotely find, fix, track, target, and engage moving targets. Lessons learned from Operations Desert Storm, Enduring Freedom, and Iraqi Freedom reflect the growing importance of SMTI. This proven capability shortens the kill chain by providing the warfighter the ability to "put a cursor on the target." By linking future SMTI capability to find, fix, and track a moving target to the F/A–22 and F–35 capability to target and engage that same target, we achieve a transformational battlefield capability.

Long-Range Strike

To further refine its rapid strike capabilities, the Air Force is transitioning its long-range strike strategy to focus on effects instead of platforms. We view long-range strike as the capability to achieve the desired effects rapidly and/or persistently on any target set in any environment anywhere at anytime. The Air Force is responsible for conducting long-range strike missions as part of the Global Strike concept of operations. Our forces must be responsive to multiple combatant commanders simultaneously and able to strike any point on the planet.

Today, we provide deep strike capabilities through a variety of platforms and weapons. Future capabilities must continue to enhance the effectiveness of the system. Responsive capabilities combine speed and stealth with payload to strike hardened, deeply buried, or mobile targets, deep in enemy territory, in adverse weather, with survivable persistence in the battlespace.

Special Operations Forces

We are emphasizing the unique effect produced by the synergy of Special Operations Forces (SOF) and rapid strike, and evolving requirements for SOF in the global war on terrorism. As part of meeting these new mission sets, we will continue to work in an increasingly joint environment with our sister service SOF units, and in concert with U.S. Special Operations Command. Our SOF units will enhance Army operations concepts resulting in a wider dispersion of ground forces across the battlefield.

New mobility platforms such as the CV–22 Osprey and the advanced Air Force Special Operations Forces mobility platform will add a new dimension in the ability to conduct SOF operations. Additionally, the F/A–22 will be a key enabler of forward operational access for joint forces. The Raptor will use its stealth and supercruise capabilities to support SOF and other maneuver elements deep in enemy territory, in what would otherwise be denied airspace.

Closely related is the need to rapidly recover and extract personnel. We have begun the personnel recovery vehicle program, seeking to achieve initial operational capability in fiscal year 2013 and replace the aging HH–60 combat search and rescue aircraft. We will continue to leverage our highly trained, highly motivated SOF personnel and develop technologies to devise a smaller, harder-hitting, faster-reacting, highly survivable force that maximizes the element of strategic and tactical surprise to defeat America's current and potential adversaries.

SUMMARY—ON COURSE FOR THE FUTURE

The Air Force of the future makes the whole team better. Built around the 2025 Force and its accompanying organizational construct, the Future Total Force, the Air Force will be a more capable, smaller force. As such, the future Air Force increases the capability and flexibility of the joint force—and, subsequently, increases options for the Secretary of Defense and the President. These military options will be crucial to the defense of the Nation as the United States continues to wage the global war on terrorism while transforming and strengthening the joint force for any future contingency.

The Air Force offers an unparalleled set of combat capabilities to directly influence any joint or interagency operation, as well as the enabling capabilities to improve joint warfighting capabilities on the ground, on or under the sea, and in the air and space. Recognizing that no Service, or even DOD, can achieve success by itself, the Air Force has focused on increasing the integration and effectiveness of the joint force and interagency team.

To achieve new levels of integration and effectiveness, the Air Force will take advantage of the United States' long-held command of the global commons—air, sea, space, and cyberspace. The Air Force intends to extend its current air and space power advantage. As part of the joint force, the Air Force is positioned to leverage its persistent C^4ISR, global mobility, and rapid strike to help win the global war on terrorism, strengthen joint warfighting capabilities, and transform the joint force—while minimizing risk.

To accomplish this requires focused investment in our people, science, and technology; and recapitalization of our aging aircraft and weapon systems. As threats change and America's interests evolve, we will continue to adapt and remain the world's premier air and space force. Together with our fellow Services, we stand resolute, committed to defending the United States and defeating our enemies.

Chairman WARNER. Thank you, General. Thank you for that personal story. It's remarkable, in this chapter—a long 200-year-plus chapter of our military history and the complicated war on terrorism—time and time again, those who have suffered wounds and who have had the benefit of the best medical treatment in the world are often saying, "I want to stay in and go back to my unit." Each one of you have told me the stories of these brave young men and women. Thank you for that story.

We'll have a 6-minute round and hopefully get through two rounds today.

General Schoomaker, let's start with what's always first and foremost in our mind. Is this Nation providing adequately for the men and women through the equipment that we're providing? There have been a lot of unfortunate twists and turns in this conflict, largely because of the unanticipated insurgency, the infamous IED, other weapons that have been brought to bear against our forces trying to bring about civil restoration in the cause of freedom. Tell us about the vehicle situation, the body-armor situation, and such other aspects as are important for this committee to consider, and whether there's anything left undone by Congress that needs to be done in this area.

General SCHOOMAKER. Sure. Thank you very much, especially for that question, because, with your support, I believe we're sending the best-equipped, best-trained force into harm's way today that we ever had as a Nation.

Having said that, we are against a thinking, adaptive foe. It's going to be a continuous fight of adaptation. I anticipate that our needs will continue as we have to evolve the equipment to meet these kinds of threats.

Specifically in the body armor area, we now have produced over 500,000 sets of small arms protective insert (SAPI) body armor. There is no one going into harm's way today that is not equipped with the best that we have to offer in the body armor area. Of course, we're on a path to produce approximately 840,000 sets, so that it becomes an integral part of every soldier's equipment from the time they enter basic training all the way through their eventual role in combat, if that's necessary.

Chairman WARNER. Before we leave body armor—are we also implementing all types of R&D innovations to improve body armor as we meet varying contingency situations?

General SCHOOMAKER. That is correct. Not only for the body armor, as we know it today, the individual body armor, but various ensembles, based upon a person's position. For instance, we're developing specific ensembles for people that are exposed in turrets and in open hatches of vehicles that are most vulnerable as they go.

Chairman WARNER. Right. I thank you for that.

General SCHOOMAKER. Now, in terms of the vehicles, as of the 15th of this month, General Casey has announced that there will be no American soldier, sailor, airman, or marine in a vehicle from

that will depart a safe cantonment, forward-operating base, that isn't protected adequately by an armored vehicle.

As I've testified many times, 18 months ago we had less than 500 up-armored high-mobility multipurpose wheeled vehicles (HMMWVs) in the United States Army, with less than 250 of those deployed to Iraq. Today we have in excess of 26,000 up-armored vehicles—not just HMMWVs, but trucks of all types—heavy equipment transporters (HETs), heavy expandability mobility tactical trucks (HEMTTs), palletized load system (PLS) trucks, et cetera—that are armored, and we're continuing to do this, because we anticipate this as a recurring requirement as we go into the 21st century. We are looking at innovative ways, as we discussed yesterday, of being able to snap-on/snap-off some of this armor so that we can retain this capability as we modernize our truck fleet, replace worn-out equipment, et cetera.

So it's been with the extraordinary support of Congress and industry and our own labs and depots and a variety of other people that have allowed us to do this, and I'm happy to tell you that I believe that we're starting now to harvest all this tremendous effort that we've put in to it.

Chairman WARNER. Thank you, General.

General HAGEE. Sir, if I could add to that?

Chairman WARNER. Yes.

General HAGEE. I won't repeat what General Schoomaker said. But this effort really is one of the ones that I am the proudest of, and it really goes to those marines and individuals that are here in the United States who have responded to the requirement over in Iraq and Afghanistan.

Besides the vehicles, which General Schoomaker addressed, when we were getting ready to go back over, in January of last year, not all of our aircraft had the appropriate aircraft survivability equipment. But before any aircraft flew in harm's way over there, we ensured that the aircraft had the proper equipment on it to protect itself. Money was never a question. We quite often talk about the aircraft survivability equipment, the armor on the trucks and the HMMWVs, but just as important to that infantryman are the eye protective devices, the quality M16A4 weapon that he's carrying; the advanced combat optical gumsight (ACOG) that we were able to procure with help from Congress; small things like earplugs, earplugs that you can turn, depending on whether it's a constant noise or whether it is a periodic noise, to better protect them. This Nation, this Congress, has really stepped up. Whenever there's been a requirement out there, money has not been a problem, and we have been able to fill it, and I thank you for that support.

Chairman WARNER. Thank you very much.

Admiral, I remember so well, in my first years on this committee, John Stennis was chairman, and at that time we were acquiring the *Nimitz*-class carriers. I remember, when we were up against tough budget decisions, he would always say to me, "How many times have I visited Presidents of the United States?" He had a long and distinguished career in this body. The Presidents would always say, "John, tell me about the carrier force, because when

that phone rings at night, first thing I think about is, where is the nearest United States aircraft carrier?"

So you can imagine the shock that was received here in Congress with the arrival of the President's budget, where we're departing from the current level of carriers—it's been the integral building block, not only for the Navy, but for our force structure and our planning for forward-deployed operations in the proposed retirement, in this budget, by the President of the United States, the Commander in Chief, of the U.S.S. *John F. Kennedy.* I'd like to have you provide for this committee now the decision process that led to that very dramatic departure from the Quadrennial Defense Review (QDR) and all of our force planning structure.

Second, the opening of the options to continue a base structure that can service our carriers. Presently, you have two east coast bases and two west coast bases servicing carriers, but the base in Mayport, Florida, is limited, because it is not equipped to handle the advanced technology of the nuclear-powered aircraft carrier.

So I'd like to have you walk through, first, how the Department of the Navy arrived at this recommendation, which I presume was made by the Department of the Navy to the President, the timing of it, and, second, how do you propose to plan for the future?

Admiral CLARK. Okay, Mr. Chairman, let me start with the second question first and just say that I have spoken publicly for some months about the post-September 11 world that we live in and my belief that there is danger in over-centralizing. You know my track history. I've been working to create efficiency in the Navy as fast as I can make it happen. Having said that, it is my view that over-centralization of the port structure is not a good strategic move, and my view has been that I need, and the Navy should have, two carrier-capable home ports on each coast. So I put that on the table first, and then let me go to the second question.

Chairman WARNER. Well, to the best of my knowledge, you have not formally communicated that to Congress in the course of testimony through the years. Am I correct in that?

Admiral CLARK. I don't recall.

Chairman WARNER. So is this the first testimony?

Admiral CLARK. I don't recall having that discussion in front of a committee. I said I've been public about this.

Chairman WARNER. Okay.

Admiral CLARK. I've spoken about this a number of times in public.

Chairman WARNER. But this is the first formal presentation to Congress.

Admiral CLARK. That's correct. Of course, with the activity that we have ongoing with evaluating the military value of various sites, this is a centerpiece discussion, and we all understand that.

Let me just start by saying that the decision to recommend the decommissioning of a carrier—and that's the way it's outlined in the budget proposal; it doesn't name the carrier. Our recommendation was—after considering a number of options—the *Kennedy.* We understand that no decisions are final until Congress takes action on them. That's clear. But this action was driven by guidance that we got from the Office of the Secretary of Defense (OSD) that led to the reduction of our overall budget. We were asked to bring for-

ward potential offsets that could meet the budget goals that we were given.

Chairman WARNER. That guidance having arrived when? Date/time group.

Admiral CLARK. I can't give you the exact day, but it was in December.

Chairman WARNER. Of last year?

Admiral CLARK. Yes, sir.

We began a series of meetings. This was not done at a low level. My vice chief attended the very first meeting. So we're talking about senior-level representation. I can tell you, Mr. Chairman, that I am constantly reviewing OPTEMPO, investment strategies, the carrier questions—I've been doing this ever since I've been the Chief of Naval Operations (CNO)—what happens with different variables because I'm constantly running campaign analyses; I'm constantly evaluating what the demand signal is on them. I've been doing that now for almost 5 years.

When this challenge was presented to us, we put this on the table as one of the items to be considered. We then, at senior-level discussions in the Department of Defense, discussed the pros and the cons of the various potential offsets that had been addressed. In this particular case, I made the representation along these lines. I told the Secretary of Defense that, with the changes that we had made in the United States Navy, we had learned how to extract more readiness out of our total operating force, and that included the carriers. With things specifically like the Fleet Response Plan, modified maintenance procedures, improved training processes, we were able to extract more readiness utility out of our force. We would take some risks if we eliminated a carrier from the structure, but it was our view, given the requirement to present a balanced program, and given the dollar figures that we were talking about, that this was an offset that should be given very serious consideration.

Then I reported to the Secretary of Defense. I said, "You will recall that a year and a half ago you told me and the other chiefs, when we were bringing the bulk of our fighting forces home from Operation Iraqi Freedom, you said to us, 'Don't bring it home and put it together just the way it was when you took it over there.'"

From that I presented this construct that was created by our people, the Fleet Response Plan, that has dramatically improved our ability to respond around the world—in fact, doubled our capability to respond with combat power. At that point in time, I said that I could provide you six carriers, any day of the week that you called, in 30 days, and two more carriers in another 90 days. That's an outside line; I could potentially do it faster than that.

I said to him that I would not be able to maintain six plus two, but I would be able to maintain either five plus two or six plus one. That's what our analysis showed, given the nature of the requirement for various operational plans (OPLANs)—and that's about as far as I will go there, but if we get to a closed session, I'd be happy to get into that in excruciating detail.

Given this challenge—in my earlier testimony, I talked about the requirement to recapitalize and transform our Navy with the new kinds of hardware that are coming, with a focus on channeling re-

sources to the new and much more capable investments for combat power. I told the Secretary that this was an offset that should be seriously considered. It was chosen.

Chairman WARNER. All right. I'll return to the options that you must take now with regard to maintaining the two ports, in a second round.

General Jumper, there's not a member of this committee that has not, in the course of our travels, flown with the C–130 aircraft. Through the many years that Senator Levin and I and others have been on this committee, we've seen the introduction of a series of new ones. Now the J model is before us. In our travels, we've experienced flying on those aircraft in Afghanistan, Iraq, in difficult situations, knowing that the aircraft are some 30 years old.

General JUMPER. Yes, sir.

Chairman WARNER. We were astonished, if I may say, to see this J program, which had all the earmarks and expectations of being a marvelous replacement platform for your force, to be stopped. Can you address that?

General JUMPER. Yes, sir. Of course, General Hagee and I have an abiding interest in the C–130, and, in particular, the C–130J. The Air Force requirement for the C–130 replacement is 168 airplanes. If the 2006 budget continues as it is, we will stop at, actually, 53 aircraft.

In the course of this decision process—I'm not sure, at the time that we did these calculations at the end of December, that we were fully informed about the costs of cancelling this program. Those costs, although I can't quote them to you, because it's a long process to determine exactly what the costs are, will be probably more than we anticipated.

We also have the benefit of the Mobility Requirements Study and also a joint staff study that comes out by the end of March that will give us more fidelity on the specific requirements. I fully believe, as Secretary Rumsfeld has said, that we'll revisit this decision here in the months to come.

Chairman WARNER. So this is an example of a budget decision which was presented to Congress which, in all likelihood, is going to be scrutinized and could possibly be changed in the course of the deliberations in Congress on this?

General JUMPER. That's my understanding, Senator, yes.

Chairman WARNER. Thank you very much. My time is up.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

General Schoomaker, you've clearly stated your intent to convert the Army organization to center on the modular brigade combat teams and to reorganize the Army into a greater number of those teams. What is the permanent end strength needed by the Army to support that vision?

General SCHOOMAKER. Sir, let me give you the bottom line, up front. I am confident that, with the authorization that we have, to go to 512,400 through 2009, that we have adequate room to do what we have planned to do. But I need to be very clear here, this is based upon our plan, which is to build to 43 active brigade combat teams, units of action, on the active side, and to build to 34 whole brigade combat team units of action in the National Guard,

and the 10 Army Reserve expeditionary packages that would be required to sustain it. Our requirement is to be able to deploy and sustain 20 brigade combat teams. To do that on a sustainable model, we believe that we must be able to go to one deployment in a 3-year term for the active forces, and a deployment in a 5- or 6-year term for your Reserve Forces to be able to sustain that.

That number I gave you is built upon assurance that we would have access to the National Guard and Reserve, that we would have trained units—not just individuals—but units in the National Guard and Reserve, and that they would be trained sufficiently prior to their alert before we had to deploy them, that they would be available to us in a reasonable amount of time. If all of that is true, we can do it as we planned. If that's not true, and the National Guard and Reserves are not available to us under those assumptions, then my belief is we'll have to grow the Active Force.

Senator LEVIN. You'd have to grow it.

General SCHOOMAKER. That's correct.

Senator LEVIN. So the minimum number——

General SCHOOMAKER. If those assumptions are not true.

Senator LEVIN. Right. Gotcha. The minimum number, then, is 512,000.

General SCHOOMAKER. Sir, I believe that what you have authorized is adequate for us to do what we need to do. Of course, we're going to be informed as we continue to transform.

Senator LEVIN. That was the authorized number for 2005.

General SCHOOMAKER. That's correct.

Senator LEVIN. Now, the request for 2006 is only for 482,000. Why is the full 512,000 not in the budget request, if you know? Why is there a reliance on a supplemental, way down the road, for that additional 30,000? Since you know that's the requirement, why is the full 512,000 not funded in the budget request, if you know?

General SCHOOMAKER. Sir, as I have briefed before, and I'll get out a little bit here—I don't want to exceed my knowledge, but my understanding is, we have the options to either pull that inside of our core or to use supplemental funding, or to use a combination of both. If we were to pull that inside of our core budget, inside the 2006 budget, we would have to displace other things that are too fundamental—too important to us as we transform equipment and other readiness issues. So the Department has elected to do it with supplemental funding since we have the options to do so.

Senator LEVIN. That option is not a straightforward option, because we know that 512,000 is what is needed. It's a minimum number. To leave that for a supplemental is not straightforward budgeting. I'm not laying this on your doorstep. It's an administration decision to defer to a supplemental a known cost, and that is not honesty in budgeting.

Now, I want to ask General Hagee the same question about his end strength, because I think you said, General, that you need and expect 178,000 marines. Is that correct?

General HAGEE. That's correct, sir.

Senator LEVIN. But the budget request is for 175,000 marines. So, I take it you are relying on the supplemental for that additional 3,000.

General HAGEE. Yes, sir, in 2005 and 2006. We're going to work the POM process to increase our top line and include it in the 2007 submission.

Senator LEVIN. But that's not a certainty, I gather.

General HAGEE. We'll have to work that, sir.

Senator LEVIN. Right. Now, what would it cost to put the 30,000 additional in the 2006 budget request? What would that number be? What's the formula?

General SCHOOMAKER. There are varying opinions here.

Senator LEVIN. Well, but roughly. For every 10,000.

General SCHOOMAKER. Yes, the fully burdened cost of what it would take to pull that on is $3 billion-plus a year.

Senator LEVIN. Per? $3 billion for?

General SCHOOMAKER. Plus, a year, for the 30,000.

Senator LEVIN. All right.

General SCHOOMAKER. It's approximately $1.2 billion per year per 10,000.

Senator LEVIN. Gotcha. So it would be a little bit over $3 billion.

General SCHOOMAKER. Yes, sir.

Senator LEVIN. Perhaps $3.5 billion.

Now, on the unmanned aerial vehicles (UAVs) issue, we're going to be buying, as I understand it, as many as 27 Predators, from all sources, with 2005 funds. In the 2006 budget, there's only funding for nine Predators. This committee, under Senator Warner's leadership, has really, for as long as I can remember, been strongly supportive of an adequate number of UAVs. How many Predators will you really need to buy in 2006?

General JUMPER. Sir, we're going to tell General Atomics to build every Predator they can possibly build.

Senator LEVIN. How many is that?

General JUMPER. That's going to take us up to 15, plus what was in the budget—15—I think the number is going to be 22—by the end of this year. We will equal the maximum number that they can produce for next year, as well.

Senator LEVIN. In 2006, 100?

General JUMPER. Yes, sir.

Senator LEVIN. Okay.

General JUMPER. There's a 100 and I'll get you the precise number, but it's in the 20s.

Senator LEVIN. All right. But the budget request that comes from the administration is only for nine.

General JUMPER. That's right, sir.

There's $161 million supplemental request before Congress now, to plus-up 15, which gets them to all they can build.

Senator LEVIN. That's for 2005.

General JUMPER. For 2005.

Senator LEVIN. Now, in 2006, there's only a request for nine.

General JUMPER. We'll get them to build all they can, all they can build, which will be at least that number.

Senator LEVIN. You're relying on the 2006 supplemental.

General JUMPER. We're going to ask for a part of the supplemental to help us do that, yes, sir.

Senator LEVIN. You know that is going to be your request? There's no doubt in your mind that you're requesting that in the supplemental?

General JUMPER. Yes, sir, that's what we will do.

Senator LEVIN. All right. It's another example of where there is a requirement, something we all know we need, something we all know is going to be supported, which is not funded in this budget, which means that this budget shorts what the actual costs will be for our military in 2006.

Now, there are some uncertainties, there are some things you can't budget for, but there surely are things you can budget for, where there are known quantities, known costs. We've just seen two examples of that. One is with the end strength in both the Army and the Marines, and the other one is with the Predators.

Now, since my time's up, I want to just ask one final question. General Jumper, it relates to what's called the robust nuclear earth penetrator (RNEP). This has always been a hotly-debated issue. In the past 3 years, it's always been in the Department of Energy budget request. Now there's an Air Force budget request for RNEP funding. I think it's $4.5 million. Why is it in the Air Force budget?

General JUMPER. Sir, there's two parts of that, as I understand it. One of them is study money to study the weapon itself, what that weapon would be. But the majority of it—I think, about $3 million or so of that—is a study-only of how this would be integrated on the B–2 bomber, what it would take to get into the software to be able to put the wiring, et cetera, in to do that. No modifications or any actual cutting of metal is in this. It is, as I understand it—well, I've asked this question and have gotten the answer, it is study-money only.

Senator LEVIN. Did this come from the Air Force, or did this request come from somewhere else?

General JUMPER. Sir, I would have to answer that for the record.

[The information referred to follows:]

U.S. Strategic Command, the Defense Science Board, and the Intelligence Communities have documented the proliferation of hard and deeply buried targets (HDBTs) as a major concern. Current weapons cannot defeat all known HDBTs. In January 2001, the Joint Requirements Oversight Council (JROC) validated the HDBT requirement. In January 2002, the Nuclear Weapons Council (NWC) approved a joint DOD/Department of Energy study to examine the feasibility of adapting existing nuclear weapons to hold these HDBTs at risk. The Air Force is leading the joint study for the DOD, which started in May 2003. The fiscal year 2006 funding responds to an NWC decision to have the Air Force evaluate navigation, guidance, and control (NG&C) issues for a 5,000–7,500 lbs. nuclear penetrator and identify issues with B2 integration. The Air Force is committed to completing the joint RNEP feasibility and cost study. The fiscal year 2006 budget supports the NWC approved study and the $1 million of the fiscal year 2006 President's budget needed to lead the study has been in the Air Force budget since fiscal year 2004. The other $3.5 million in the fiscal year 2006 President's budget is to conduct activities assigned to the Air Force by the NWC in fiscal year 2004.

Senator LEVIN. It's just that you don't know?

General JUMPER. I don't know.

Senator LEVIN. All right. We're assured there's no plan for producing an RNEP, and yet, suddenly, there's money that appears in the Air Force budget—as I understand it, not at the suggestion of the Air Force—to plan on the integration of an RNEP on a delivery platform.

General JUMPER. Study of it, sir. To study it.

Senator LEVIN. To study the integration on a particular platform.

General JUMPER. Yes, sir.

Senator LEVIN. That seems to me to be way beyond what we've been assured is going on, but it's also very strange, indeed, that suddenly it's in the Air Force budget. We'll have to pursue that with you in your answer for the record.

General JUMPER. Thank you, sir.

Thank you very much.

Chairman WARNER. Thank you, Senator.

Senator McCain.

Senator MCCAIN. Mr. Chairman, I, also, would like to echo the concerns that Senator Levin had about the supplemental and the increasing number of programs, projects, and equipment that are added to it which do not fall within what is generally believed the purpose of a supplemental, which is to fund combat activities in Iraq and Afghanistan. It removes from our oversight responsibilities the scrutiny that these programs deserve. I think we ought to look at that very carefully as we consider the supplemental and as we move forward in the authorization process.

General Hagee, are you concerned about the retention and recruiting for the Marine Corps Reserve?

General HAGEE. As I said in my opening statement, Senator, we are making our goal on the Reserve. We have no indication that that is going to turn down. In fact, it's really quite interesting, we have the highest retention among those units and among those marines that have been forward deployed.

Senator MCCAIN. Thank you very much.

General HAGEE. Sir.

Senator MCCAIN. Thank you.

General Schoomaker, are we making our Guard and Reserve retention and recruiting goals?

General SCHOOMAKER. Sir, we're making—Army National Guard retention, actually exceeding our goal; the Army Reserve retention is about 98, 99 percent, just under it. Recruiting, in both cases, is below. It is a concern to me, and I believe it'll continue to be a stress.

Of course, I have to be fair and say that, traditionally, they have filled 35 to 50 percent of the recruiting out of people leaving active service. Since we are growing the Active Force, it is denying them an awful lot of that stream of what traditionally would have been recruited.

Senator MCCAIN. Recently, a general in the Army Reserve was quoted that the Reserves may be reaching a breaking point if the level of deployments remain as high as they are. Do you share that view?

General SCHOOMAKER. I don't share the view that it's at the breaking point, but I believe that we have to do some major fixes to the way we've thought about the Reserves and the policies with which we manage the Reserves. We still have many policies that, in my opinion, are World War II/Cold War policies in the use of the Reserves.

Senator MCCAIN. For example?

General SCHOOMAKER. Well, as an example, the preparation and training of Reserves. For us to train a Reserve soldier, we must have them associated with a deployment, which places much of the training burden on post-deployment activities, which means that when we alert and mobilize a reservist, we're eating much of the availability mobilization time to prepare them to a degree that they, in my opinion, should be prepared to before that.

We're doing major restructuring of the Reserves, and taking the over-structure out so that we can have whole units in creating the opportunities for them to school, train, and educate. We must quit dealing with individual volunteers, and work with units.

Senator MCCAIN. My concern is that it's been stated that we will have to maintain present force levels in Iraq through 2006. With 40 percent of our force being Guard and reservists, most outside experts believe that this is an enormous strain on them, and not something we had anticipated as the traditional role, particularly of the Guard. I believe that that argues very strenuously for increases in end strength so that we can take up some of that slack. I'd be glad to hear your response to that, General.

General SCHOOMAKER. Sir, I agree with you, and I think that was supported by my previous statement. We are trying to transform the Army—the Army, being active, Guard, and Reserve. This is not only physical transformation, but intellectual transformation, policy transformation, the whole thing.

If we cannot achieve our transformational efforts, let's say in the Reserves, it's going to require us to build an active force to pick up the requirement to generate what's needed.

Senator MCCAIN. Admiral Clark, we thank you for your service to the Nation. I would like to ask you your personal opinion about the long-term impacts of present shipbuilding proposals for ships for next year. I think the Chairman exhausted the carrier issue pretty well, but, if you do the math, four ships per year, we have a significantly diminished Navy in 10, 15, 20 years. I know you share my view that Iraq has diverted our attention from, perhaps long-term, the most critical part of the world, and that's Asia, which has a whole lot of water around it and in it. I'd ask your personal opinion about how you view this—long-term impact of a drastically diminished shipbuilding program.

Admiral CLARK. Senator, I'd like to start by saying that I've been talking about this for 5 years, I had it in my opening statement, and it's in my written statement. I believe that we must change the way we buy ships. I don't believe we can get there.

My staff's economic analysis says—and I have put a chart in my written testimony—if you have it, it's on page 21—and it shows the spiraling costs in shipbuilding. It shows, over the last 30 years, what's happened, how some ships are up 400 percent over inflation, some are 375 percent over inflation.

Senator MCCAIN. How do you account for that?

Admiral CLARK. Well, obviously, they're more capable, so they're better. But the laws of physics apply, and they can still only be in one place at one time. But the other reason is that we're buying them at such low order rates. For example, in 1967, we built 47 ships for roughly the same Navy budget that we have today. In tasking 1967 dollars, bringing it forward to 2005 or 2006, the num-

bers are roughly equal. In 2005 dollars, I bought 8 ships and 113 airplanes. In 1967, we bought 620 airplanes and 47 ships. We built five submarines that year. You can distribute the overhead, and that's what's happening. With such low rates, the industrial base is extraordinarily challenged, and that's why I also suggested that we need to be having hearings about what we're going to do about this.

Senator MCCAIN. My question was, how deep is your concern of the impact of very low ship acquisition?

Admiral CLARK. I am concerned, and, I started to say, my staff's analysis says that with the level of funding that we have committed over the last 15 years to shipbuilding, we will be able to—and I'm talking about with the practices and the tactics we've used we cannot afford over a 250-ship Navy. That's what my staff is telling me.

Now, I believe that has the domino effect into the industrial base and what happens with constantly spiraling prices.

Senator MCCAIN. Thank you, Mr. Chairman.

Thank you, gentlemen.

Chairman WARNER. Thank you, Senator McCain, for that important line of questioning. I think we will return to it in the next round, Admiral.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman, and thank you, gentlemen, for your service.

I also want to welcome Sergeant First Class Covey, Corporal Carter, and Sergeant Carnahan and recognize their great service. May I inquire what unit Sergeant Covey's with in the 82nd?

Sergeant COVEY. I'm in the Charlie Battery 3rd of the 319th.

Senator REED. Airborne. Thank you.

General Schoomaker, it comes as no surprise that I'd like to follow up on these discussions of end strength. Your responses to Senator Levin were interesting.

First is a data point. I've been told that, for example, in the modularization and the changes of the Army, the 18th Airborne Corps Field Artillery is now being trained as truck drivers and military police. Is that accurate?

General SCHOOMAKER. They were for their deployment—that's correct, for their deployment to Iraq. That was what the requirement was in-theater, and I believe you're correct.

Senator REED. It just strikes me that we must be preoccupied with Iraq, but there are other threats—Iran, North Korea. We all know—today they announced formally they have nuclear weapons. The Iranians seem to be pursuing them with some type of unfortunate diligence. Yet other components of the Army, like field artillery, at the core level, is being transformed, which suggests to me that, in the broader picture, we need more soldiers, maybe more than the 512,000 that you've talked about today. I think, also, in terms of rotations, I know there was a desire among the Army to get down to 6-month to 7-month rotations, like the Marine Corps, which requires more troops.

So my point is, first, I think we need more troops. I think that by essentially kicking the can down the road every year, we're los-

ing time, and I think we have to face that issue squarely. I know you responded to Senator Levin, and I'd ask you to respond to that.

General SCHOOMAKER. If I could respond.

Senator REED. Yes, sir.

General SCHOOMAKER. First of all, the 18th Airborne Corps Artillery is being organized, as we have previous rotations to Iraq, because the nature of the fight there has changed and because we need those kinds of capabilities. When they return, they will be reset into artillery formations, trained and maintained in the force in modular.

Senator REED. Could I follow up on that?

General SCHOOMAKER. Yes.

Senator REED. Because there seems to be another theme running through the end strength issue, and that is, we're going to take some of the National Guard functions, like transportation and military police, and put them back into the regular forces. Where are we going to get the troops to do that if 18th Airborne Corps Artillery comes back and falls in as artillerymen?

General SCHOOMAKER. We're re-balancing about 100,000 spaces. There will be other formations. Some of 18th Airborne Corps, in fact, as it goes to fires units of action may transform that way. But, as their primary entity, they won't.

I think we need to go back, if I could.

Senator REED. Yes, sir.

General SCHOOMAKER. In the decade of the 1990s, we reduced the active Army from 780,000 to 480,000. That's a 300,000 reduction in active end strength. It didn't take us long to do that. It's like cutting down 300,000 trees; it doesn't take long to do it. But we're trying to grow 30,000 back, 10 percent, and there is a corollary there in the length of the time it takes. We've been building this force back, with the authorizations that we have received, as fast as we can, and we've almost achieved now 20,000 real soldiers—trained, organized, and equipped. We're going to continue to grow the force. It takes time to do that.

We cannot, at these force levels, have single-purpose units that are not capable of operating across the entire spectrum. Part of our transformational efforts are to create a force that has this athleticism within it and is not tied down to tribes, unions, and all the things that perhaps, in the past, have characterized the force, because we knew the enemy that we were facing. Today and going into the 21st century, it's a different fight. The United States Army is trying to adapt to do it, and that's part of what you've seen.

So I will stand by what I've said: there is no question, if we do not have assured access to trained and ready Guard and Reserve Forces, that we will have to grow the Active Force. But I am convinced, with the Army campaign plan that we have to transform the force right now, that the forces that you've authorized and we've asked for, the 30,000 additional, gives us the head room to do that.

Senator REED. Well, I don't argue at all about your transformation plans, General. I think they're quite accurate, given the world situation. I also recognize that it's a lot easier to bring down end strength. But that begs the question in my mind. Why don't we just go forward now and authorize increased end strengths,

knowing that if the situations change dramatically it can be reduced? What I think we're doing—not only in terms of the end strength number, but the supplemental budgeting—is essentially avoiding what is the reality over several years, that we will need an Army force of at least 512,000, probably more; that we should start thinking about it in those terms today; and that we shouldn't continue to try to convince ourselves that Iraq will resolve within a few months. We'll be right back down to a level of 492,000.

General SCHOOMAKER. Senator, I don't disagree, in the main, but I will just restate, we're authorized, through 2009, to maintain this room. It's going to take us through the end of next year to complete the growth of what we're already authorized. We do have time to be informed by the progress that we make. We may find some efficiencies that will save us money and cause us not to have to continue to break programs.

I'd just like to say one last thing.

Senator REED. Yes, sir.

General SCHOOMAKER. We didn't start in December, in November, or in September to come to grips with this. We've been doing this now, on my watch, for at least 18 months, and perhaps before that. We have taken down, already, in the United States Army, over 120 programs, taken them down and realigned them. I do not want to make decisions I don't have to make until it's time to make them that is going to cause me to break the momentum that we have in transforming this Army.

Senator REED. My time's expired, and I won't ask for a response, but if there's another opportunity for questioning, I think the premise of your argument about why you don't put the money into the supplemental is that your baseline won't be increased and you'll have to essentially rob Peter to pay Paul. But, in reality, if your baseline goes up with that incremental troop cost, you won't have to. I said I wouldn't ask a question, so you can respond at length later.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First, let me just say that Senator Thune, Senator Isakson, and I just returned from Iraq. I had made a lot of trips before. This is "the" trip. This is seeing that the end is there; it's in sight. Clear victory is in sight; liberation is in sight. The stories of people we heard were just so heartwarming. You hear stories here at this table about, "Well, the Iraqis are not doing their share. They're not carrying their end of it," and yet we're seeing that they are. We're seeing that they are committed; they are trained. I think it's important that we get into the record that, right now, as of now, we do have 136,000 Iraqis that are trained and equipped. We have different levels of how they're trained, but they're all trained. They have gone through a basic training program—many, an advanced training program. They are performing. If you take the 51,000 in the pipeline right now that are in training or are about to get into training, that would increase their numbers to 187,000. Of course, by dropping ours down now, with the 15,000 that are going to be reduced, that's 135,000. I think it's very important people realize

that now we're looking at a mix of 187,000 and 135,000. That's huge progress. When you look and see where the end is going to be, you keep that progress up, and I can see it's going to be sooner than some of us thought it would be, originally.

If people question the math on this, just look at the 5,200 polling places that had two circles of Iraqis. We didn't do it. We just said we're observers over there. But the Iraqis handled their own—heroic acts, falling on suicide bombers blowing themselves up, to preserve this process. Then seeing the Sunnis come around; those very people who were saying, "Americans, go home," and, "Don't cooperate in the elections." In this experiment of freedom, they've completely changed. It changed about the time that we were over there. So it was a very enjoyable time to be there.

I think Senator Thune would agree with this and I would ask of you, General Schoomaker, and also of you, General Hagee—General Chiarelli, Pete Chiarelli, who is the 1st Cav over there in charge of the people on the ground, he has a presentation that I was just overwhelmed by, and that's the one on the need for infrastructure. In other words, he convinced me—and it took about 3 hours to do this—that we are going to have to do something about infrastructure in the Baghdad area. We saw pictures, actually saw the street where they have pipes coming out of the second-story buildings and dropping raw sewage on kids, down below, walking barefooted, and the fact that they don't have any of the electricity, the sewage treatment, and all that. His idea is, we can do this with about $400 million. That would, it seems to me, end up having to come out of the Commander's Emergency Relief Fund.

Looking at the budget, there's only $300 million in that budget. So what I'd like to ask the two of you if you would—if you haven't already done it—I suspect you have, but see—very carefully—give careful consideration to General Chiarelli's presentation on infrastructure in Baghdad. Would you do that, if you haven't already?

General SCHOOMAKER. We will.

Senator INHOFE. I won't go into devoting a lot of time, because time is so short here, to the C–130Js, but I do know—I remember when we were building that up, and we recognized—starting with Bosnia, then with Kosovo, then, of course, with Afghanistan, and now Iraq—the need that we had, the critical need for the J models. I'm sure that Senator Chambliss is going to get into this in more detail, so I won't.

I would only say that when they decided to have the mobility capabilities study, it doesn't seem like a good business decision to come up with a decision to cancel that program until at least we have that information. There's not a person up here who hasn't flown in C–130 Es and Hs, and we know there's an aging fleet.

What I would ask you, General Jumper is, in the event that Senator Chambliss doesn't ask it, I'd like to have you elaborate on what you think that's going to do to you. But I have a feeling he will.

Now, on the F–22, I know you're tired of hearing me say this, General Jumper, but you were very courageous back in the late 1990s when you said that our capability, strike capability, is not as good, in some ways, as at that time, the SU–30. That was a vehicle that is better, in some ways, than our F–15 and F–16. When

we had that Cope India comparison, truly our pilots are better, but their equipment was better in some ways. The American people don't like that idea. If it means more deficits, we have to rebuild, we have to send our kids out there with the very best of equipment. I would just say to you, General Jumper, giving your best military judgement, please comment on whether the Air Force can guarantee air supremacy without the F–22.

General JUMPER. Well, sir, the Air Force, along with the Navy and the Marine Corps, will be charged, in the future, to be able to get back airspace that is contested. Airspace is increasingly being contested by more and more sophisticated systems. We have a whole range of surface-to-air missiles out there, up to the S–400 that we see being built and fielded today. A variety of weapons of the type that you cite, starting with the Sukhoi–27 and the design for the Sukhoi–40, is on the boards right now. They're delivering Sukhoi–30s around the world today. As you state, in several categories, these airplanes are better than anything that we fly.

Senator INHOFE. Okay.

General JUMPER. The F/A–22 puts us in a category above all of this. I recently went down to fly the airplane myself to make sure that all of the promotion that——

Senator INHOFE. I was down there right before you were, and they said you were coming.

General JUMPER. Yes. We went up and flew against F–15s and against a surface-to-air missile complex that was one of these modern surface-to-air missiles, and, with two of us, nothing ever saw us.

So the capability that we foresee in the F/A–22 is one that I think puts us ahead for the 10, 15, and 20 years from now timeframe, where we will see the continued proliferation of these things that will contest airspace. Remembering that contested airspace can be above any activity we're trying to pursue, including the pursuit of terrorist activity.

Senator INHOFE. Okay.

General JUMPER. As the Secretary of Defense has said, we'll be able to readdress this problem in the Quadrennial Defense Review, put the whole subject of air dominance on the table, and be able to look at it from a joint perspective.

Senator INHOFE. Yes.

Mr. Chairman, my time is expired, but let me ask two questions, for the record, so that they can respond on the record, if that's all right.

First of all, General Schoomaker, the Future Combat System (FCS) program—I'm very supportive of that. You and I have talked about it. General Shinseki convinced me, a long time ago, we need to be lighter, more transportable. These things are happening. I feel that if you take the 18 elements of that, the greatest need, in my opinion, is the non-line-of-sight cannon (NLOS–C). Our current artillery is the most antiquated in our fleet. I would like to have you, for the record, respond to that.

[The information referred to follows:]

The Army still intends to provide a "Crusader-type" capability to soldiers in 2008. On May 14, 2003, the Defense Acquisition Executive approved the Milestone B decision to transfer the FCS and its manned ground variants, including NLOS–C, into

system design and development (SDD). Also at that time, the Army reduced risk to the program by restructuring, adding funding and adjusting the initial operating capability (IOC) of the FCS program to fiscal year 2014. Subsequently, the Joint Requirements Oversight Council (JROC) revalidated the requirements and key performance parameters of this program January 31, 2005.

The restructured program provides for fielding a brigade-size element using spirals of available technology. NLOS–C as the lead variant of the FCS manned ground vehicle (MGV) program will be fielded ahead of the remainder of FCS systems. In this Spiral 0, the Army will provide a set of six prototypes, automated, self-propelled, "Crusader-type" cannons (NLOS–C) to this Evaluation Force by 2008. By 2014, this Evaluation Force will be complete with fielding the complete unit of action set of FCS equipment to include all seven variants of the MGV. This includes replacing the 6 prototype NLOS–C with 18 first generation, production NLOS–C systems (6 each during 2010, 2011, and 2012).

The NLOS–C project is on track to provide this capability. The NLOS–C Concept Technology Demonstrator funded by Congress in 2003 has fired over 426 rounds in testing and demonstrated the viability of hybrid-electric propulsion.

The remainder of the Manned Ground Vehicle (MGV) programs also on track. The design team has selected the best technical approach for all seven systems and is proceeding with SDD. This SDD process is critical to ensure the commonality of all MGV systems that will dramatically reduce the current logistics and personnel footprint associated with armored vehicle formations.

The use of an Evaluation Force is consistent with other efforts. For example, the Army utilized an Evaluation Force (to include deployment to combat) for the High Mobility Artillery Rocket System (HIMARS). This technique allowed the Army to identify employment techniques and correct problems before beginning full-rate production and will be critical to ensure success in the Future Combat Systems.

Senator INHOFE. For the record, each one of you just respond to the question of what keeps you up at night, each one of you. Okay?

Thank you, Mr. Chairman.

Chairman WARNER. Well, now, are you sure you don't want to give them 10 seconds on what keeps them up at night?

Senator INHOFE. I would love that.

Go ahead. Start with General Jumper.

Chairman WARNER. It's an interesting question. So just a minute from each on that question.

General Schoomaker.

General SCHOOMAKER. Sir, the NLOS–C is the lead element of our platforms within the FCS. We're going to field a prototype unit in 2008. My feeling is, within the FCS program, the most important element is the network capability that we're pulling in there. But when you start getting into the 18 platforms, clearly the NLOS–C is very important to us.

[Further information submitted follows:]

General SCHOOMAKER. Today, roughly 650,000 soldiers are on active duty with over 150,000 deployed in harm's way fighting everyday in the global war on terror. Our adversaries threaten the ideas that form the bedrock of our society, endangering the freedoms we enjoy. This threat to America will be a protracted one. To defeat the threat will require the efforts of the entire country. Congress and Department of Defense understand this challenge. However, does America see this as their challenge? For a Nation at war, some have not grasped the seriousness or danger of this threat to our way of life.

To address this new threat requires a new national awareness to raising, equipping and employing the Army. While we have fielded the most technologically advanced Army in history, and will continue in that pursuit, it is the soldier on the ground that has proven decisive in this new environment. Our soldiers are adapting and displaying sophistication never seen before in our history; on the one hand closing with and destroying our enemies and moments later shifting to revitalizing a destroyed society. We can not overlook the importance of the "human dimension" in 21st century conflict. Too many oversell technology and question the need for boots on the ground. So with the soldier as the centerpiece of our formations I am concerned that we do not we have the national willingness to serve and encourage the service of our citizens.

Operation Iraqi Freedom is the first test for the All-Volunteer Force during a prolonged war and the rules and procedures we use to maintain this force must be refined. The Army is transforming the All-Volunteer Force from a Cold War focus to a more adaptable, more lethal and more capable one ready to deal with the emerging threats of the 21st century. The power of Congress to develop legislation that supports the All-Volunteer Force is vital to this effort. There is no question that Americans support our soldiers, the question is are we ready as a nation to commit our children and family members in this life and death struggle for the freedoms we enjoy? I need your help to reassure our people that we must stand against this threat. Too much is in the balance. Maintaining a viable All-Volunteer Force, sufficiently educated, trained, and led to meet the requirements of our combatant commanders is our greatest concern.

We are reviewing what combination of quality of life, compensation, incentives, options for service and other tools will be required to recruit and retain our All-Volunteer Force in the future. Continued unwavering support to fund these initiatives will ensure our Army remains relevant and ready today and tomorrow.

Senator INHOFE. I think the question that the chairman is going to allow you to answer was, what keeps you up at night?

Admiral Clark.

Admiral CLARK. What keeps me up at night is being able to deliver, as fast as possible, the kind of capability that will allow us to deal with fourth-generation warfare that is occurring now right in front of our eyes, and the ability of our military to transform fast enough to deal with the threat that is changing in front of our eyes.

Senator INHOFE. General Hagee.

General HAGEE. Yes, sir. The one thing that keeps me up is, Have we done absolutely everything possible to ensure that we have trained and armed these great young Americans to the best of our ability before we send them out?

Senator INHOFE. Yes.

General Jumper.

General JUMPER. Sir, my principal concern right now is the age of our fleet and the consequence of having some catastrophic or class-level problem with very old systems that would take large chunks of our capability away from us at one time.

Senator INHOFE. Very good. Thank you, Mr. Chairman.

Chairman WARNER. Thank you.

Senator Kennedy.

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

I regret, General Hagee, I missed your opening remarks, which I understand were enormously impressive, about how you move ahead in terms of recruitment, and remind us all that, with these young people, we want to make sure that we're going to get it right, in terms of the technology and the equipment, as well as the policy, for these young Americans.

Now, General Schoomaker, you remember being here, just about a year ago, when we were talking about up-armoring HMMWVs. Our committee has had quite a time with this. I recognize my colleague and friend from Rhode Island, Senator Reed. I've been enormously interested in this. We find out, with your armor summary, which is—gives the figures as of the end of January and it also indicates when the shortfalls are going to be fixed. But, at this time, the up-armored HMMWVs, there is still a shortfall of 38 percent, the add-on kits for HMMWVs is 34 percent, and the medium trucks is 48 percent.

Now, last year, in the request, the Bush budget requested $300 million for armored HMMWVs. Senator Warner doubled that—add-

ing $310 million. I offered an amendment. We had a lot of difficulty getting any kind of support from the Defense Department. Finally, the committee accepted it, $610 million, and it was dropped like that in the Conference—without any kind of support from the Department of Defense (DOD). As a result, we have the continued shortages.

Thirty two boys have been lost in Massachusetts, a third of them, really, from the lacking of the up-armored HMMWVs on it.

I just have to ask—we went through this whole process where we saw the Secretary of Defense being asked that question over in Iraq about the failure of providing the up-armored HMMWVs, and it was a national story. We were all told again, "We're doing everything to solve the problem." Why is there so much problem in trying to solve the problem, in getting the kinds of resources there to make sure that we can get the job done? Why are we still talking about shortages, in February of this year, of 38, 34, and 48 percent? Granted that they say they're going to fix the up-armored in March. This is their estimates: July, in terms of the medium trucks.

General SCHOOMAKER. Sir, I think the short answer to your question is that we have set the bar higher than what the theater has asked for, and those percentages are against armoring everything, which is not what the theater asked us to do, but which we are anticipating. We're trying to get ahead of the fact that—the history has been that they continue to raise the requirement over there. As I said earlier, on the 15th of this month General Casey says there will not be one soldier, sailor, airman, marine, or American that is leaving a protected compound that is not in an up-armored vehicle. The issue here is not just HMMWVs. The issue is that we're now armoring all the trucks, which we never anticipated armoring.

Senator KENNEDY. Well, it's understandable, if one particular part's going to be less vulnerable to attack, the insurgents are going to look at the others. That's at least the information that I've been given.

I received a letter, in these last 10 days, from a soldier from Massachusetts saying they still went out through the scrap dumpsters to find the rest of the material needed to armor the cabs of the trucks. This is going on for some time. We're still losing people over there on this issue, and it's just perplexing to understand what the reluctance has been, in terms of trying to get it right.

General SCHOOMAKER. Sir, there is no reluctance. This is not an issue of money, and it's not an issue of "want to." I'm reminded, by a very esteemed predecessor of mine, which I wouldn't even pretend to be able to shine his shoes, George C. Marshall. In 1942, he said, "Before the war I had no money and all the time in the world, and now I have all the money in the world and no time." That's exactly the condition that we found ourself in here, and we've been working just as hard as we can to make up for that situation. The numbers that you are stating up there are against higher figures that we set for ourself, over and above what the theater has asked for, so that we can get ahead of any future problems that we may have. Money is not the issue, nor is the sweat and the effort that's going into it.

Senator KENNEDY. Well, I know we're increasing the assessment because of, evidently, the increase of violence that's going on over there. However the numbers go, or you want to explain them, we're still not providing at least the kind of the protections on the trucks and the up-armor HMMWVs that, evidently, servicemen believe that they should that they need.

General SCHOOMAKER. Again, I say we set those for ourself. I'll remind you that 18 months ago we had less than 250 up-armored HMMWVs and no armored trucks in theater. Today we have in excess of 26,000 in theater. In fact, I think it's probably approaching 30,000. We're on a path to go to 40-something thousand. So this is a bar that we set for ourself. Again, I'm telling you that money is not the issue, nor is effort the issue. It's the fact that it takes time.

Senator KENNEDY. Because my time is moving on—let me get into another area.

Both the wars in Iraq and Iran in Afghanistan, great strain on the troops, and it's been a great strain on the families—had to deal with the stress of separation, learn to manage with one less parent, in obvious dread from the phone call. Even after the troops return home, the strain can continue, and some are haunted by the traumatic combat experiences. I understand that 20 percent of the Iraq war veterans who have sought healthcare in the Veterans Affairs (VA) did so for mental health. Studies suggest that the Iraq veterans suffer from post-traumatic stress disorder at rates similar to the Vietnam veterans.

So I was interested in what is the impact of the conflict on our troops and families, what are you all doing to care—to get on top of this, and what more can we, or should we, be doing? Maybe they could just take a quick answer, if they could, hear from all of you.

Chairman WARNER. Yes, go right ahead.

General HAGEE. Yes, sir. I'll start.

Sir, I would suggest that every individual who is on the battlefield is affected, one way or the other, at least that's what we believe. Some, unfortunately, are affected a lot more, some less. But we believe every marine is affected, and we have set up programs to address that. We call them the Return Warrior Program. They are ongoing in theater, while the marine is there, to educate him or her so that they understand that if they feel stress that there is absolutely nothing wrong with coming forward. We put them through a series of education classes before they come home. We do the same thing with the families. We ensure that they know where the resources are.

Once they get home, we have stand-downs where we talk about these issues. We don't stop there. We continue to address this with individuals who have been over there, because some of these things, sir, don't manifest themselves for some time afterwards. So it's not a one-shot program, but it's a continuous program that addresses both the serviceman, the servicewoman, and his or her family.

General JUMPER. Let me just say quickly, sir, that on the Air Force side the biggest investment we've had to make is for our Air National Guard and Air Force Reserve, where the families live in the communities not close to regular Air Force facilities, and to make sure that they know all of the things that are available to

them to get the help that they need. That's been our biggest effort in this regard.

Admiral CLARK. Since many of my people on the ground are with General Hagee's people, his programs support our folks while they're with them. The area of biggest concern is the Reserves, who will then come home and are not attached to a unit. The Department of Defense has just announced that it has established, and we are providing very senior-level people, a centralized organization that is being designed specifically to provide long-term contact relief for all of these kinds of people, in addition to those that are in units so that they have a place to go, and we have a place to reach out and provide focused Service support.

Chairman WARNER. Thank you, Senator.

Senator Collins.

Senator COLLINS. Thank you.

Admiral Clark, let me begin by thanking you for your extraordinary service. This may be your last posture hearing, but I can assure you it won't be the last discussion that you and I have about the shipbuilding budget.

Admiral CLARK. I'm confident of that. [Laughter.]

Senator COLLINS. I'm also certain that it comes as no surprise to you that I'm very disappointed in the budget request for shipbuilding. I believe that it falls far short of requirements and that it reverses a lot of the gains that we've been able to make in recent years due to your extraordinary leadership.

In 2002, while making the case for increased investment in shipbuilding, you testified that, "Current aircraft and ship procurement rates will, if continued, result in a Navy numerically smaller than today's and significantly smaller than that needed to sustain the war. Such a fleet would be an invitation to greater operational risk and international instability."

Similarly, last February, Secretary Rumsfeld stated in his testimony, "Capability is important, to be sure, but numbers do also matter because of presence." He went on to say, "If we're, each year, building fewer ships than are necessary to maintain the kind of Navy that this country needs, then we're damaging ourselves and we're damaging our national security."

With regard to this year's shipbuilding budget, I'm particularly concerned about the slash in production for the DD(X), the 21st century destroyer program. Last year's budget projected that we would purchase and deploy 12 DD(X)s through fiscal year 2011. This year's budget cuts that by more than half and proposes only five DD(X)s to be deployed and built.

I'm mystified how the requirements could shift so dramatically and so quickly. It seems to me that this decision has to be driven by budget constraints rather than by military requirements. So I would ask you to give me your personal judgement on whether this is the ideal decision and what changed in just a year's time to cause the budget request to go from 12 DD(X)s to only 5.

Admiral CLARK. Well, that's the heart of the challenge that's before us. Let me start with the first part of your question.

The requirement is not five. Five is what we see in the Future Years Defense Plans (FYDPs), but that's not the requirement. The requirement is somewhere—I've been talking about a dozen or so.

Again, referring to my testimony, I have talked about 375 ships up here for 3 years. In my testimony, I put a chart in that outlined a new strategy and approach to sizing the force, based upon the things we've done in the last 3 years with Sea Swap and the Fleet Response Program (FRP). In my testimony, I revise that number and talk about the size of the force based upon the application of these kinds of advanced transformational ideas.

Now, what I acknowledge is that I do not know how far we can take these ideas across the whole force. What I'm saying is that we could produce a 375-ship-capability Navy for somewhere between 260 and 325 ships, depending on how many ships we could apply these tools to. In other words, I don't know if we can Sea Swap an aircraft carrier, but I guarantee you we can Sea Swap a DD(X). So, my view is that DD(X) is somewhere around a dozen ships. So the requirement has not stopped at five.

The real key to your question is this: Is it an affordability issue, or did I change the requirement? I did not change the requirement. It is affordability issues. I made the statement, in my opening statement and in my discussion, about the requirement to get our arms around the industrial base; the requirement to figure out how to buy ships in a more effective way. Last year, actions of Congress took DD(X) out of the game plan.

Senator COLLINS. The House.

Admiral CLARK. I deal with whoever signs the bills and the way they come to us. I was directed to fully fund DD(X). I could not do it all in 1 year. If I'm going to buy a house, I have to pay for it in 1 year. I couldn't do it in 2006. But what I did do is, I went back and put $400 million against that ship so we could continue all development, except actually laying the keel, as if nothing had perturbed it since last year, so that we could continue the development of this.

But I remain convinced, Senator, that we cannot build tomorrow's Navy with yesterday's techniques. The DD(X) case is the best case I know to put forth as an example.

Senator COLLINS. Admiral, I strongly support incremental funding for our ships. It makes no sense that we fully fund ships in 1 year. We don't do that with other major weapons systems. I am in full support of what you've urged Congress to do for many years.

I also commend you for implementing Sea Swap. I think that's a very innovative technique. But it doesn't prevent the ships from getting older. The infrastructure's still aging even if you're not bringing the ship back into port, while still bringing a new crew out there. So while I think that is a fabulous innovation, it does not in any way lessen our need to build more ships.

Admiral CLARK. I concur with that completely. What it does is that it lessens my requirement to build ships just to have them in transit. I can provide the capability at better effect to the taxpayer, but that doesn't mean that we can't have tomorrow's transformed Navy without an investment in the future.

We need the most help in rapidly accelerating the introduction of these new capabilities and getting them to a production-line state. That's what's disappointing about where we find ourselves with the action on DD(X), the requirement being directed to gap a

year in littoral combat ship (LCS), and things that are going to slow down the introduction.

By the way, these are two platforms that, when General Hagee and I outline the maritime component of the transformed force, these are essential, along with the Maritime Prepositioning Forces (MPF), for the future that will allow us to deliver twice as much combat capability in half the time. We desperately need to move forward with this kind of capability to deal with fourth-generation warfare in tomorrow's world.

Senator COLLINS. Thank you.

Chairman WARNER. Thank you very much, Senator.

Senator, I think it's important, a lot of people are following this hearing, and the term "Sea Swap," I think, should quickly be defined, even though all the members of the committee understand it, by the chief for the benefit of others.

Admiral CLARK. Well, 3 years ago now, we tried an experiment that said, instead of having a 6-month deployment, deploy to the Arabian Gulf and then come home, we left the ship there, and, at the 6-month point, we sent a new crew. We deployed the crew, not the ship. I did this on one of the oldest ships we had and one of the newest ships that we had. One of the oldest destroyers, we left it there for 2 years with four crews. One of the brand new ships, we left it there for 18 months and rotated three crews through the cycle. So, in effect, we bought 25 to 30 percent more deployed life for the taxpayers of America and the combatant commanders.

In the process, then, we evaluated the product at the end of the evolution, and what we believe is that if we can do this on a broad scale, we can change the total investment requirements. We can make our future Navy more affordable. It is a transformed Navy.

Chairman WARNER. I thank you very much, Admiral, and I thank the Senator.

I believe our next colleague here would be Senator Akaka.

Senator AKAKA. Thank you, Mr. Chairman.

Admiral Clark, as part of DOD's Global Posture Review, it is my understanding that the Navy may forward deploy a second carrier in the Pacific. How is the Navy planning on re-balancing its carrier fleet to comply with this? Where would this carrier be based?

Admiral CLARK. That's a great question, Senator. I can't tell you where it would come from. We have had zero discussions about how we would unfold this. We are having the discussions about whether we should do this, and analyzing all of the data and the analyses. We're actually doing this as part of the Base Realignment and Closure (BRAC) process. We're looking at these factors, what response times would be, and where the best positioning would be. But we absolutely are analyzing what would happen with regard to our response time if we were stationed deeper in the Pacific.

Senator AKAKA. Thank you very much, Admiral.

General Hagee, as we continue our discussions with the Japanese Government about potential changes in the basing of our forces in that country, would it be acceptable, in your view, to make an arbitrary percentage reduction in our forces in Okinawa if that was what the Japanese were agreeable to? Or do you believe that any movement of our forces should be designed so that any forces that we move from Okinawa, and any forces we leave in Oki-

nawa, are operationally useful entities, such as the brigade-sized unit?

General HAGEE. Yes, sir. I would not support any move that is arbitrary. I think it's really quite important that, as we look at the Asia Pacific, which, in my opinion, is one of the most important regions of the world, that we set up our forces so that they are properly positioned for the future. I also believe that we should work with the Japanese self-defense force in a security partnership so that we are properly positioned out there. We should not do something obviously arbitrary.

Senator AKAKA. General Hagee, when considering how to reposition our forces in the Western Pacific, do you believe we must take into account not only the role our forces would play in major contingency operations, but also their role in conducting day-to-day presence and bilateral or multilateral theater engagement activities? I understand that one option under consideration is repositioning some of our marine forces in Okinawa to Guam. What impact would such a shift have on our ability to carry out our theater presence and engagement missions in the Pacific?

General HAGEE. Senator, in the first part of your question there, you had it absolutely right. We have to position ourselves to be able to respond across the spectrum. Of course, where we spend a great deal of our time is on cooperative security, working with other nations. In fact, I would argue that if we can do that right, which I believe that we can, that will prevent many contingencies from coming up.

So our ability to work with the Japanese, with the Indians, with the Australians, with all of those countries and Armed Forces throughout the Pacific, I really think is quite important. We should not only look in Northeast Asia, but we need to look across Asia. So as we consider where we want to put our forces, we are looking throughout the Asia-Pacific region and how we can best set our forces up for what we call the Phase Zero, the cooperative security part, all the way through major combat, if, in fact, we have to do that.

Interesting enough, just the last couple of days, the Chief of Staff of the Japanese ground self-defense force was here in Washington, and we met for talks for 2 days. This is exactly what we were talking about: how the forces should be positioned, how our forces can work with their ground self-defense force across the spectrum.

Senator AKAKA. Thank you very much.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Gentlemen, I can't have you all here without, as always, telling you how much we appreciate your great service, your leadership, and most particularly we appreciate the great work that all of the men and women who serve under you. General Schoomaker, it's particularly impressive that you have these three gentlemen here who have made freedom ring throughout the world, not just in the theaters that they have been in. Having been there, we have an even greater appreciation, those of us on the committee who have been there, for the great work they're doing over there.

General Jumper, I think it's interesting that you responded that what keeps you awake at night is the age of the fleet. I want to, particularly, first address the C–130J that has been talked about. I think there may be some announcement—it either came out yesterday, or it may be coming out of Air Mobility Command (AMC) today—relative to some activity regarding grounding of C–130s that you might enlighten us about. There has been some criticism directed at the new J model relative to the performance of that weapons system. Would you care to comment on that, please, and tell us what's happening relative to that weapons system today?

General JUMPER. Yes, sir. The comments, relative to its performance, have generally gone back to test data that occurred in 1999 and 2000. All of those discrepancies have been corrected, at the expense of the company, of the manufacturer.

There were certain differences in capabilities between the Air Force versions and the Marine Corps versions that had to have certain modifications on them, and those have been ongoing. We have deployed the first Air Force versions of this over to the AOR in December, and the airplane has worked very well.

With regard to the existing fleet, it is true that we have emerging information about cracks in the wing-box assembly of our oldest C–130s, the one that the chairman referred to, dating back to the 1960s, that will ground 30 of these aircraft and have us inspecting some 58 more that are approaching their life limit, but are within about 5,000 or 6,000 hours of their life expectancy. That will impact about a dozen airplanes over in Iraq right now that we'll have to swap out. AMC is working all of those issues right now.

So, in fact, this concern about aging aircraft and about class-level problems in aircraft is one we're seeing some of the effects of it, and we're having to manage it day to day. Of course, the Nation pays a great amount of money to keep these old aircraft repaired and flying, as well.

Senator CHAMBLISS. In addition to flying under the flag of the United States, I believe the E, H, and J models are flying under flags of other countries today in theater in Iraq, is that correct?

General JUMPER. That is correct, sir. That is correct.

General HAGEE. Sir, I would like to add that, on the KC–130J—of course, we use it as an air refueler—we're getting ready to deploy the first squadron this month over into Iraq. The aircraft is performing extremely well. We are very happy with it. Our program-of-record requirement remains 51.

Senator CHAMBLISS. Great. Thank you.

Now, let's talk for a minute about the F–22, General Jumper. In every conflict over the last several decades that the United States has been engaged in, we've been able to maintain air superiority and have air dominance of the skies. You talked a little bit about the fact that, if we're going to continue to do that in the future, that this is the airplane that will have that capability. I think you talked about the fact that you had personally flown it yourself. You didn't say this, but I think you told me, you knocked out every F–15 that was flying against you in a dogfight, and they never knew you were there. Is that right?

General JUMPER. Yes, sir, that's correct.

Senator CHAMBLISS. That's the capability of this airplane.

General JUMPER. Yes, sir.

Senator CHAMBLISS. The F–15 today, with a couple of exceptions, has been the dominant airplane in the world.

General, I don't want us to be in a fair fight. I want the men and women that fly for you, as well as for every other branch, to have the capability of knocking anything off of the ground that might be shot at us, or anything coming out of the sky that might be shot at us or shot at our men and women on the ground. Is there any other weapons system out there today that can provide the capability to prevent that from happening, other than the F–22?

General JUMPER. No, sir, there's not.

Senator CHAMBLISS. If we acquire about 170 F–22s, per the budget request that we're dealing with today, that's about a wing and a half, I believe, of airplanes—have we ever had a wing and a half of any tactical fighter in the Air Force inventory previously?

General JUMPER. Only the F–117, sir, which—the stealth fighter is the only other example we have of a small buy like that.

Senator CHAMBLISS. If we have about 170, that gives us, I believe, about 115 that we can depend on to be combat-coded.

General JUMPER. Yes, sir.

Senator CHAMBLISS. General Jumper, is that sufficient to carry out the current plans that the Air Force might have for future encounters that we might be involved in?

General JUMPER. Well, as I've said, the agreement is that we're going to look at this in the overall context of all the air dominance that the Nation is investing in today, and we're going to put it together in the context of the Quadrennial Defense Review, with the proper analysis. It's going to lay all of these things out on the table—the arguments that you make, plus the arguments about the cruise missile defense, the changes in our tactics that will accommodate the Army's new brigade combat team concept and how they distribute themselves in a battle space, the need to keep corridors of resupply open, and the like. All of those change the way we do business and argue for a fairly sophisticated level of air dominance. All this will be laid out in the subject of the Quadrennial Defense Review and in detailed analysis for us to draw conclusions on these very questions.

Senator CHAMBLISS. So if I understand what you've said, then, the QDR is going to be done this fall, I believe.

General JUMPER. Yes, sir.

Senator CHAMBLISS. This budget takes the F–22 through current acquisition into 2007.

General JUMPER. Yes, sir.

Senator CHAMBLISS. The QDR will come out in advance of the point in time when we start scaling back on the acquisition of the F–22s.

General JUMPER. That's correct, sir.

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

Chairman WARNER. Thank you very much.

Senator, one other aspect of the J, you might inquire of the General about the cancellation costs and the number we could purchase. I'll give you a minute to probe that very important issue.

Senator CHAMBLISS. Sure. You alluded to this a little bit earlier, that the exact costs of termination may not be known. I know

they've been estimated to be about $800 million under the multi-year contract, which, frankly, was one of the two best business decisions I think the Air Force and the Pentagon has ever made. The first one was the multi-year contract on the C–17, which has been very successful. Now we've entered into a multi-year contract on the C–130J, and we have it scheduled through the total number of airplanes that the Marine Corps and the Air Force have said you need in your inventory. By cancelling that contract, and by that, I mean at least hundreds of millions—whatever the number may turn out to be—of dollars that have to be paid by the Air Force to the contractor in order to terminate that. What will you get in return for that?

General JUMPER. Yes, sir. To cancel the contract certainly entails cancellation costs. I think the estimate in the budget submission is $500 million. The recognition on the part of the Department is that this is probably too low. The calculation of this is something that takes some time to work out. But, of course, in the cancellation costs, that's what you pay to terminate the contract, to pay out the contract, and, in return, you don't get anything, sir.

Chairman WARNER. Thank you.

Roughly, my estimates show that for the cancellation costs, if they approach close to a billion dollars, you could buy half the fleet that was on order, so that's an important consideration.

Mr. Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service and for being here today.

Admiral Clark, let me add my congratulations for an outstanding service. Perhaps your early years in Scott's Bluff, Nebraska, may have uniquely qualified you. I'm not sure of where you picked up the love of water; you're not going to see as much out that way. But we're glad to claim you.

The President said, in his Inaugural Address, that his new administration would not shrink from the "great objective of ending tyranny," around the globe. We've heard a lot of concern about how we're using the Guard and Reserve, and, in many cases, I think people would conclude we're over-using them or that we've used them to the level that it's going to be difficult to keep deploying and redeploying into the future.

Having said that, and, for example, in Nebraska, about 62 percent of the Army National Guard has been deployed at one time or another since September 11, and I'm sure that that's probably not a unique figure. I'm sure it's true for other Guard units in other States. There is a lot of concern about reducing the length of the deployment. I think that's already been mentioned. I think Senator Reed said something about going from 1 year to 6 months.

My point is, as you look at your total end strength in the force and deployments, using all components, can we meet the objective of ending tyranny around the world, recognizing that the tyranny is not represented only in Iraq, wasn't only represented in Afghanistan? If you read today in the clips, you'll find that North Korea has now admitted to having nuclear weapons. We're talking about dealing with reducing the capabilities, ultimately, in Iran, hopefully with diplomacy, with others involved. How do we do that with

our end strength and with our capabilities that we have today, given the President's commitment?

Maybe I can just ask all of you to respond to that. Let's start in reverse order. Let's start with you, General Jumper.

General JUMPER. Well, sir, there is a balance. The balance is between the highly capable platforms that Admiral Clark talked about and that we're seeing coming onboard, as expensive as they are—highly capable—and able, in the case of the Air Force, to deal with many targets with one airplane—we have a new bomb rack on the B–2 that drops 80 individually-guided bombs at a time—and the ability to take advantage of that, reduce the size of the force. Then your measurement becomes: How many places do you have to be at one time? So if your strategy is as it is today, a 1–4–2–1 strategy, that tells you that you have to be able to distribute these forces to deal with various complicated contingencies around the world, then that begins to dictate how much you need to be at various places at the same time.

This, of course, is the analysis that will go into this Quadrennial Defense Review, and it's the analysis or the facts that allow us to leverage the great capability that this Nation has. I think we're going to see that in the QDR.

General HAGEE. Sir, I actually believe that we are more ready today than we were 2 years ago. We have 39,600 marines in the Marine Corps Reserve. Sir, they're a mirror image of a Marine Expeditionary Force on the regular side. Every single one of those units, except for one squadron, has served overseas. They are trained—they are capable. They're back here now. That's 39. That is a Marine Expeditionary Force worth of combat capability that we could send anywhere in the world if, in fact, it was required. So I feel very comfortable where we are right now.

Admiral CLARK. We have been in a process of doing a zero-based review of the whole Reserve structure. If you look at our program this year, you see—actually, I copied General John Jumper on some of this—that active/Reserve integration, for us, is about putting part of the Active Force with the Reserves and putting Reserves with the Active Force, and getting rid of stovepipes. You'll see, in the budget, that, in terms of the number of active billets, we're actually reducing the size of the force. We still have Individual Ready Reserves (IRRs) and all of that.

In my opening testimony, I talked about the requirement for a 21st-century human-capital strategy. It's not just about the active; it is also about the Reserves. But it's not just about the Reserves and the active; it's also about the civilians who work in our structure. It is about the entire human-capital asset pool and having the kind of incentives that are going to appeal to them and allow us to compete in the 21st century.

So I believe your question is really very apropos. How are we going to do this in the future? Based upon my understanding of how the QDR is going to go at things, this is going to be a major subject area in the QDR, because we cannot deal with one of these segments alone. They are an integrated part of the structure. It really is about the total force, and it includes the noble and dedicated civilians that are part of my Navy and the rest of our military structure.

General SCHOOMAKER. Sir, I second everything that's been said here already, and I'd just take it up a notch. First of all, as I've said, we're absolutely dependent upon our Reserve structure to be available to us. We have to be assured of its availability to us and its readiness to meet the requirements.

Second, the United States Army fights as part of a joint team, so all of the capabilities that are resident here have to be taken into consideration when we talk about that.

Third, our mission is to be a credible deterrence so that we can back up diplomacy and other aspects of national power that are important to us, and, if necessary to fight, then we have to have the capability to win. To do that, we have to have staying power.

I've stated here already in this testimony that our requirement is to be able to sustain, on a consistent basis, 20 deployed brigade combat teams units of action in the United States Army, and, if necessary, to surge above that, perhaps in excess of 30 brigade combat teams. I believe that our transformational plans are sufficient to do that, and that's the path that we're on.

So I guess that just kind of wraps up—we discuss this a lot, and I believe that we are moving towards joint interdependency in a way that we've never done before, as an Armed Force. I think that's an important component of your question.

Senator BEN NELSON. I thank you. I have just one question I want to throw out for consideration to General Jumper. I know, with the F–22, that that would be tantamount to starting the retirement of F–15s and F–16s pretty quickly. Under Admiral Clark's rule that the law of physics, that you can only be in one place at one time, isn't the use of the F–22 going to be more on expeditionary forces? What are we going to have to protect us for homeland security here at home? We don't want our skies thin here at home while we're protected elsewhere. So I'd just throw that out. I'm not expecting an answer.

General JUMPER. Yes, sir. Understood.

Senator BEN NELSON. I suspect you have an answer.

I will submit some other questions for the record, Mr. Chairman. Thank you. Thank you for your answers.

Chairman WARNER. Thank you very much, Senator.

I believe we have Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

Thank you, gentlemen, for appearing here today. I know all of us have expressed our admiration, but I don't think we should let the occasion pass without expressing our appreciation and admiration for your service, and thank you very much.

I think there's a common theme that I keep hearing throughout some of the testimony here, and that is that this budget request is not so much driven by military requirements, but, rather, a bottom line. I will just say, just as a general matter, that there is nothing more important to me, and, I believe, to the American people, than our national security. There is no price that the American people would not pay if they believed that it was important to assuring the preservation of our way of life and our freedom.

So, I want to make sure that we don't engage in a process that is, in some ways, penny wise and pound foolish. I'm particularly concerned that we have things like the F–22, seeing the numbers

cut dramatically—but, as Admiral Clark alluded, this could apply also to the DD(X) that Senator Collins inquired about—that we have a budget we're looking at, without the benefit of the Quadrennial Defense Review, which is supposed to give us the long view of what our requirements actually are, rather than have Congress deal with this on a year-by-year basis in programs that really can't be dealt with or looked at on a year-by-year basis with any assurance that we really know what we're doing. That's my own view.

I'm concerned, particularly—and I'm going to address this initially to General Jumper even though the Air Force initially stated it had a requirement of 381 F–22s in 2001, a number that was embraced by the Department of Defense. That number has been cut down to 276, but this budget cuts that number further, to 180. I just, here again, will footnote what Admiral Clark said when he talked about the 400 percent increase in the cost of production of ships because of the low rate of order and, obviously, the overhead costs and other things associated with it.

But, General Jumper, I have read that the F–22, which is designed to maintain American dominance in the air—to replace, in essence, the F–15, which was built in 1974—is as some have said a Cold-War-era fighter built to battle a bygone Soviet enemy. But, as I recall what you described here today and what you described to me yesterday in our conversation, basically this stealthy airplane, the F–15 is not, correct?

General JUMPER. That's correct.

Senator CORNYN. You were able to fly, were basically able to knock out all of the enemy surface-to-air missiles and other fighters before they knew you were even there. Could you describe, or perhaps respond to this characterization that I have read that some critics say it's a Cold-War-era fighter built to battle a bygone Soviet enemy, in referring to the F–22?

General JUMPER. Well, actually, the strength of the airplane, sir, is that it avoids that dogfight and it is able to get in and out without being seen. With regard to the number, our plans are to replace about 800 or so F–15s of all models eventually, along with F–117s, with what we had set as a requirement of 381 airplanes. When you lay this all out in the air-dominance picture and the threats we're going to face out over the next 25 or 30 years—when we lay this all out in the Quadrennial Defense Review and we look at the analysis of how well this airplane does, versus other alternatives that we might have, I think, again, we're going to get to the basics of these questions. As an airman, of course, I have my beliefs about this, and now, with firsthand experience, I can offer that to the Quadrennial Defense Review in the analysis that's going to go on.

Senator CORNYN. General Jumper, if I could interrupt just briefly. We're not going to have the benefit of the Quadrennial Defense Review at the time we're asked to decide on this particular budget.

General JUMPER. No, sir.

Senator CORNYN. Is that correct?

General JUMPER. That's correct. But for 2006, 2007, and 2008, the budget's still intact. The Quadrennial Defense Review will then inform future decisions about how far we go.

Senator CORNYN. Well, I appreciate that. I know you're trying to do the best you can, as are all of you, based on the caps that you've been given, but I've expressed my frustration at that approach.

Let me just ask one other thing, and this has to do with military medicine. I think all of us have been to visit some of our troops at Walter Reed, in Bethesda. I've visited with some of the marines that fought in Fallujah there. Also, I've been down to Brooke Army Medical Center, in San Antonio, particularly, they have their world-class burn unit. We've just all been inspired by what we have seen. One of the first statements that these folks make is, "I can't wait to get back to my unit," even though some of them have disfiguring wounds and loss of limbs and the like.

But military medicine has really been an unsung hero, I think, in what we've been able to do. In fact on December 9, the Washington Post pointed out that 10 percent of soldiers injured in Iraq have died from their war wounds, which is the lowest casualty fatality rate ever, thanks to technological advances in the deployment of surgical SWAT teams, so forth.

My question is, how important are major military medical facilities, in terms of their ability to train doctors, nurses, allied healthcare professionals, so that, when called upon to deal with the war-related wounds of our Army, Air Corps, Marine Corps, Navy, Coast Guard, that they are prepared to deliver this kind of top-quality medical care? Perhaps, General Schoomaker, if I could start with you, and just go down the line.

General SCHOOMAKER. Obviously, I believe they're an important part of these facilities, of our preparation, but not the only part. Obviously we leverage an awful lot on the civilian side for much of our preparation, as well. But, I have a brother who happens to be an Army physician, and I think he'd probably answer the question better than I can. But I am very proud of our medical people. As I visit these facilities, as you have, I spend a lot of time thanking them, because nobody understands the pain and the sorrow and all that these people go through as they tend to these disabled soldiers and tend to the wounds from the front line all the way back.

I join you in commending them, and I really couldn't add more to your question.

Senator CORNYN. If the chairman will permit, I'd like to hear from each of you.

Chairman WARNER. Yes.

Admiral CLARK. As I said earlier, all of the people that are with General Hagee's marines are Navy people, and they're proud of what they do. Their ability to put teams together and the discipline that they demonstrate every day in their task is what makes them great.

Having said all that, let me tell you, we're looking at a revolution in the way military medicine is responding. It is not responding the way we planned for it to do 15 years ago and 10 years ago. We are in the process of rethinking even how we structure military medicine for the future, given what we are learning today. Virtually everybody that's injured is out of the country in 24 hours and is stabilized in another nation in a full-up hospital. The old way of thinking was, you do that in-country. Those days are gone. It's about speed. We talk about speed and agility in all aspects of war-

fare. This is one where the speed and agility part of this has really come into play, and it's saving lives every day.

General HAGEE. Sir, as Admiral Clark said, we get all of our medical support from the Navy, so I would align myself with him. But I have to say something about those great young doctors and corpsmen out there and what a fantastic job that they're doing. To show you what we think about it, I mentioned earlier that we have a program called the Injured Marine Program, where if a marine is injured, we follow him or her all the way through the process here. If they leave the Marine Corps, we continue to follow them to ensure that they get the support that they need, either inside or outside the Marine Corps. As part of that program, we have included those corpsmen and those seabees that serve with us.

Senator CORNYN. Thank you.

Chairman WARNER. Before we leave, General, we'd better add nurses, because of what an extraordinary role they're playing, particularly in the transportation all the way home on these planes that are just filled with our wounded. I think, in jointness, we'd better be careful. I'll bet an Army doctor has worked, from time to time, on some of the casualties in the Marine Corps.

General HAGEE. Army and Air Force doctors, sir.

Chairman WARNER. Got to get it all in there. All right.

General JUMPER. Sir, let me say, I started off my career as a Second Lieutenant flying the C–7 Caribou, and most of my sorties were coming out of Phu Bai and Khe Sanh during the Tet Offensive, carrying wounded marines, sailors, and soldiers, and I watched a lot of them die on my airplane, because of the very reasons you heard earlier here, trying to do too much forward and not trying to get stabilized and get them in the rear. That's one of the reasons the survival rates are so dramatically improved from what we saw back in those days.

I will tell you—you asked a question about the value of our medical facilities back home. What happens, of course is that the people that go forward to man these forward units come out of those facilities, and essentially we drain them down to put them forward. Vern Clark can tell you how he manages his hospital ship when he sends that forward. All of our big surgical hospitals that go forward are manned from those major facilities. It's in those major facilities that they learn not only the unique equipment that they take forward with them to be able to do major battlefield procedures, but also the techniques that go along with working out in these forward locations. This critical element of transporting back and I echo the opinion of others, this rapid deployment back to major facilities is something that has proven itself to be probably the biggest leveraging element we have in modern field medicine.

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

Chairman WARNER. Thank you, Senator.

Senator CORNYN. I'd like to also acknowledge the contribution of Wilfred Hall Hospital in San Antonio, which is part of that great medical team.

Thank you.

Chairman WARNER. And the Burn Center that you have there.

Senator CORNYN. Brooke Army Medical Center—it's world class.

Chairman WARNER. Thank you very much, Senator.

Senator Dayton.

Senator DAYTON. Mr. Chairman.

Chairman WARNER. Senator Dayton, if I may say, we all read yesterday of your announcement. It's a personal decision, but do not feel that your duties on this committee are going to be lessened in any way in the balance of the time here, and we're going to get every ounce of work we possibly can get out of you.

Senator DAYTON. Well, thank you, Mr. Chairman. I have offered before to carry your suitcase anywhere you're going around the world, and it's hard for me to keep up with you, but I'll be glad to keep trying. Thank you.

Chairman WARNER. Thank you.

Senator LEVIN. If anything, we're going to increase those duties, because you're leaving us. Penalty. Punishment. [Laughter.]

Senator DAYTON. It's been a privilege to serve under both of you. You've exemplified the finest traits of United States Senators, and I appreciate the privilege to serve with you. Thank you.

General Jumper, the authorization, I believe, for the National Missile Defense Program is $8.8 billion for this coming fiscal year. Given the failure in the last reported test, I wonder if that has indicated any change in plans for the continued deployment, rather than what I consider to be a more rational and cost-effective approach to further tests and modify before further deployment.

General JUMPER. Well, the failure of that particular test is well known. In a real situation, that failure of that rocket motor to ignite would have been backed up by the next one down the line, which, because this was a test, did not go through that whole process. So I think that there's another test scheduled here very shortly. I can't give you the exact date, but I can supply that.

Again, this is a matter of national priorities as to how these things are funded, and our job is to make it work the best way we can as we progress along this program.

Senator DAYTON. Could I ask, either non-classified or classified, a response to how many tests are planned for the coming year compared to the previous year?

General JUMPER. It's well known, but I will supply it for the record.

Senator DAYTON. Thank you.

General JUMPER. I just don't know it myself, I'm sorry.

[The information referred to follows:]

The responsibility for missile defense testing rests with the Missile Defense Agency. I understand Lieutenant General Obering, Director of the Missile Defense Agency, is scheduled to testify before your committee on April 7. The Air Force does support these tests, but does not conduct or schedule them. I defer to the Missile Defense Agency for an accurate response to this question.

Senator DAYTON. General Jumper, again, you state in your testimony that currently 25 percent air expeditionary packages are composed of Air National Guard and Air Force reservists, and I appreciate, since we have two outstanding Air National Guard units in Minnesota, your delineating the efforts to improve the benefits and other aspects of their service. They're incredible in their commitments.

General JUMPER. They are magnificent.

Senator DAYTON. Their families, also, as they are across the country.

General JUMPER. Absolutely, and we can't forget the employers, who give them up to the service.

Senator DAYTON. Really.

General JUMPER. We thank them, as well, sir.

Senator DAYTON. Absolutely.

That seems to be possibly contradicted, however, by the future—let me get my little board here.

General JUMPER. Total force?

Senator DAYTON. The future total force plan, which, as I understand it, would start to retire the Air National Guard F–16s in blocks, beginning in fiscal year 2007, and continue through fiscal year 2012 without really any replacement aircraft. I also am concerned that there is at least discussion or rumors to the effect of consolidating the Air National Guard operations at the active-duty bases, which would, as I read in between the lines, eliminate those Air National Guard bases in States like Minnesota.

General JUMPER. Sir, the Air National Guard and the Air Force Reserve is in a major effort with us right now, and we're not ready to roll this thing out, because it's not all put together yet. But it is involved in a major effort to see how we can better use the Air National Guard and the Air Force Reserve, together with active-duty units, to bring them into the missions that the Air Force is transitioning to in the world that we live in now, missions like space, like unmanned air vehicles, like command and control, that are a more relevant part of what we do today.

It will not necessarily be a consolidation with active-duty units, but even consolidation between and among National Guard and Air Force Reserve units that exist today, all done with the participation of the Air National Guard. This is ongoing. I went and spoke to all the adjutant generals in Arizona. I met separately with a committee of adjutant generals that are working this problem specifically with us. We have members of the Guard and Reserve in our planning functions that are putting this thing together. So it's going to be done in a way that makes sense for the Nation. As a matter of fact, the numbers of people do not go down, in the Air National Guard or the Air Force Reserve.

Senator DAYTON. Would you be willing, sir, to sit down with myself, the Minnesota operations, to discuss this? They don't feel they've had any input. You talk about rolling this out at some point, and I hope this will be one that involves their input, also an opportunity for members of this committee to be apprised before you present this as a final decision.

General JUMPER. It is not a final decision, sir. This is a transparent process. I am surprised, quite frankly, that somebody would say that they haven't had a chance to be a part of this. Yes, absolutely.

Senator DAYTON. All right, thank you.

General JUMPER. We'll talk to you about it. Yes, sir.

Senator DAYTON. I'll set that up. Thank you very much.

General Schoomaker, you, in your posture report, indicate there are currently 315,000 soldiers deployed or forward-stationed in more than 120 countries around the world. We're going through

some of these concerns about consolidation, domestically. As you view this deployment, are there opportunities for significant reductions in any of these locations? I note—all due respect to my colleague from Hawaii—Alaska and Hawaii, 26,000 soldiers; Germany, still 58,000 soldiers; forward-stationed outside the U.S., 97,000 soldiers. Given the stresses on personnel that you've outlined, is there any remedy available to us here?

General SCHOOMAKER. Sir, the global force posturing that we're looking at realigns—for instance, we're going to return some 70,000 soldiers and civilians from Europe to the continental United States (CONUS) during the period of this FYDP, as we look, and that will be involved and integrated with whatever happens with Iraq, one way or the other, the relocations in the Pacific, what we're doing on the Korean Peninsula, potentially relocations within Japan. All of this is being integrated. I take, from your question, you're asking, Is there a possibility of outside-the-United-States consolidation?

Senator DAYTON. Yes, sir.

General SCHOOMAKER. Absolutely. We certainly will be looking—the footprint on the Korean Peninsula, the footprint within Europe, the footprint in the Pacific will benefit from some of these consolidations, as will, I believe, some of our realignments that will take place as we return troops from overseas within our structure here within the United States.

Senator DAYTON. Mr. Chairman, will we have an opportunity to submit other questions for the record?

Chairman WARNER. Absolutely.

Senator DAYTON. I will do so. My time is expired.

Chairman WARNER. The record will remain open through the balance of this week for submission of other questions to be responded to in writing.

Senator DAYTON. Thank you.

Chairman WARNER. Thank you, Senator, very much.

Senator Sessions?

Senator SESSIONS. Thank you, Chairman Warner.

General Schoomaker, to follow up on Senator Dayton's important question, a number of us wrote Secretary Rumsfeld a couple of years ago to ask that he undertake an international review. Would you say these 70,000 troops that are being brought home, 100,000-plus dependents, represent the biggest redeployment to the United States in many years?

General SCHOOMAKER. It's certainly large. I'd be a little afraid to say it's the biggest, because we've closed several hundred installations in Europe, for instance, since the Cold War. In fact, I think that number may be in excess of 500 installations.

Senator SESSIONS. I think you're on the right track. I think this is a big step. I really think there are a lot of reasons it's better to have those troops home.

Let me say to all of you that we are a bureaucracy. All our government is. The military can be a bureaucracy, too. But no military in the world, in my opinion, has been more creative; more innovative; more willing to change; no more willing to bring in science and technology, communications, and missiles in air and ground, and every other component of warfare to bear on the battlefield to

make our soldiers more effective against the enemy and make our soldiers safer in combat with the enemy. I want to say thank you for that. The world has seen that in a very dramatic way over the last number of years. I know there are a lot of good soldiers around the world, but none have the support from top to bottom, the infrastructure, the lift capability, the training, the equipment, the coordination ability that ours does, and that's why we've been so effective. I want to say thank you. I think the people of this country do.

A lot of people also thought that, well, we may be all of those things, but we didn't have the courage to fight. I've been there, General Schoomaker and General Hagee, and seen marines and soldiers going down, knocking in doors, going out there, not knowing what's down that road, and Air Force and Navy people, too, are out there. I think they have demonstrated, without any doubt, that our soldiers are courageous. In fact, I think that's probably one reason they've stopped attacking our soldiers. Maybe they thought, at first, we'd just cut and run. They haven't stopped attacking them, that's for sure, but they seem to be emphasizing attacking Iraqis more than the Americans in recent months.

Let me ask you a couple of brief questions. General Schoomaker, you came up through the Special Operations Forces. You commanded that. We've been able to use them effectively. What was done in Afghanistan was incredibly dramatic, actually, how few soldiers we had there, many Special Operations Forces that led to victory in short order, with very few soldiers on the ground.

Are you satisfied that we are utilizing them effectively, that this budget satisfactorily enhances funding in that area and in numbers to meet your vision for the future?

General SCHOOMAKER. Sir, the answer is yes, but it's a shared responsibility between myself and General Doug Brown, who commands the U.S. Special Operations Command. He has the responsibility for the special-operations-specific aspects of the budget, but I can assure you that I am absolutely convinced that the Army is continuing its support for our share of that. We're in constant dialogue about how we're transforming his force and creating the most relevant Special Operations Forces for the future.

Senator SESSIONS. Well, that's part of a transformed military, I think. You can't answer every problem, but, on occasion, they've proved to be invaluable. We're also looking to embed more.

General SCHOOMAKER. That's correct.

Senator SESSIONS. Will that be what kind of training would you expect these soldiers, who are embedded with Iraqi forces, or maybe Afghani forces also, would have?

General SCHOOMAKER. Well, obviously, that's a core capability of our Special Operations Forces. Special Forces, for instance, specialize in language qualifications, cultural orientation. These are some of the skills that we need to migrate in greater numbers into our conventional force structure, and we have a lot going on, taking a look at how we're going to improve those capabilities. Specifically, as we transition to create, in a more rapid fashion, Iraqi capability and their security-force structure, we will be seeing more and more of our officers, noncommissioned officers, populating Iraqi forces as advisors and trainers to assist them. Of course, General Casey has

plans to do partnership relationships with U.S. forces and Iraqi forces. We're working very closely as these plans develop.

But this will have impact upon, and is very consistent with, our transformation schemes as we move the Army into the 21st century. These are the kinds of things that we must be able to do, on top of being able to deter, fight, and win, what's—the more traditional thinking of use of military force.

Senator SESSIONS. I know that all of you care about the unmanned aerial vehicles. Each Service does. It has tremendous capability in a lot of different ways. Right now, we know it's so important for the soldier on the ground—marine on the ground. But we're spending a lot of money on it. We have a lot of different plans and programs going forward. Would any of you like to comment on what we can do to coordinate that effort more effectively? It seems to me a joint program office with some real clout needs to make sure we are finding out the actual needs, and then identifying the best kind of aircraft to meet that need.

General JUMPER. Can I answer that, Senator?

Senator SESSIONS. General Jumper, please.

General JUMPER. I think there is a need for a center of excellence that actually ties together all of our unmanned capabilities, that goes all the way up to Global Hawk, perhaps even satellites, but down right to the tactical-level UAV, and a way to put these things together.

Well, the estimates range from 400 to 700 UAVs over in the AOR right now. I don't think anybody argues that there are not enough. It's just a matter of how they're put together and how we take advantage of the capability and how we organize that capability. The joint staff has a group that's addressing that right now, and I think we're going to see some improvements in that. But I think the Services need to get together in a joint center of excellence so that when we do develop these things, it's done with integration and networking in mind.

The person on the ground needs an image or a picture, and we shouldn't put them in a position where they're asking for a Global Hawk, a Predator, a Hunter, a Pioneer, or a this or a that. They're asking for the information, and we should be able to work it through an information chain, rather than ownership of assets.

Senator SESSIONS. I think we could do better as we go forward.

Admiral Clark, I've been pleased to have served with you on sharing sea power for a while there, and gotten to know you over the years. I know this won't be your last opportunity to testify. It will be, I guess, your last posture hearing. I have to tell you, I'm proud of your service and what the Navy has accomplished under your leadership. It is truly extraordinary.

Senator Talent. Oh, wait a minute, Chairman.

Chairman WARNER. I think we're going to go to Senator Clinton.

Senator SESSIONS. I thought you had left me, there.

Chairman WARNER. That's all right.

Senator SESSIONS. They gave me a note, here.

Chairman WARNER. I have a watchful eye.

Senator Clinton.

Senator CLINTON. Thank you very much.

General Schoomaker, thank you for bringing the three soldiers you brought with you today. There couldn't be a better illustration of the jointness between Active-Duty, Guard, and Reserve sitting in the front row there, and I appreciate that.

General Schoomaker, just because I'm afraid I might have missed it, what was your number about the up-armored HMMWVs that we now have in the theater?

General SCHOOMAKER. I believe the up-armored HMMWVs, themself, were in excess of 6,000.

Senator CLINTON. Okay.

General SCHOOMAKER. Is that correct?

Senator CLINTON. Then the other vehicles, altogether?

General SCHOOMAKER. Total, were in excess of 26,000, approaching 30,000.

Senator CLINTON. Yes, I was recently up at Watervliet Arsenal, the oldest arsenal in our country, going back to the War of 1812. They're very proud of the work they're doing to help armor the trucks that are now a major priority. General Schoomaker, help me understand a sequence of events.

Last week at our hearing, I asked Deputy Secretary Wolfowitz about increasing the size of the Army. At that time, he told me, "In fact, in the 5-year defense plan that will come with the 2006 budget, you will see that we will bring the cost of this larger Army into what we call the top line in our regular budget, starting in fiscal year 2007, and that we've had to make some very considerable adjustments in the rest of the defense program in order to pay for that. We need to fund it through supplementals in this fiscal year, next fiscal year, because that's not the kind of change you can—it's like turning a tanker on a dime, but we're not trying to hide the costs either." That is what Secretary Wolfowitz said.

Shortly after he answered my question, it appeared as though the Defense Department was backing away from even that level of commitment.

But I just want to understand, from your testimony, with respect to this 30,000-person increase being made permanent, we are funding it out of the supplemental now, but is there a plan, as Secretary Wolfowitz seemed to suggest, that we would start trying to move toward putting that into the baseline in 2007?

General SCHOOMAKER. There are three components of this, if I might. My requirement for this year is $110 billion, in 2006. The base budget has $98.5 billion in it. There is a delta of about $12 billion. We have a request in the supplemental for that $12 billion: $3 billion for manpower, $4 billion for resetting the forces that we're using, and $5 billion for the modular transformation of the Army, for the Army that we're sending. If you then look at 2007, you will see that the core budget is $110 billion.

Senator CLINTON. Okay.

General SCHOOMAKER. In other words, it's moved in 2007. As you look out, all the way out to 2011, you will see that the Army modular costs have migrated inside of our top line. What is not in the top line, because it's unknown, is what our reset costs will be in the out years to fix equipment and replace equipment that's used. As you can see, there are still personnel costs that we will require supplemental funding for in the out years.

Senator CLINTON. This is primarily a budgeting decision, at this point, that, for whatever reason, the Defense Department doesn't want to move into the budget and the top line number any sooner than next year? Is that fair to say?

General SCHOOMAKER. I assume that's what it is. I've stated what my requirement is. I'm satisfied that I have a commitment that requirement is going to be met. As I say, as you take a look through the out years, you'll see that our core budget grows because more of it is being pulled into it.

Senator CLINTON. Well, I share Senator Levin's concern about the use of supplementals for what are anticipated to be continuing expenses that are in the baseline. I don't know how we get a handle on this, but it's very troubling to me, because I think that it's difficult. You've done what you're supposed to do. I'm just really talking to us. We need to do what we're supposed to do, in conjunction with the Department of Defense, to more accurately describe what our defense needs are, going forward, and not be pushing things into supplementals and trying to do it on a year-to-year basis. I just don't think that is an appropriate way to deal with the basic needs that we face.

General Schoomaker, also last week I had a chance to talk with General Cody about the specific case of the Specialist Jeffrey Loria, from Middletown, New York, who lost an arm in Iraq, and he had some problems getting his paycheck worked out. He was expecting a final paycheck of about $4,500. Instead, he was told by the Army that he owed money. He was caught up in this bureaucratic red tape.

In the course of intervening on behalf of Specialist Loria, I was told that the Army had identified 19 more soldiers who were treated the same way. Then my office, because that got some press, began getting additional concerns brought to our attention. I wrote the Secretary of the Army and asked him to examine whether this was a systemic problem, and I brought that to General Cody's attention last week, and he very efficiently got me an answer, which I appreciate very much.

On Friday he sent me a letter saying the Army had identified 129 soldiers with payment and debt issues, but that the Army had put into place systems that would rectify the problem. General Schoomaker, I really appreciate this. I appreciate the Army's willingness to correct this. Obviously, I think we all agree that one soldier who faced this situation is one too many; 129 is absolutely beyond the pale.

But is the Army taking a big-picture look at how wounded soldiers are handled from the moment they're wounded to the moment they are either restored to duty or discharged? Let me also, perhaps, ask whether General Hagee could respond to that, as well.

General SCHOOMAKER. The answer to your question is, absolutely. I might remind you that the system that pays soldiers is the Defense Finance and Accounting System. It's a big, huge, consolidated bureaucracy that is getting better, but it will not get totally better until we transfer this whole system to the Defense Integrated Military Human Resource System (DIMHRS), that will tie the personnel system and the finance system together more closely. I'm afraid that it's going to continue to take a lot of attention on

the part of leadership, a lot of anticipation, to fix these kind of problems.

I don't mean to be facetious here, but I think you remember me testifying in the past that, as Chief of Staff of the Army, it took awhile to get paid with this system, which I assume that means privates have a lot harder problem down there. Oh, by the way, they sent my spouse a note saying I had died when I was brought back on active duty. [Laughter.]

Was she surprised to hear that?

General SCHOOMAKER. So almost nothing you tell me will surprise me, and it will require attention to do this. So I can't give you a better answer than that.

Senator CLINTON. Thank you.

General HAGEE. Yes, ma'am. We are working also very aggressively in this area. In fact, I have been out, and I have talked with the former Secretary of Veteran Affairs, Secretary Principi. We are actually assigning a major out to his office this month to identify those seams that might exist between the Department of Defense and Veterans Affairs. As I testified or mentioned earlier, we have set up this Injured Marine Program, which is going to follow an individual marine while he or she is on active duty. If the marine decides to leave active duty, he will have a contact, or she will have a contact, on the outside to assure that we continue to address these problems that might come up.

Senator CLINTON. Thank you.

Thank you very much.

General SCHOOMAKER. Could I have an alibi very quickly, Senator? I'm sorry. Because I wanted to mention the same thing. The Army has a Disabled Soldier Support System that we are doing precisely what the Commandant has talked about with the marines, and follow our soldiers 5 years into their civilian life. We're doing it in conjunction—over and above what the VA does. Secretary Principi previously has been very helpful in helping us do this. So when we talk about a holistic approach to what you've just touched on a little piece of it here, it is a very big process. For we very much understand our responsibilities to return these great people that serve in our Army back to wherever they decide to go. Whether they're going to stay with us or whether they're going to go back into civilian life, we have a responsibility to return them as whole as possible to stay with them.

Senator CLINTON. I thank you for that. Thank you very much.

Chairman WARNER. Thank you.

Senator Talent.

Senator TALENT. Thank you, Mr. Chairman.

General Schoomaker, I want to thank you for confronting this problem of authorized end strength, which is end strength. At your confirmation hearing, you'll remember, I asked you if you were going to take an unbiased look at it, and you've done that. I'm grateful for that.

I think for 12 years we've had an end strength, particularly for the Army, that was dangerously low, and hadn't funded, by the way, any of the Services the way we should have funded them, even at the end strengths that were too low. That goes back to the early 1990s. Thank heavens for the supplementals, Mr. Chairman.

If we hadn't stuffed more into the supplementals than we probably should have all those periods of times, we'd be worse off than we are now.

So I'm grateful for your confronting it, and I'm just going to say, if I have to choose between funding this in the supplemental or sticking it in a top line that's too low already so we have to take even more out of our hide, I'll take it in the supplemental, and I don't care if it fits the accounting niceties. So let me just say there's one Senator on the committee who believes that.

Are you gentlemen planning to submit unfunded requirement lists to the committee sometime in the spring, as is the custom?

General SCHOOMAKER. If it's requested. Traditionally, we——

Senator TALENT. Okay. Mr. Chairman, I just hope we'll request that.

Chairman WARNER. Yes, we will do that.

Senator TALENT. General Hagee, let me follow up on some questions that Senator Collins had, and particularly with regard to DD(X). Given the proposed cutbacks in DD(X)—and I appreciate the frankness of your testimony regarding that—do you believe the Marine Corps will have, in future years, adequate naval surface fire support if we go from 12 to 5?

General HAGEE. Well, as the CNO testified, it depends on which year you're talking about out there. I am concerned about adequate fires, but I think that one cannot look at one platform when you're talking about appropriate fires. You have fires from the sea, you have fires from the air, and you have ground fires. So that all has to be integrated in there. But, having said that, yes, sir.

Senator TALENT. You're concerned. So either we need to restore DD(X) or we need to take a look at other kinds of fire support that we're providing from the air or from the sea in some other way.

General HAGEE. Yes, sir.

Senator TALENT. Okay. I appreciate that.

Admiral Clark, I, also, am very grateful for your service. I think all of us were talking like you're already gone, which happens to us sometimes, too. [Laughter.]

Senator TALENT. I'm very interested in your written testimony that you've submitted, and particularly the force posture ranges, because we've talked about what metrics of capabilities are appropriate given that numbers aren't the whole thing. As I understand this chart you've submitted, it's your view that a range of ships somewhere between 260 and 325, on the intermediate term, give us the capabilities we need if we can implement these innovations that you have on the way. Is that basically correct?

Admiral CLARK. The horizontal axis is a measure of how much of those new innovations I can put in place. So each of those curves is a capability curve. In other words, the top curve shows a 375-force Navy that you could reduce potentially to some number like 325. But you have to be able to do Sea Swap all the way to an aircraft carrier. Senator, I don't know if I can do that.

Senator TALENT. Yes, I hear you. So it's your gut that somewhere in that—in the middle of that range may be a reasonable target?

Admiral CLARK. That's right.

Senator TALENT. You really do believe, I take it from your testimony—you wouldn't have said it, otherwise—that if we'll imple-

ment some of these changes in the way in which we fund shipbuilding, and, in appropriate ways, challenge the industry to reduce some of the costs, that we can get in this range with what you would expect to be top lines in the future.

Admiral CLARK. I did a war game with the shipbuilders 3½ years ago. It took every kind of measure, from multi-years to fixed funding streams to advanced appropriations to a number of strategies, but it did this: it said, the Nation must make a commitment to a level load of investment stream. That's the issue here. I've said before this committee, how can they live with a sine/cosine curve investment stream? That's what the challenge is.

You and I have been talking about this now for a number of years. You know how important I believe that future investment is. If I could have done better, I would have. Now, if I may, the comment was made that this is a bottom-line-driven budget. Well, it always is. Let's be fair. Whatever you give us to plan to, we are going to drive toward that bottom line. We're spending our time talking about what's missing here.

There are tremendously important investments in our future that are in this budget. R&D is up a couple of billion dollars over what it was last year, and dramatically over what it was 5 years ago, when I came here. We're now talking about a particular segment of the industry that is special. My investment requirements are different than all the rest of the chiefs sitting here, and the shipbuilding piece of this is a source of concern.

Senator TALENT. What we're always trying to get at and find some way to quantify, when the four of you or your predecessors or your successors are sitting there, is, what in your professional judgement, takes us too far out on the margin of risk? You're right, it's inherently a question of degree, and very difficult.

Mr. Chairman, I'll just say, maybe we ought to challenge ourselves, in Congress, to engage in some of the kind of the institutional change that the Navy has with regard to appropriations and funding streams, so, at least whatever the top line is, we're getting the most out of it. I don't think that's too much to ask us to do. I know that there are different theories about things like advanced appropriations for ships. Legitimately, with the chairman's permission, we may well have a hearing in the subcommittee, once we get the subcommittees constituted, specifically on this, and so that at least we change appropriately in a way that we can maximize whatever the investment is. Anybody want to comment?

Admiral CLARK. May I?

Chairman WARNER. Yes, go ahead.

Admiral CLARK. Last week, I had a session with one of the presidents of the shipyards, and I've talked about the rising costs of manpower. By the way, my budget asks for 13,200 less sailors than last year in my active-duty account. This is because of marvelous work by the leadership of our Navy. Medical costs are rising. The same thing is happening to people who build ships and airplanes.

So we have to figure out how to let them correctly size their force and their infrastructure. They need to be able to do the exact same thing that I'm trying to do in my Navy. My point is, we cannot do that without doing something about this process. This process is very volatile from year to year. Obviously, if you're on the other

side of the coin, you don't like to see this happen like this. I don't like it either. I'm in a system that I'm not able to do it any other way. I've tried to do it different directions, and thought I had permission, for example, to exploit research and development with lead ships of the class to the maximum to accelerate the delivery of DD(X), for example. Then it was changed.

It didn't result in a 1-year slip. We won't see that ship counted until 2007, because I was directed to fully fund it in 1 year and, by the time that developed, I did not have the resources to do it in the 2006 line.

Senator TALENT. I'm passed my time, but thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you for those important questions, Senator. I agree with you on the need to do our job so that we can best serve this Department of Defense.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Admiral, thank you, what all has been said about your service. I wish you weren't retiring as early as you are.

Speaking about change, Admiral, 12 carriers were in the DOD budget that went to the White House Office of Management and Budget (OMB). Is that correct?

Admiral CLARK. After it leaves me, I can't testify to where it is. My point is that it was not submitted—I believe it was not submitted at the time we got new direction from OMB. I believe it was submitted with 11.

Senator BILL NELSON. When it left you there were 12.

Admiral CLARK. That's correct. It had 12. Yes.

Senator BILL NELSON. Well, then OMB came back and said they wanted some reductions in the defense budget. So how did you come up with scrapping one of 12?

Admiral CLARK. Well, I went through a series of exercises, analyzing, first of all, where is the money? Then, what are the risks associated with various decision points? This was from the very initial meeting conducted at very high levels of the Navy. I have testified earlier that I have been constantly reviewing carrier force structure and my ability to respond to the world I live in. I do that all the time, been doing it for 4½ years. In fact, I have talked about the Fleet Response Plan and changes that we made in our operating force, including changes in the training strategies, changes in the maintenance strategies that have provided the Nation twice as much responsive combat power in the carrier force, in the carrier strike groups, than we had 3 years ago. So when it came time to deal with this, we analyzed what the risk factors were. I looked at the margin of risk between 11 and 12, and I analyzed different options for what carriers might be involved. I put it on the table as one of the 25 or so things to be considered.

Senator BILL NELSON. Then why did it leave your office with 12 instead of 11?

Admiral CLARK. I'm sorry, what I'm talking about is the analysis that we did when we received new guidance from OSD with a different top line. I submitted my initial budget in August. Now, fast-forward to December, is when all of us received guidance for new target numbers.

Senator BILL NELSON. Tell me, how does this square with the significant implications for our stationing situation in the Pacific, given the fact that we don't know that we can put a nuclear carrier in Japan yet?

Admiral CLARK. The fact is that when it comes time to retire the Kitty Hawk, we will have to select a platform to go there, and this, obviously, is going to require consultation and work with the Japanese people.

Senator BILL NELSON. That's going to be in 2008, isn't it?

Admiral CLARK. Currently scheduled down toward 2008–2009.

Senator BILL NELSON. Whereas, if you proceeded with the *Kennedy,* which is what the plan was, to make her good through 2018, you had a lot more maneuvering room there with regard to a conventional carrier in the Pacific.

Admiral CLARK. Yes, sir, that is one piece of the equation. Let me say that when we made the decisions, and made the recommendations to the Secretary of Defense regarding the various pieces that we put on the table to be considered in this new fiscal top line, I explained to him what the issues would be with regard to our ability to respond around the world, particularly, was this. My number-one issue is, how can I respond in short notice? Because one of the great improvements we've made in the Navy is that, we made the commitment that, any given day the President calls, I'm going to be able to give him six carriers in 30 days, max, and another two carriers in no more than 90 days, and almost always it's before that. I described to him the risks that we would take with that, and that fundamentally we would probably be able to provide five plus two or six plus one.

Senator BILL NELSON. Well, I hope what you all are not getting to, to satisfy various interests, is that you don't send the U.S.S. *John F. Kennedy* to dry dock and, therefore, extend her life for 13 years, and you'd hang on to her for a couple of years and then you scrap her. That doesn't do anything good. We need to do one or the other.

Now, let me ask you about your conversation with Senator Warner earlier, in which you stated that you want, in your opinion, what's in the defense interests of this country to have two nuclear carrier ports on the east coast of the United States. Is that correct?

Admiral CLARK. I didn't say "nuclear carrier"—I said "carrier ports." But if all that was left in the force was nuclear, and nuclear is our desire, it's much more capable. It provides much more flexibility, and it's a better combat platform. It's my belief that it would be a serious strategic mistake to have all of those key assets of our Navy tied up in one port.

Senator BILL NELSON. On that point, you and I very much agree.

Admiral CLARK. I'm glad to hear that, Senator.

Senator BILL NELSON. Yes, indeed. Well, then are you requesting funds in this budget for a second nuclear port for a carrier? There is $10 million in the budget for an environmental impact study (EIS).

Admiral CLARK. I saw the press report that said that there was a line item for an EIS, and actually I don't believe that that's an accurate report.

The reality is that for us to make a change and ensure that we have two carrier-capable ports on the east coast of the United States, as we do on the west coast, we would have to initiate an environmental impact statement to do that. I believe that what the reporter may have heard was that we have funds in the budget for that kind of general-purpose use; there's not a line item specifically identified for that.

If all of this goes through, as has been submitted and planned, and I recognize that it will be some time before the final decisions will be made, because nothing will happen without Congress' approval, but it would be my full intention to recommend that we commence such an EIS so that we could establish that capability.

Senator BILL NELSON. An EIS, then you are suggesting, is critical to making——

Admiral CLARK. Got to get started. Let me just say how long it will take. An EIS typically takes 2 to 3 years, and that means that the clock is ticking and we need to get moving.

Senator BILL NELSON. So 2 to 3 years—let's say it's 3 years, and you haven't even started on making your second port—i.e., Mayport, Jacksonville, Florida, nuclear-capable—and if you scrap the *Kennedy,* you have all your nuclear carriers, then, for a period of up to 5 years, all in one port.

Admiral CLARK. That's correct. I anticipate that it would take 2 to 3 years for the EIS and a couple of years to then build the capability. In my view, that's not the way one would want to be postured.

Senator BILL NELSON. On that point, we definitely agree.

Mr. Chairman, that is a point of vulnerability to this Nation, and I will continue to press the point. Thank you, Mr. Chairman.

Chairman WARNER. The Chair observes that the first round has been completed by all Senators. We'd now proceed with a second round. I also observe that a vote has just started. I propose to do my second round now and then return. In the meantime, other Senators can decide for themselves whether they wish to have a second round. If so, any Senator that appears, in the absence of myself or the distinguished ranking member, would proceed accordingly.

Following onto the line of questioning by my colleague from Florida, this is the first time that any formal presentation has come before the Senate with regard to the issue of maintaining two equally—and I'm underlining "equally"—capable facilities on the east coast for the purpose of servicing our carrier fleet. I'm correct in that. Second, you have clarified that the money, some $9 million to $10 million in the budget, was not specifically earmarked for a Mayport study.

Admiral CLARK. That's correct.

Chairman WARNER. So this day marks the beginning of any consideration by the Senate. Now, I can't always speak for the House, although I think, had that issue been raised, I would have heard about it on the House side.

So, as you pointed out, it's a very long process, but I'd like to start with a threshold question about your procedure. In responding to Senator Akaka, you said something—and you can verify my recollection of it—about relocating carriers in the Pacific, that any

relocations would be evaluated within the BRAC process. I interpret that to mean that evaluation of any relocation in the Pacific would await the completion of the BRAC process.

Admiral CLARK. That's correct, sir.

Chairman WARNER. That is correct. Nobody understands that better than this committee; this is the fifth BRAC, and I think my dear friend, Senator Levin, and I have been here for all five of those processes. That process is something that the President very much wishes to have completed. We've had a few reconsiderations last year by Congress, but she's still on course and speed, that process. It is my hope and expectation that our committee will soon be receiving a list of nominees to fill the positions on the commission, forwarded by the President, I hope in a timely fashion, such that we can act here in the Senate on advice and consent and keep the process going.

So any consideration of upgrading any port, whether it's Mayport or perhaps Boston—we could rejuvenate that —or Newport or some other areas for purposes of facilitating ships, be the carrier and others, should really await the outcome and completion of the BRAC report. So the jump-off date would be sometime, I would presume, next year if we're going to move in a direction of having the analysis of a second nuclear-capable port on the east coast. In all likelihood, Mayport is the one that lends itself.

Senator BILL NELSON. So, Mr. Chairman, that would mean that we would not do the EIS study in a 2005 supplemental? That you would wait until the 2006 budget, which is next October?

Chairman WARNER. My understanding, from the Chief is, that he——

Admiral CLARK. Well, let me clarify.

Chairman WARNER. I think we'd better be very careful.

Admiral CLARK. I am allowed to make any operational moves, in accordance with the BRAC rules, that do not affect some threshold of civilian employees.

Chairman WARNER. That is correct.

Admiral CLARK. I would be allowed to conduct studies. I can do things that I need to do. But what we decided to do was analyze as part of our global posture the issues of the correct laydown in the Pacific, and we decided to wrap it in the BRAC process, because there are a lot of things involved as we reposition ourselves and posture ourselves for the 21st century.

By the way, I don't make this decision; I make recommendations to the Secretary of the Navy on this. But if this process continues apace, it is my view that it would be wise to understand the principles that matter here. In a post-September 11 world, we're living in a different world. Over-centralization in my ports is not a good strategy. I happen to be fairly centralized, anyway.

This is all a product of our thinking as we've been going through this whole process. It's my sense that it would be prudent for me to make recommendations to advance our thinking and to do planning to be properly postured for the future. If that involves an EIS, I think that would be a smart thing to do.

There's nothing in BRAC that would prevent me from doing that because I don't meet the thresholds of BRAC.

Chairman WARNER. Well, we've had experience with previous BRACs, and, unfortunately, there was an instance where it was alleged that certain influences impacted the BRAC process. My suggestion is, given the Secretary of Defense's total commitment to this BRAC process——

Admiral CLARK. Yes.

Chairman WARNER. As a matter of fact, this committee has fought the battle hard on behalf of the President and the Secretary of Defense, and they've both been very resolute. As a matter of fact, we had, last year, a veto consideration if the BRAC did not emerge in the manner in which the President felt was a continuation. I would think all decisions would have to be looked at as to whether or not, and how, they could potentially, either actually or indirectly, affect the BRAC process.

Admiral CLARK. I agree with you completely, Mr. Chairman. Here's where we will be, then. We will complete our work over the course of the next few months.

Chairman WARNER. What's that "work" mean?

Admiral CLARK. Inside the Department of Defense, we will complete our recommendations, and they will proceed apace. I re-emphasize the point that was made, that there is no way we will know how to even make a decision until studies are completed and an EIS would be complete, which now we're talking 2 to 3 years from now before any decisions could possibly be made. There is no way in the world that that can interfere with the BRAC process.

Chairman WARNER. All right.

At this point, we're going to have to recess the hearing so that I and other members can do the vote.

Senator BILL NELSON. Thank you, Mr. Chairman, for bringing out this testimony. This is very helpful.

Chairman WARNER. We're not finished.

We'll take a short recess and, gentlemen, you have a well-earned stretch ahead of you. [Recess.]

Senator COLLINS [presiding]. The committee will come to order.

Well, I've always wanted to chair the Armed Services Committee. [Laughter.]

So I'm going to relish these few moments for however long that they last.

Admiral Clark, I want to ask you a few additional questions. First of all, I'm pleased to see that the Navy's budget requests additional R&D funding for the transformational platform of the multi-mission maritime aircraft, which is the follow-on to the P–3. However, the budget also retires 31 P–3Cs with no multi-mission maritime aircraft coming onboard for several years. I think it's until fiscal year 2008. Five P–3C Orions from Patrol Squadron Eight at the Naval Air Station in Brunswick, Maine, are now participating in the current tsunami relief efforts. We're very proud of their participation. They've also proven invaluable during Operation Enduring Freedom and Operation Iraqi Freedom.

Given that the P–3 continues to demonstrate its effectiveness across mission areas for the Navy, whether it's the tsunami relief efforts or surveillance in Iraq and Afghanistan, or drug interdiction, or maritime domain awareness, it seems to me that these air-

craft are clearly still valuable and necessary as a surveillance platform.

Will you please explain, therefore, why the Navy is taking out of service 31 P–3s prior to having the follow-on aircraft ready and deployable?

Admiral CLARK. Well, Madam Chairman, it's an excellent question, and it gets to the heart of the transition of the P–3 to the multi-mission aircraft (MMA). We actually have a plan in place to make it to the transition. Over the course of the last 2 years, there have been a number of actions taken to achieve that objective. I went to the Secretary of Defense last year and said, I won't make it to this transition window if we do not restrict flying in non-wartime environments—non-warfighting settings. So we put a cap on the non- warfighting flying that we're doing with the P–3. In other words, we could either spend money on the old airplane that we should be spending on the new airplane, and delay the whole process, or we could say, we're going to budget this—not the dollars, but the actual airframe life—because that's the issue, the airframe life.

In addition to that, we have instituted this active/Reserve integration structure, and P–3s were an important part of this process so that we could enjoy the utility—I guess is the right way to say it—of some of the Reserve aircraft that were not as heavily flown as those others, particularly, as you well know, since Operation Iraqi Freedom and Operation Enduring Freedom. We have flown these airplanes hard. By the way, some of them haven't seen water in a long time. The Special Forces are convinced that those airplanes belong to them.

We are going to be seeing, over the course of the next number of years, us making adjustments, and we may have to, in fact, go in and do some wing improvement and heavy depot work to get to the transition point. The actions you're seeing, you will see more of as that force goes down in size toward the transition point.

Senator COLLINS. I think it's a valuable lesson to all of us, because the P–3s initially hunted Russian submarines.

Admiral CLARK. Yes, ma'am.

Senator COLLINS. Everyone questioned whether they would still have a role after that mission was no longer needed. Yet they've proven to be absolutely invaluable, as your testimony indicates.

Admiral CLARK. Yes, ma'am.

Senator COLLINS. I think it's a caution to us about assuming that a particular aircraft or weapons system or base is no longer needed. You just never know what the threats of the future are going to require, no matter how much we try to predict what they're going to be.

Admiral CLARK. It shows you the advantage of an operational concept. The P–3 is an airframe. Nobody cares about the P–3 as an airframe; they care about all those modern sensors that are aboard. Some of the sensors that are on P–3s are the most exotic things that exist anywhere. That's part of the concept we're now trying to make part of our shipbuilding structure. We're talking about seaframes like we talked about airframes, that allow to continue to get utility late into their life and to continuously modernize them.

Senator COLLINS. Admiral, I just have one final question that I'm going to ask you today.

General Hagee, you're fortunate, because Senator Talent asked you the question that I was going to ask you, about the firepower of the DD(X), so that is already on the record.

Admiral Clark, as you can tell in anticipation of my questioning you today, I went back and looked at some of our previous exchanges. A couple of years ago, you made a very important point in your testimony. You've made many important points since then, I hasten to say. But you talked about how the impact of procurement rates goes beyond force levels. You said it adversely affects the stability of our defense industrial base, and we are paying a premium in program costs due to the smaller number of units being built when talking about inadequate procurement rates.

That raises two issues. You talked about one briefly. One is the impact of a dramatic cut in procurement rates on maintaining our industrial base. I, obviously, am very concerned about the skilled workforce at Bath Iron Works in Maine. I know the Senators from Mississippi have identical concerns, as far as Ingalls. But the fact is, we only have these two shipyards that are involved in the construction of surface combatants. They have highly-skilled workforces, and if there's not sufficient work, you jeopardize that skilled workforce and the industrial base. You raise the possibility of losing competition in the industrial base.

The second issue is whether we're going to such a low rate of procurement, whether our cost per ship is going to skyrocket. I think you indicated that that is a concern. We're going to be losing some economies of scale if we're cutting back so dramatically.

I would also contend that we're going to lose the advantages of learning on these ships as you're building them if they're so stretched out.

Could you comment on the issue of the industrial base and the cost per unit, the cost per ship and the impact of very low rates of procurement?

Admiral CLARK. Well, it's a matter of record that when we slow the procurement rate, the prices go up. That's not conjecture. There's plenty of history for us to prove that fact. Each time we delay the program because of fiscal or developmental reasons, the cost of the program goes up. Admiral Bowman said, just a few months ago as he was retiring, he was talking about the whole issue of production rate, that we are buying many of these platforms in the most costly way that we can buy them.

I put in my written testimony this 1967 example to drive this point home. I don't believe that there is anything that can be done except understand the facts and then decide that we're going to take some action and do something about it.

So what kind of things can we do? I'm convinced that we have a niche industry that now has serious questions about its ability. Is there enough demand in the market that the Navy is presenting us to sustain the shipyards? Now, I can't answer that. That's not mine to answer, but it is an issue. It is the shipbuilders' to answer, and they answer to their stockholders and what profit rates need to be, and so forth. But it very clearly is an issue for national secu-

rity, which is why I made the recommendation that we have discussions about this.

It does, then, seem to me that we have to make some decisions about what the future needs are going to be and how the United States of America is going to be postured for it. There isn't any other segment of the industry that is affected like shipbuilding is.

Now, I don't want to understate the fact that other people in the defense industry, other providers, do face challenges. So I'm not saying only the shipbuilders do. We know that that's not true. But the shipbuilding capacity issue is unique, and it strikes me that it's time for us to make sure we answer all the questions that need to be answered before we stumble into an uncertain future.

Senator COLLINS. Thank you very much.

I see that my short tenure as chair of this prestigious and powerful committee has come to an abrupt end with the rightful chairman assuming his gavel. [Laughter.]

Chairman WARNER [presiding]. I do hope, in my absence, you were able to bring about those matters which have a special interest to your State.

Senator COLLINS. I was, indeed. Thank you. [Laughter.]

Chairman WARNER. Senator, if you wish to go another question or two?

Senator COLLINS. I've concluded my questions, and I thank the panel, and I thank you, Admiral Clark.

Admiral CLARK. Thank you, Senator.

Chairman WARNER. I intend to continue, and Senator Levin, when he returns. We'll share the time together with other colleagues.

We covered the issue of the BRAC process, the sensitivity of that process, the fragility of it. Really this round was delayed some 2 years because of problems associated in the previous one. So everybody's doing everything they can to keep this one on track.

But I'd like to go, of course, to the obvious, and that is, the States have enormous interest in this matter. You can understand that. The Governor of Virginia, Mark Warner, has been very active in consultation with me and the Virginia delegation and others. It's been a constructive contribution on his part.

Yesterday, I personally invited the Governor of Florida so that he could meet with you and the Secretary of the Navy in my office. I did not have the opportunity to speak with him at any length at all because we had that vote, you'll recall. When I came back to my office, he had, understandably, to depart for other engagements.

Then the congressional delegations of our two States are deeply involved.

But I want to go back to the communities, themselves, and the concern in these communities. We're proud to have had the largest naval base, really, in the world, in Virginia, and I think it will always be there. We'll work with the Department of Defense. If the decision to retire the *Kennedy* remains, it would be my hope that the industrial base, which had really begun the contracting procedure to do its work to refurbish that ship—notably, the Portsmouth Naval Shipyard and also the private sector, jointly working—it would be my hope and expectation that some work can be directed

in to fill what could be a considerable gap. Is that under review, Admiral?

Admiral CLARK. It will be under review. Just let me make a paid commercial about an area where new procedures and processes are needed.

Chairman WARNER. All right.

Admiral CLARK. Here is a case. That shipyard is funded in the working-capital fund, as opposed to an approach that we have tried out in the Pacific Northwest and in Hawaii, where we mission-fund the shipyard. If I mission-fund the shipyard, I can go put any resource in there right now to utilize the labor. But the working-capital-fund rules require me—just like I have to when I buy a new ship—take a platform to work on it, and work on it only—even though I have to pay their salaries and I can't put another platform in there. I have to have the resources to put it in there. There are better ways to do business.

Chairman WARNER. Then it's time for us to address that issue. I hope, before you depart, that you will give us some specifics.

Senator McCain drew me aside as we were voting down here, and he was really so intense in his thinking, properly so, as the Senator from Maine and myself and others, about the overall shipbuilding budget of the United States Navy. Candidly, at this point in time, because of our operations in Iraq and Afghanistan, understandably, extraordinary amounts of money have to be directed to those costs associated with promulgating the actions of our forces in those two AORs. But there's going to have to come a time that America's got to come to grips with its Navy. Remember, the Constitution says "maintain," not "raise." I know the Army loves that, but we maintain a Navy. Because the Founding Fathers knew that you took so many years to build a ship—really, carriers, from conceptual planning to joining the fleet is at least a decade.

But, anyway, we have to have a major national decision as to what level do we want this Navy, and how do we go about funding the Department of the Navy such that that level of seaborne platforms to service the Navy and the Marine Corps and the other forces, in various ways—what is that going to be? We're going to give you another opportunity to come before this committee and really state your case before you depart.

Admiral CLARK. I thank you. So that I'm on the record, this year's budget, when you count the research and development that we spoke about that's going into DD(X) so we can keep this program going, we're at a $9.5 billion mark in investment. Over the whole decade of the 1990s, we invested $8 billion a year in this program, which is why the very first time I came before your committee I said we needed to be targeting $12 billion a year. I felt good that I was moving in a positive direction. Last year, the 2005 budget was $11.1 billion. Fundamentally, all of those resources were acquired by the transformation and the efficiencies that we have been executing inside the Navy.

So we are on a journey. This is not something that gets on a train or off the train in 1 year. It really, though, is about a projection and a commitment to a level of investment that the industry is going to be able to adapt to. That's my conviction, and I believe that a national action would be very healthy.

Chairman WARNER. Good. I think that you are the foremost person qualified to stand up before Congress and face America and say, "It is your Navy, and here's where it's going to be unless you make the decision, America, to put the investment required to hold this force structure together."

Back to the decisions. You used the phraseology that you, as Chief of Naval Operations, have to take into consideration the vulnerabilities of the positioning of your forces at any one time, and the concentration of the carriers in the Norfolk region. But, again, those carriers are on a rotational basis, so I imagine we average around two to two-and-a-half carriers at any one time dockside.

Admiral CLARK. I'll get you a number. I've spent a lot of my life there.

[The information referred to follows:]

The average number of carriers dockside at Norfolk Naval Station is 2.27 based on a 3-year projection by Fleet Response Plan maintenance, training, and deployment schedules. However, this average does not count carriers in major depot maintenance. Also, there are brief periods when up to five carriers may be at Norfolk Naval Station at one time due to occasional periods of extended maintenance pierside.

Chairman WARNER. Right.

Admiral CLARK. That's roughly two to three, I think.

Chairman WARNER. Two to three. But I also bring to your attention, so that the people of Virginia don't feel that they're at the ground zero, that's not it. It's just your professional judgement that you want to have some flexibility for dispersal, for whatever reason. Because down into Jacksonville, Mayport, Kings Bay area, there's Kings Bay, but a few miles, and we have located the significant submarine force that is there at any one time. Am I not correct?

Admiral CLARK. You are correct, and it points out the requirement for us to be extraordinarily vigilant in our anti-terrorism and force-protection posture in the United States of America.

Chairman WARNER. You're absolutely right. But this is not just some area that is off the charts; it's there—King's Bay, Jacksonville, Mayport. As a matter of fact, the Department of Homeland Defense has rated 50 communities, in terms of their assessment as to vulnerability to attack. I point out that Jacksonville is on that list. Norfolk is not on that list. So other segments of the government, when they're making analytical decisions with regard to where to put money—and that list in Department of Homeland Defense is for the purpose of allocating additional monies to those communities for their protection—that community down there is getting it, vice Norfolk is not.

So there are so many factors. Then you come down to the budget situation, a decision of the magnitude to refurbish—or not exactly—"re-" is not the word, but to add the capability to Mayport for purposes of receiving nuclear vessels. It could be in the order of $200 million plus. Wouldn't that be a rough estimate at this time?

Admiral CLARK. I don't have real solid numbers, but I think that that's a good rough order on that.

Chairman WARNER. It's the best we can make of it. That brings Congress back in. So as we look at the timeline of when you do the analysis, then to be followed by actions by Congress, in my judgement, this cannot be a reprogramming series of action; this would have to be a carefully, three line-item budget process, probably over 2 and maybe 3 fiscal years in which to complete the construction that would be needed. So you're looking at a timeline of, I think, 6 to 7 years, which means it's 2010 or 2011 before a nuclear vessel could steam into that port.

Admiral CLARK. I think that that's a pretty good estimate.

Chairman WARNER. Good.

I want to allow other Senators to ask a question or two at this point in time. I have more to go, but I want to give the opportunity to others.

Senator Reed, in terms of being present, you've been present the longest. If you want to do some questioning to our panel, please do so.

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

This gives me an opportunity to formally thank and commend Admiral Clark for his great service to the Navy and to the Nation. Thank you. I know you're not leaving immediately, but you deserve your commendation at this time.

Admiral CLARK. Thank you.

Senator REED. Also, I know we've had an exhaustive discussion about the C–130Js, but we failed to point out that they're being flown in combat by the 143rd Airlift Squadron of the Rhode Island National Guard, and they're doing very well.

Admiral CLARK. Absolutely, sir.

Senator REED. General Schoomaker, I left you with more than a dangling participle. I left you with this question about the top line of the Army budget. It seemed to me, in your response to my previous question, you were saying that if you have to pay for these troops, additional forces—you'll have to take it out of other Army programs. This suggests to me that you've been told that the Army top line in the budget will not go up. Is that fair to not go up to accommodate additional troops?

General SCHOOMAKER. I think it's fair to say that we're operating within the guidance that the Department gave us.

Senator REED. But if the Department, which they could do, could say, "We will pay for these troops in the regular budget," they would give you a larger top line. Is that correct?

General SCHOOMAKER. They would have to.

Senator REED. Yes, sir. Let me ask you about the assumption underlying the 512,000 number. That presumes a year deployment for forces going into Iraq?

General SCHOOMAKER. The 512,400 that were authorized to maintain out through 2009 gives us the head room to do the changes that are required to develop the capability to have the force structure in our operational force to maintain the 20 brigades that we need to maintain, regardless of whether it's 6 months, 9 months, or whatever, that well-time ration for the Active Force, we want to be twice as much well as deployed time. So if it were 6-month deployments, it would be 12 months at home. Of course, in the Guard and Reserve side, that's extended.

So the number has nothing to do with that.

Senator REED. You haven't made this decision, but you could conceivably institute 6-month tours with this 512,000 end strength.

General SCHOOMAKER. It's possible, but not desirable. The reason that it's not desirable—and we worked with the theater very closely on this—the amount of turbulence that would be created at the level of deployment that we currently have in theater there would be extraordinarily—very difficult for the theater commander to operate.

As an example, let's take 2003, in the 75 days that we did the force turnover there, we turned about 244,000 people over in there. If we were on 6-month deployments, we would have turned over a half a million people. That means the continuity of knowledge on the ground, the relationships that were built with the people, the knowledge of the area would have been lost, and the combatant commander, and continued with General Casey, does not want that kind of turbulence.

So this isn't a unilateral decision on our part. It is considered to be the optimal one at this point.

Senator REED. Let me ask another question with respect to the end strength numbers. You talked about the modularity and the transformation with respect to units of action, which I presume are the combat units.

General SCHOOMAKER. Correct.

Senator REED. What about combat support and combat service support units? Will you have a problem with that end strength number complementing those units of action with sufficiently reorganized combat support and combat service support?

General SCHOOMAKER. There are a little over 90 support units of action that are associated with those combat brigades. With the clarity we have at this point, we are confident that we can do it. I think it would be a mistake to say that we're not going to learn something and that we may be able to do it better or we may have underestimated what it will take.

I will tell you that we started this with the idea that we would be able to operate more effectively, more efficiently, and perhaps return some of that manpower account—in order words, that was the temporary nature of it—so that we didn't have to bear that burden. But if we've underestimated or things don't turn out the way that we want, in terms of the efficiencies that we can find, we are going to have to ask for permanency in a certain portion of that.

Senator REED. Let me ask a question, and a final question, if I may. Based on numerous reports—the Taguba Report, the Fay Report—several high-ranking officers were identified having possible liability. I presume—I think that Article 32 proceedings, Inspector General proceedings, have progressed, and I assume also that the Vice Chief is making decisions. When will those decisions likely be forthcoming with respect to the individual responsibility of senior officers, rather than enlisted people?

General SCHOOMAKER. You are correct that action is ongoing. Again, I can't speak to specifics on that, but I'll get you, for the record what will we anticipate. I don't know enough to tell you an accurate time.

[The information referred to follows:]

The answer to this insert will be discussed at an office call being scheduled with Senator Reed.

Senator REED. I think whatever is decided will speak volumes about accountability and responsibility at the highest levels, as differentiated from criminal liability at the very low levels.

Thank you, Mr. Chairman. Thank you, gentlemen.

Chairman WARNER. Thank you, Senator Reed.

Senator Nelson, I intend to wrap this up, but if you have a question.

Senator BILL NELSON. I do. Thank you, Mr. Chairman, for your continuing questioning of Admiral Clark about what is in the interest of the Nation with regard to the location of her carriers on the east coast. I think important new information has come out as a result of the questioning here today. For it's been just stated that it would be 2010 or 2011—was your question to Admiral Clark, and he said yes, that is correct—before, you could make a second port on the eastern coast of the United States nuclear-capable, given the fact that you have the EIS and then you have the actual installation.

Chairman WARNER. The budgetary process, Congress will be intervening in this decision process at several junctures. Most notably, if the Department of Defense comes forward with a program over several fiscal years in which to fund it, we have to act on each of those fiscal years.

Senator BILL NELSON. I think this is very important information, based on the response to the questions earlier by the CNO, which was that it's in the interest of the defense of this country that you don't—and I'm paraphrasing—put all your eggs in one basket, on the east coast of the United States. In fact, if we scrap the *Kennedy* this next year, that's exactly what we'd be doing for the next 5 or 6 years until we could get another port nuclear-capable for a nuclear carrier. That's not even to address the issue of the conventional carrier out in the Pacific.

What happens if we get to 2008 and Japan says, "No, we're not going to receive a nuclear carrier," and then that's when the U.S.S. *Kitty Hawk* is scheduled to retire. If you scrapped the U.S.S. *John F. Kennedy* and did not make her capable to go, as was planned, to 2018, then you'd be forced with a situation there of figuring out how you're going to extend the life of the U.S.S. *Kitty Hawk* to still have a carrier in Japan.

This discussion today has drawn a conclusion for me. Obviously, I come to the table as Florida's senior Senator, but my title is also United States Senator. I think this has drawn a conclusion that if we scrap the U.S.S. *John F. Kennedy,* we're going to be forced into a situation with all our eggs in one basket for a period of 5 to 6 years. I don't think, on the basis of the testimony here, that is a conclusion that we want to have.

Chairman WARNER. Well, then I would say, Senator—and you added the question of the uncertainties—there's really no way the Admiral can deal with the complex situation in Japan. That tends to move around those decisions.

But I judge you're the principal author of the bill which has been introduced into the Senate.

Senator BILL NELSON. Which is cosponsored with your junior Senator.

Chairman WARNER. George Allen, that's correct, and Senator Martinez for retaining the 12-carrier force.

Senator BILL NELSON. Yes, sir.

Chairman WARNER. I judge from what you say, and the Committee will take that bill into consideration in the context of the decision with regard to the President's proposal to decommission this carrier.

Senator BILL NELSON. I want to thank you.

Chairman WARNER. That bill is very much alive, in your judgement, still, in light of the testimony today.

Senator BILL NELSON. I want to thank you, because you've enabled us to get the testimony that we did today.

Chairman WARNER. Well, we will have to take more, but I thank the Senator.

Senator BILL NELSON. Thank you.

Chairman WARNER. Gentlemen, before you depart, I would want you on the record on one last thing, and I'm sure you would agree with me. That is, your subordinates came before this committee last week when we had a special hearing on the lump-sum death gratuity, raising it to $100,000. I do not wish to preempt the secrecy of the President's supplemental, but I think, on Monday when it arrives, we'll find that basically the framework of the law that has been worked on in this committee—Senator Sessions, Senator Lieberman, Senator Allen and on both sides, it's totally bipartisan—will likely be incorporated in that supplemental, raising the death gratuity, at least that portion of the legislation, to $100,000. We may have other pieces of that, overall. Because the American public should understand that, in raising this to 12, there remains in place a matrix of other benefits that care of the family, so that quite a bit of resources flow to the family and next of kin in tragic loss-of-life situations.

So I would want you on the record as you're strongly, I'm sure, in favor of the proposal that was before this committee last week, General Schoomaker.

General SCHOOMAKER. That's correct. I am.

Chairman WARNER. That's correct.

Admiral Clark.

Admiral CLARK. Yes.

Chairman WARNER. Thank you.

General HAGEE. Yes, sir.

General JUMPER. Yes, sir.

Chairman WARNER. Well, thank you.

Gentlemen, we've had a very good hearing, very thorough hearing. I thank you for your continued service to our Nation and your leadership of the troops and the forces that are just providing extraordinary professional service and sacrifice to America and, indeed, the free world.

The hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

REBALANCE OF FORCES

1. Senator INHOFE. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, all of you have rebalanced civilian and military positions in your Services. The Army, Navy, and Air Force rebalanced nearly 30,000 military spaces in fiscal year 2003–2004, and will rebalance nearly 20,000 in fiscal year 2005. In fiscal year 2006–2011, the Army will rebalance another 50,000 spaces. I applaud you on this great achievement. However, I know that this kind of change requires us to further look at how we do business, how we compensate these individuals, how we control contractors, etc. For example, many of the Quality Assurance Specialists for Ammunition (QASA) personnel in the Army were found to be nondeployable. These are civilians who agreed as part of their contract with the government to deploy to combat zones if needed. Sometimes these civilians are physically unable to deploy. We need to craft policy with regard to civilian contractors on the battlefield who disobey the law or do things, like drink, or worse in a foreign country in time of war when under our control. Policy is needed to determine what to do when a critical civilian position is suddenly recoded to be deployable and that they either need to agree to enter that status or lose their job. These are difficult questions I am sure each of you has had to deal with. What are your most pressing problems with policy formulation as we convert these positions and what legislative remedies do you need to assist you?

General SCHOOMAKER. The Office of the Secretary of Defense (OSD) and the Army are working to improve the management of Department of Defense (DOD) civilian employees and contractor personnel deployed in support of military contingencies. For example, OSD recently completed a review of the DOD instruction for managing DOD employees in support of contingencies and emergencies. Together with OSD, Army is tracking our civilian employees to ensure that we are able to account for our deployed civilians.

The deployment of civilians poses a number of questions such as the situation regarding the QASA personnel. For example, approximately 20 percent of the QASA personnel who were directed to deploy to the U.S. Central Command (CENTCOM) area did not meet the medical and physical requirements for deployment to theater. However, we are currently deploying enough QASAs to satisfy CENTCOM mission requirements. We have a robust recruiting effort under way to hire and train new employees to meet these requirements, and for those who can not deploy, there is no shortage of work here in the U.S.

Civilians who deploy may experience difficult living and working conditions, extended separation from their families, and exposure to risks that in some cases are as great as the risks faced by our soldiers. The Army has a dedicated, talented civilian work force that, in previous contingencies, has provided enough volunteers to meet mission needs. Due to the number and duration of current contingencies, however, our pool of volunteers with certain skill sets has been virtually exhausted.

Together with OSD, we continuously review our policies and procedures for deployed civilians. This includes identifying and pursuing appropriate legislative changes, such as relief from the pay cap, to ensure that we are able to attract and retain the personnel required for deployment. By contrast, contractor employees may be eligible for foreign earned income tax exclusion, are not subject to a pay cap, and receive numerous other benefits which are not currently available to our civilian employees.

Please note that the Military Extraterritorial Jurisdiction Act of 2000 establishes Federal jurisdiction over offenses committed outside the United States by persons employed by or accompanying the Armed Forces and their dependents, or by certain members or former members of the Armed Forces. This includes offenses committed by contractors.

Admiral CLARK. As our Navy continues to transform, we must refine our policies concerning the employment of DOD civilians and contractors in a deployment setting. Regarding contractors, the Navy reviewed and concurred with recent draft DOD policy that establishes procedures for the management of contractor personnel supporting contingency operations. While much of the draft DOD policy is currently addressed in individual contracts, more comprehensive coverage will be established when the final DOD policy is issued. In addition, the Department is updating policy on what is inherently governmental, military or civilian essential, and can be considered for private sector performance. The Department is also reviewing policy governing "Emergency Essential (E–E)" civilian positions. (DOD civilians who occupy E–E positions are expected to sign written agreements documenting the duties, responsibilities and physical requirements of their E–E position. This includes posi-

tions located overseas or that would be transferred overseas during a crisis situation or which requires the incumbent to deploy or perform temporary duty assignments overseas during a crisis in support of a military operation.)

There is no need for additional legislative remedies for civilian and contractor issues. First, Congress enacted the Military Extraterritorial Jurisdiction Act of 2000 (18 U.S.C. 3261), which extended Federal criminal jurisdiction over certain civilians and contractors "while employed by DOD or any other Federal agency or any provisional authority to the extent such employment supports the DOD mission overseas or accompanying the Armed Forces outside the United States." Second, Congress enacted the War Crimes Act of 1996 (18 U.S.C. 2441), making it a Federal crime for a U.S. national to commit a war crime. Third, Congress enacted the Torture Statute (18 U.S.C. 2340A), which makes it a Federal crime for a U.S. national to commit torture. Fourth, Special Maritime and Territorial Jurisdiction (18 U.S.C. 7(9)) exists which can be used to prosecute U.S. nationals who commit offenses on military facilities in foreign countries. Taken together, these statutes provide adequate legal jurisdiction over offenses potentially committed by DOD civilians and/or contractors while they are accompanying our deployed Armed Forces. In addition to legal remedies, the Government can pursue contractual remedies (e.g., termination, documentation of adverse past performance) against contractors if contractor employee actions violate material terms or conditions of contracts.

General HAGEE. The Marine Corps has taken great care to ensure that the ongoing military-to-military and military-to-civilian conversion efforts are fully integrated and do not degrade the ability of the Marine Corps to deploy marines in all MOSs to support current requirements. The Marine Corps has a balanced operational capability between the Active and Reserve component that allows the Reserve component to augment and reinforce the Active component as required. Marine Corps Mobilization plans support this employment concept and also allow us to access the Individual Ready Reserve as another reservoir of qualified personnel. Currently, all military-to-civilian conversions are designed to free up marines for the operating force. Only in extreme situations do we anticipate the possibility of having to deploy our Government civilian employees into a contingency operation. These billets are clearly identified and the civilians hired are fully aware of this possibility. In the event that we would have contractors deploy (i.e. support for some new system, etc.), we anticipate the contract will specifically cover the responsibilities of the contractor and the Marine Corps. We are currently working with the Office of the Secretary of Defense (OSD) on the standardization of procedures for the employment of contractors in support of a contingency operation.

General JUMPER. Senator Inhofe, due to the current Air Force manning posture and continuing commitments to achieve victory in the global war on terrorism, the Air Force continues to look at utilization of all its personnel capability. This capability comes in the form of Active-Duty and Air Reserve component (ARC) airmen, civil servants and contractors. The Air Force continues to fully integrate civil servants and contractors into our deployment mix. Our most pressing problem is determining the right mix of contractor and civil servants to use during wartime operations. Force utilization drives a force mix strategy, therefore, this issue must be worked in coordination with the combatant commanders. We are teamed with the Joint Staff and the OSD to work these issues from a department-wide perspective. The AF is actively engaged with two separate OSD working groups addressing this issue. Additionally, the contracting community has worked aggressively to ensure contracts contain clauses that dictate appropriate behavior for contractor personnel and ensure that they meet deployment physical standards. I see the Air Force going in the right direction with regard to this topic. There is room for improvement, and our work with the Joint Staff and OSD will help identify the policy and statutory adjustments that must be made to ensure we can fully utilize all of our total force components in support of our mission.

SUSTAINMENT, RESTORATION, AND MODERNIZATION/BASE OPERATION SUPPORT

2. Senator INHOFE. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, I am perplexed about a readiness issue that has been simmering for many years. The problem with sustainment of our infrastructure has bothered me since my days as chairman of the Readiness Subcommittee. I watched the infrastructure deteriorate as year after year it was underfunded. Roofs, water pipes, roads, etc. have not been maintained at the level they need to be. Each year Services request money from DOD for Base Operations Support (BOS) and Sustainment, Restoration and Modernization (SRM). DOD funds the Services at about 95 percent of the amount requested for SRM, and about the same on BOS. However, each year

the Services are compelled to take money from SRM to pay for BOS. BOS bills must be paid. They are the salaries for the employees, the water bill, the light bill, etc. This movement of money occurs because the Services don't ask for all the money they need to pay the BOS bills. I have been told the percentage of the requirement requested by the Services is about 70–85 percent of the requirement. So you know you are going to need money from some other account—SRM then becomes the traditional bill payer. So, when I travel to bases and ask how much money they got for SRM, I am usually told between 28 and 35 percent. My question is not why you do this; I think I know that answer. I want to know how to fix this problem. If we continue to operate this way, the new military construction (MILCON) projects we build every year will also deteriorate for lack of sustainment dollars. The infrastructure we could save with the right investment will then require expensive MILCON projects to replace rather than the money simply to repair. How would you fix this problem?

General SCHOOMAKER. Traditionally, we have not done well in balancing our base operation support (BOS) and our investment in sustainment. We typically underfund BOS and then reprogram the funds to deal with it. We are making a major move in a different direction, which we would have liked to have done it this year, but this budget began to be put together over a year-and-a-half ago. In 2007, the Army will move to get both BOS and sustainment funded at 90 percent, upfront. We will ask our commanders to look at finding efficiencies. We want to have something that provides incentive for people to look for efficiencies to close the gap between 90 and 100 percent. This is a major shift. It is also our intent to bring BOS and SRM funding in fiscal years 2005 and 2006 up to 90 percent. This is a bold move that is long overdue.

Admiral CLARK. We recognized the need to break the cycle you describe when we consolidated the function of installation management under Commander, Naval Installations (CNI). Our expectation was that centralized management and oversight of our installations would lead to improved effectiveness, greater consistency in requirements definition and increased discipline in execution. After only 2 years, we are seeing the benefits of that change.

CNI has introduced a process that provides visibility on the outputs and capability levels for the resources invested. This new process greatly enhances our requirements visibility and allows us to make more informed resource decisions, based on increasingly accurate output models. This new process has had a direct impact on our ability to sustain our programmed facility sustainment levels. Based on the President's budget now being considered by Congress, we project we will achieve a 95-percent sustainment level in fiscal year 2006. By fiscal year 2007, we expect to reach a 100-percent sustainment level.

General HAGEE. BOS does not currently have a metric, like FSRM, that defines its overall requirement to allow DOD to fund it to 95 percent. DOD is currently in the process of developing such a planning tool with an expected completion date to be the end of fiscal year 2005. The Marine Corps through its core setting process provides "adequate" funding to sustain its 37 installation services. However, as with any dynamic environment we find that during the year of execution emergent demands present themselves and must be balanced against our overall Operation and Maintenance Authority. Development and implementation of an installation services model should enable the Services to develop more advanced resourcing models to predict future resource requirements.

The Marine Corps has been very diligent in ensuring that resources allocated for facility sustainment are executed accordingly. In fact, execution of FSRM in the Marine Corps has been 99, 126, and 91 percent for fiscal years 2002, 2003, and 2004 respectively.

General JUMPER. In recent years, the DOD began to develop common standards, issue clear programming language, and set attainable goals to ensure the Services are sufficiently investing in infrastructure. For example, in facilities sustainment, DOD established goals for the Services to fund to 95 percent of the OSD Facilities Sustainment Model for fiscal years 2006 and 2007, growing to 100 percent for fiscal years 2008 and beyond. The fiscal year 2006 President's budget submission for the Air Force contains $2 billion for facilities sustainment, which meets the DOD goal of 95 percent. For restoration and modernization, DOD set a goal for the Services to achieve a 67-year facility recapitalization rate by fiscal year 2008 and maintain it thereafter; a goal the Air Force remains committed to achieve. However, there are other program areas for which standards and associated goals are not yet established. Initial efforts are underway to develop common standards and models to underpin requirements for program areas such as real property services, a subset of the base operations support program you mentioned in your question. The majority of real property services funding goes directly to pay for utility costs. While the De-

partment is working to standardize real property services, the Air Force goal is to fund to 95 percent of the previous 4-years obligations, a goal that our fiscal year 2006 President's budget submission meets. Once common standards and programming language are set for real property services, our understanding is DOD will move next to base operations support at large. The Air Force fully supports and is working side by side with OSD to provide sound underpinning to these programs.

C–130 AIRCRAFT

3. Senator INHOFE. General Jumper, the week of January 30, I was in Iraq. I flew into Iraq from Jordan on a C–130 aircraft, an H-model. Now, I understand that there are currently C–130J models deployed to the theater. I am not at all surprised to hear that the aircraft is meeting its operational mission requirements with a 95 percent capability rate. With regard to the C–130J, I don't understand why the Department of Defense and the U.S. Air Force have decided to cancel this system at this time. We are in the middle of a contract that was awarded as a multi-year in order to keep costs down. By terminating the multi-year contract early, I am told we will incur termination costs of at least $400 million to as much as $1 billion. Furthermore, with the U.S. Air Force canceling the C–130J, it increases the cost per unit for the Marine Corps' KC–130J as well as the Air Force's F/A–22 because the contractor spreads the overhead costs for manufacturing across the three aircraft systems. That may raise the real costs of termination beyond $1 billion. In past hearings we have heard from the Air Force that our military needed to increase its mobility assets, which led to the purchase of the C–130J. In fact, a Mobility Capability Study was commissioned in order to determine exactly just how short we were in strategic and tactical airlift resources. I understand this study is due sometime in March 2005. Now, it seems to me that if this study is still in progress, that we are being short-sighted in canceling the C–130J before receiving and analyzing the results of this study first. It is my fear that this study will show that we do indeed need more C–130Js. However, we will have not budgeted for any more and will have planned to shut down the production line. Furthermore, can you explain why the American taxpayer is better served to cancel the aircraft in the midst of the multi-year contract, if we do in fact need more C–130Js, not only incurring very expensive termination fees, but also bearing the costs associated with research and development (R&D) and acquisition for another mobility aircraft. This reminds me of the Crusader Program cancellation by the Department of Defense and U.S. Army. We did no analysis. We terminated the program at a point when we incurred huge costs. If we had waited a little longer we would have not incurred such costs. What's worse about this is that it affects the price of other programs that we will continue to buy and we have no analysis or data to show us the effects of these termination costs on other systems. We can't make decisions based on best business practices when no business in the world would make such a decision without a cost-benefit analysis. I am concerned about the cost of the aging C–130 E and H models as we will continue to invest money in this fleet for modifications necessary to keep them flying with the structural enhancement and technological advancements necessary. It seems to me that if we were to do a comprehensive cost-benefits analysis, it may show that it is a better deal for the American people to continue with the purchase of the C–130J rather than trying to keep these older aircraft flying. It is also my understanding that the C–130J is solving some of the problems that the Army is having with regard to its systems. For example the C–130J allows the Army's Future Combat System (FCS) and Stryker to both be a little heavier and get more travel distance from each lift. I also am concerned about the precedent this sets for our relationships with defense contractors and suppliers. When DOD breaks a multi-year contract, think of the message this sends to these companies and to their employees. In future negotiations for multi-year contracts, contractors will include factors to protect their livelihoods. This could make future buys even more expense for the taxpayer. Can you please comment and explain what we are doing?

General JUMPER. The fiscal year 2006 budget request focused on affordability while addressing future warfighting requirements in a changing world. The decision to terminate the C–130J program was a product of that prioritization. At the time the decision was made, budget constraints and priorities in other areas forced us to consider alternatives to the C–130J, such as extending the service life on our older model C–130s.

Since that time, however, additional information has come to light. Contract termination penalties appear to be higher than initially estimated and the Air Force's recently completed analysis indicating our legacy C–130 fleet is aging faster than

originally predicted. Finally, the performance of the C–130Js in conducting their wartime mission while deployed to Iraq has exceeded expectations.

Consequently, we are reviewing the decision. As with all our major defense programs, we constantly reassess our requirements as the global security environment changes. The Mobility Capability Study and Quadrennial Defense Review, which will be completed later this year, will help guide our decision.

FA–22

4. Senator INHOFE. General Jumper, this budget also calls for drastically cutting the number of F/A–22 aircraft. After the initial operational testing and evaluation that was conducted recently, the evaluators' report stated that the aircraft was "overwhelmingly effective" and that the weapon system further "dominated all adversaries, air and surface." Because of this cut, we will now have to rely longer on the older airframes and capabilities of the F–15 and F–16 to meet our mission requirements. Even with the Joint Strike Fighter in the pipeline, we determined that both weapons platforms were needed in sufficient numbers to meet the threat. Air supremacy is a central tenet of our United States Air Force and we have seen time and again, as early as World War II and most recently during Operations Enduring Freedom and Iraqi Freedom, how our airpower dominance shapes the outcome of war. As other countries advance their technology, making their aircraft more stealthy and more reliable, and as their pilots' training improves, making their maneuvers more aggressive, both offensively and defensively, we may lose this edge, that we alone currently possess as the world's pre-eminent superpower. Because of America's air supremacy and our control of airspace at the beginning of and throughout a conflict we are better able to protect the lives of our military members on the ground. I understand you recently flew the F/A–22, I went and saw it last year at Tyndall Air Force Base. I talked to the pilot and was very impressed with its capability. Can you describe how well the F/A–22 ranks when compared to the F–15 and F–16?

General JUMPER. The recently concluded F/A–22 initial operational test and evaluation found the Raptor to be overwhelmingly effective. Compared to the F–15s and F–16s in the inventory, the F/A–22 was comparatively "orders of magnitude" better. The Raptor's unique combination of speed, stealth, advanced maneuverability, and integrated avionics brings unmatched capability to cope with the 21st century threat environment—for today and the next 30 years. F–15 and F–16 fighters cannot match, or be upgraded to replace the capabilities of the F/A–22. In open-air testing, we pitted the Raptor and F–15 Eagle against the most challenging scenarios and the results were impressive—F/A–22 pilots never allowed an adversary aircraft to survive, while achieving a kill ratio several times greater than the F–15.

If fielded in sufficient numbers, not only will the Raptor ensure air dominance superiority in any adversary environment, it will enable surface dominance. F/A–22 programmed modernization will add robust ground attack, suppression of air defense, and intelligence, surveillance and reconnaissance capability. Bottom line: The F/A–22 gives the Joint Force Commander the capability to gain operational access, seize the initiative, ensure joint air dominance, and enable surface dominance for Joint Forces, and thereby, effectively achieve operational objectives while minimizing attrition.

5. Senator INHOFE. General Jumper, given your best military judgment, please comment on whether the Air Force can guarantee air supremacy for the next 30 years without a sufficient number of F/A–22s?

General JUMPER. Without sufficient numbers of F/A–22s the Joint Force will incur increased operational risk, attrition, and time to gain air and surface dominance. Additionally, the Joint Force Commander's ability to "seize the initiative" and gain access to the battlespace joint forces will be critically jeopardized in the future. Previous analysis determined the Air Force requirement for at least 381 Raptors. That analysis was based on capability, business case, and sufficiency needed to meet the National defense strategy at moderate risk. The Department's upcoming Quadrennial Defense Review analysis on joint air dominance capabilities will re-assess future tactical aircraft force structure risks and requirements.

6. Senator INHOFE. General Jumper, some may defend the cuts in the F/A–22 program, as I said earlier, with the delivery of the F–35 Joint Strike Fighter, or with increased capability for unmanned aerial vehicles (UAVs). Given the tremendous capabilities that the Joint Strike Fighter and UAVs add to our inventory, aren't there

some air superiority missions that can only be performed by the F/A–22, both now and in the near future?

General JUMPER. Yes, some air dominance missions can only be performed by the F/A–22. The F–35 and unmanned aerial vehicle (UAV) capabilities are intended to complement, not replace F/A–22 capabilities. The Raptor is here today and will be required for a wide spectrum of missions ranging from homeland defense to force application and including non-traditional intelligence, surveillance, and reconnaissance. Downstream the production of more F/A–22s, along with the fielding of the F–35, UAVs, and other systems, will expand the breadth and depth of force application capabilities to ensure full spectrum dominance in any scenario and improve U.S. capabilities to meet multiple global commitments. The Raptor's multi-mission capabilities will enable it to operate in concert with and enhance/enable the capabilities of a wide range of other systems. The multi-role F–35 will become the workhorse for global persistent attack operations, including close air support missions, but it will also be able to contribute to joint air dominance and homeland security. Similarly, while the unmanned combat aerial vehicle (UCAV) is a developmental program at this point, we envision operational UCAV shaving global strike and persistent attack capabilities, superb battlespace persistence, and of course connectivity with the F/A–22, F–35, and other systems. Bottom line: The F/A–22, F–35, and UCAV each have unique and complementary capabilities that will enable the Joint Force Commander to gain and maintain air and surface dominance, and thereby achieve military objectives.

WHAT KEEPS YOU UP AT NIGHT?

7. Senator INHOFE. General Jumper, we are all aware that there is a great deal that is occurring in today's Air Force. You are in the midst of making critical decisions on future air combat and air mobility assets to meet current and tomorrow's threats, while at the same time considering what to do about an aging tanker and bomber aircraft that need to be modernized or replaced. Transformation and the Air Expeditionary Force concepts demand a rebalance of the Active-Duty, Reserve, and National Guard Forces based on lessons learned from the global war on terrorism. This balancing is compounded with your need to reduce your number of accessions coming into the Air Force significantly, in order that U.S. Army will be able to increase its end strength to fight the global war on terrorism. Overriding much of this is base realignment and closure. With all that the U.S. Air Force is facing, what one or two things keep you awake at night?

General JUMPER. Sir, my principal concern right now is the age of our fleet, and the consequence of having some catastrophic or class-level problem with very old systems that would take large chunks of our capability away from us at one time.

Our fleet has never been older and we are moving into uncharted territory. The average age of all United States Air Force (USAF) aircraft is 23.5 years. That is up from 17.6 years just 10 years ago, and its still rising. Today, we have 90 percent of our tanker fleet over 40 years old with 531 KC–135s. We've never been so dependent on such an old aircraft to perform a vital mission area.

In the past 15 years, we have mitigated USAF fleet age almost exclusively through divestiture of over 3,000 older aircraft. Despite these efforts, the average age of the fleet has still increased by 20 percent. This is because we have not acquired significant numbers of aircraft since the early 1990s. Aircraft acquired in the Future Years Defense Plan are only half the aircraft needed just to stabilize aging. We will continue to divest USAF aircraft as we acquire more capable platforms, but there is a point where we can no longer continue to decrease the size of the fleet. I believe this is the wrong time to be shutting down aircraft production lines hoping that 10 years from now we will buy more aircraft. With PBD 753 halting C–130J and F/A–22 procurement, we will close five of the six major fixed wing aircraft production lines by the end of the decade; only the F–35 line will remain open.

Since Operation Desert Storm, the Air Force has maintained a higher than average flying hour rate in support of Operations Northern Watch and Southern Watch and other contingencies around the world. The global war on terror has added yet additional stress on our force, just as it has with the other Services. We have seen the number of flying hours put on our aircraft increase by 12 percent since 2001 as we have not only supported Operations Enduring Freedom and Operation Iraqi Freedom, but have also taken on increased roles guarding the homeland and taking some of the burden off the Army by using our theater airlift to replace overland convoy missions. To date, we have had minimal operational disruptions due to aging, however the extra wear and tear could have long-term consequences that we currently have not planned for. Aircraft will reach their service life sooner than ex-

pected, requiring either extensive service life extension programs or increased recapitalization to maintain the Air Force's capability. Finally, we have seen the maintenance required to keep these older aircraft flying increase. This puts a huge strain not only on our budget, but also on our outstanding maintainers.

We have and will continue to aggressively address the aging problems across the fleet as we find them. We are being as proactive as possible to mitigate these issues through inspection, maintenance, and modification programs. The problem is that we are in uncharted waters with an aircraft fleet this old. There is little historical data dealing with 40-year-old aircraft. Unexpected problems occur with little warning and these could have disastrous effects on the safety of the fleet and our ability to respond to threats. For instance, just recently we have grounded 30 of our C–130s due to cracking in the center wing box. Another 60 C–130s are in danger of being grounded in the very near future. We currently have a total of 6,100 aircraft in the fleet and 2,200 have some type of flight restrictions. So far, we have been able to meet all of the warfighter requirements, but unforeseen problems due to aging could ground a significant part of our fleet preventing us from being able to fully support current operations or to be to respond properly to new crises.

The Air Force's number one challenge is to recapitalize our aging systems. We have our eyes on the future and have a plan to get us there within the budget. Our success will hinge, as it always has, on our people.

8. Senator INHOFE. General Schoomaker, as you have stated many times, you have 640,000 soldiers with 315,000 deployed to more than 120 countries fighting the war on terror, protecting American interests, and maintaining the peace. At the same time, you are reorganizing the Army by modularizing to a Brigade structure in both the Active and Reserve components, you are growing the Army by 30,000 additional soldiers, you are modernizing the force in the field and doing research and development on the Future Combat System which is easily the biggest single modernization effort ever undertaken by the Army because it literally transforms most of the Army tactics, techniques, procedures, and equipment. You are also dealing with issues left from a cold-war army, like equality of medical care with National Guard and Reserve Forces, retirement parity with those forces and while grappling with those issues, you are trying to realign and close bases and also redeploy forces from overseas basing set up after WWII. I know there must be many things that keep you up at night. But, I am very curious to know the one or two things that bother you most and how we can help you with those.

General SCHOOMAKER. Our adversaries threaten the ideas that form the bedrock of our society, endangering the freedoms we enjoy. This threat to America will be a protracted one. To defeat the threat will requite the efforts of the entire country. Congress and Department of Defense understand this challenge. However, does America see this as their challenge? For a Nation at war, some have not grasped the seriousness or danger of this threat to our way of life.

To address this new threat requires a new national awareness to raising, equipping and employing the Army. While we have fielded the most technologically advanced Army in history, and will continue in that pursuit, it is the soldier on the ground that has proven decisive in this new environment. Our soldiers are adapting and displaying sophistication never seen before in our history; on the one hand closing with and destroying our enemies and moments later shifting to revitalizing a destroyed society. We cannot overlook the importance of the "human dimension" in 21st century conflict. Too many oversell technology and question the need for boots on the ground. So with the soldier as the centerpiece of our formations I am concerned that we do not have the national willingness to serve and encourage the service of our citizens.

Operation Iraqi Freedom is the first test for the All-Volunteer Force during a prolonged war and the rules and procedures we use to maintain this force must be refined. The Army is transforming the All-Volunteer Force from a Cold War focus to a more adaptable, more lethal and more capable one ready to deal with the emerging threats of the 21st century. The power of Congress to develop legislation that supports the All-Volunteer Force is vital to this effort. There is no question that Americans support our soldiers, the question is: Are we ready as a nation to commit our children and family members in this life and death struggle for the freedoms we enjoy? I need your help to reassure our people that we must stand against this threat. Too much is in the balance. Maintaining a viable All-Volunteer Force, sufficiently educated, trained and led to meet the requirements of our combatant commanders is our greatest concern.

We are reviewing what combination of quality of life, compensation, incentives, options for service and other tools will be required to recruit and retain our All-Vol-

unteer Force in the future. Continued unwavering support to fund these initiatives will ensure our Army remains relevant and ready today and tomorrow.

NAVY RESERVES

9. Senator INHOFE. Admiral Clark, I am very proud of the work the sailors of our Navy do everyday. I want to particularly commend our Naval Forces for the immediate and tremendous response in support of the recent tsunami relief. I know there is still a significant presence of Naval Forces supporting Operation Iraqi Freedom. Like other military branches, you have called on your Reserves to also serve during this time. I know that the Department of Defense as a part of its transformation initiative is looking at the need to redistribute military career fields appropriately amongst the Active-Duty and Reserve components. In reviewing your budget for fiscal year 2006, I have noted that the Navy has a plan to decrease its Reserve Forces end strength by roughly 10 percent from approximately 80,400 at the end of fiscal year 2005 to approximately 73,100 at the end of fiscal year 2006. What mission changes between the Active-Duty, Reserves, and civilian or contract personnel are occurring to allow for such a significant decrease in a 1-year period?

Admiral CLARK. In 2003, Fleet Forces Command was tasked to conduct a review of all Reserve capabilities in light of Active requirements, and in August 2004 I approved the results. This Zero-Based Review (ZBR) laid the groundwork for a more integrated Total Force in which Reserve component capabilities directly support Sea Power 21. This Total Force integration is a critical element of our Human Capital Strategy that aims to balance our personnel—Active, Reserve, civil service, and contractor.

The ZBR systematically studied gaps in AC capabilities that could and/or should be filled by the Reserve component. The result was a blend of existing and new capabilities, and some were recommended for realignment or divestment. The review acknowledged two essential types of support the Active component will receive from the Reserve component: (1) the Navy has needs that are best filled by discrete units that stand up when required to provide a specific capability, and (2) there is a clear need for individuals or portions of units that can augment existing Active commands. Validated capabilities are designed to increase the warfighting wholeness of the Active Force.

With the planning essentially complete, the Navy Active and Reserve components have begun executing their alignment, and synchronizing their efforts to become a more effective and efficient warfighting team. This is a significant improvement for the Navy and the taxpayer, reflecting an improvement in capabilities that are more efficiently and effectively delivered.

VIEQUES

10. Senator INHOFE. Admiral Clark, without rehashing the withdrawal of the Navy from Vieques, could you give me an update on how we have replaced the training formerly conducted at Vieques and does it include live-fire training at the level that it was conducted on the island?

Admiral CLARK. Since the Navy's withdrawal from Vieques, the Atlantic Fleet continues to meet all predeployment and sustainment training requirements. The ability to conduct valuable large scale, live-fire, combined arms training has been reduced as a result of Vieques' closure and Navy has mitigated the effects through a combination of east coast and Gulf of Mexico training ranges, operation areas and mobile at sea support capabilities used to train the fleet. For air wing training, the Fleet uses Navy Pinecastle for live-fire air-to-ground training with Eglin Air Force Base as an alternate site. Additionally, all carrier airwings conduct live-fire training at NAS Fallon. For our ships, we have also developed the deployable Virtual At-Sea Trainer that scores ship live-fire proficiency and has been effectively used by all deploying East Coast ships since April 2003. The Atlantic Fleet supports the Marine Corps spotter training requirements with Navy ships at Camp Lejeune using the G–10 live range. In summary, all minimum Navy training requirements are being met without Vieques.

MARINE BATTALION ADDITIONS

11. Senator INHOFE. General Hagee, the Marine Corps has done a tremendous job for our country, especially in Iraq and Afghanistan. I have witnessed freedoms that will now be enjoyed in both countries because of the dedication of our marines. I know that due to the stretch of our forces, we have seen a need to re-examine the

end strength of our military. I personally believe we need an increase, and the analysis will only show how much that increase in personnel should be. I am happy to see that the Marine Corps will be adding two battalions to its force in fiscal year 2006. Based on our current mission requirements, do you feel that this "plus-up" is sufficient to meet the ongoing needs our Nation has around the world?

General HAGEE. The two infantry battalions (Bn) that we're creating, as well as the three Light Armored Reconnaissance (LAR) Companies, three Reconnaissance Companies, two Force Reconnaissance platoons and the one additional Air and Naval Gunfire Liaison Company (ANGLICO) in the Active Force, and the Anti-Terrorism Security Bn, the Intelligence Support Battalion, the two LAR Companies, and the two Civil Affairs dets we're creating in the Reserve Force will be very helpful in allowing the Marine Corps to meet the global war on terrorism requirements being set by the regional combatant commanders. However, even with these significant increased capabilities our operating forces will still experience Deployed Tempo (DEPTEMPO) well below our near term goal of 2:1 (2 months dwell time for every month deployed). Our operating forces will experience DEPTEMPO closer to 1.5:1, with these increases, if requirements remain near current levels. Normal DEPTEMPO goal is 2.7:1 for our infantry units and closer to 3:1 for the rest of our units.

We continue to watch closely for indications of negative impacts from the recent increased DEPTEMPO. To date, we have not identified any serious trends. Morale and readiness remain high and we continue to enjoy retention success. The fact that young Americans join the Marine Corps to deploy and that by design 67 percent of our force is in their first enlistment have been beneficial in this area. It is important to point out, however, that maintaining DEPTEMPO below 1.5:1 in excess of 3 to 4 more years may not be supportable.

12. Senator INHOFE. General Hagee, I notice that the end strength numbers remain steady, at 175,000 Active-Duty and 39,600 reservists in fiscal year 2006, the same as it was in fiscal year 2005, even with the add of two battalions. What shift in the Marine Corps is occurring to allow for increasing by two warfighting battalions and still allowing the end strength numbers to remain the same?

General HAGEE. Although, the Marine Corps' authorized end strength for fiscal year 2006 is 178,000 for the Active Force, the President's budget only provides sufficient funding for 175,000. The Marine Corps will distribute the 3,000 end strength increase authorized by Congress in the National Defense Authorization Act for Fiscal Year 2005 as follows: 1,848 to staff our infantry battalions to 100 percent, 201 additional recruiters, 120 additional instructors at our schools, 400 to create a foreign military training unit, 45 additional aviation mechanics, and 20 additional contracting specialists.

Getting to the heart of your question, the Marine Corps conducted a top to bottom total force structure review in fiscal year 2004 with the goal of identifying and creating increased capabilities that were required to meet the global war on terror requirements by identifying and divesting ourselves of lesser required capabilities where we believed risk could be taken. In a nutshell, the force structure review was to be end strength and structure neutral. The two infantry battalions, as well as a number of other increased capability initiatives, were "bought" at the expense of a like number of lesser required capabilities where we are reducing structure.

In the Active Force, significant military-to-civilian conversions and structure reductions in air defense, fabric repair, and security support to the Navy provided the structure required to create the two infantry battalions, etc., while remaining at 175,000 end strength.

In the Reserve Force, divesting structure in a number of artillery, tank, TOW, food service, and air defense units provided the structure to create the increased capabilities.

This effort brings with it a low level of risk, but we believe that the risk is minimal and that the increased capabilities will prove much more useful in meeting our global war on terrorism requirements. The divestment decisions were also an example of the continual change that is required to remain current in the face of changing technologies and to meet the new asymmetrical threats that we face.

KC–130J

13. Senator INHOFE. General Hagee, I am concerned about the C–130J and the KC–130J. I don't understand why the Department of Defense has decided to cut this program at this time. As I have stated to General Jumper, we are in the middle of a contract that was awarded as a multi-year in order to keep costs down. It

doesn't make sense to me. Additionally, with the cancellation of C–130J, I have been told that it increases the cost per unit for the Marine Corps' KC–130J as well as the Air Force's F/A–22 because the contractor spreads the cost of infrastructure for manufacturing across the three aircraft systems. In our budget brief the revised Future Years Defense Plan reflects cutting back the overall buy for the KC–130J aircraft by five aircraft. What analysis brought the Marine Corps to this decision?

General HAGEE. Though successive budgets have realigned exact FYDP procurement schedules to match updated budget priorities and resource availability, our stated Marine Corps requirement for KC–130s has not changed: it remains at 51, and our intent has been to attain this number of aircraft. Currently, several studies are ongoing to further examine the Marine Corps aerial refueling requirements. Aerial refueling is required for the Corps' CH–53E, the follow-on "Heavy Lift Alternative" aircraft, the AV–8B Harrier, the MV–22 Osprey, the F/A–18 Hornet, and the future Joint Strike Fighter.

14. Senator INHOFE. General Hagee, in your personal professional opinion is there a need for these five additional aircraft?

General HAGEE. Though successive budgets have realigned exact FYDP procurement schedules to match updated budget priorities and resource availability, our stated Marine Corps requirement for KC–130s has not changed: it remains at 51, and our intent has been to attain this number of aircraft. Currently, several studies are ongoing to further examine the Marine Corps aerial refueling requirements. Aerial refueling is required for the Marine Corps' CH–53E, the follow-on "Heavy Lift Aircraft", the AV–8B Harrier, the MV–22 Osprey, the F/A–18 Hornet, and the future Joint Strike Fighter.

ARMOR FOR TRUCKS

15. Senator INHOFE. General Schoomaker, I returned from Iraq during the weekend of January 30. I visited with a lot of soldiers and commanders. I can't express how proud I am of each one of them. To think that less than 2 years ago those soldiers were fighting against the Iraqi Army and now they are fighting along side the Iraqi Army is amazing. I know you share that pride. I made several observations while there: first, everyone I saw had body armor and the latest high tech equipment right down to knee pads and new Kevlar helmets. No high-mobility multipurpose wheeled vehicle (HMMWVs) were in the streets of Baghdad without adequate armor protection and commanders were being provided the latest command and control equipment to maximize the intelligence being collected, analyzed and acted upon. However, not all of the trucks were armored and in the budget I just saw, no money was included to armor those vehicles. Can you tell me why no money is in this budget for armoring the trucks? Is it going to be in the supplemental?

General SCHOOMAKER. There is no funding requested in the fiscal year 2006 budget because we intend to complete all add-on armor efforts by the end of fiscal year 2005. We have requested an additional $608 million in the fiscal year 2005 supplemental to fund the remaining truck add-on armor requirements.

16. Senator INHOFE. General Schoomaker, do you have adequate money now to armor as much as you need? I just want to make sure for the record you have everything you need. We don't want a repeat of the HMMWV situation.

General SCHOOMAKER. No. We have requested an additional $608 million in the fiscal year 2005 supplemental to complete the add-on armor efforts in theater. The only concern is that the Army needs $108 million of the $608 million immediately to sustain production. Without the early reprogramming/release of the $108 million, we will delay completion of add-on armor production from October 2005 to February 2006.

FUTURE COMBAT SYSTEM AND NON-LINE-OF-SIGHT CANNON

17. Senator INHOFE. General Schoomaker, I am being told the manned ground vehicles in the Future Combat System (FCS) may be moving farther to the right again. This concerns me because it was just 2 years ago when General Shinseki sat in front of this committee and reconfirmed the need for a new cannon for the Army. He wrote the committee and said the Army needed a Crusader-type capability in the same time frame that Crusader was to be fielded, which is 2008. I am concerned that this budget pushes the fielding of the non-line-of-sight cannon (NLOS–C) and the other manned ground vehicles further to the right. Can you tell me where we

are on developing the NLOS-C and these other manned ground vehicles and what the Army plan is to meet the requirement stated by General Shinseki in 2002?

General SCHOOMAKER. The Army still intends to provide a Crusader-type capability to soldiers in 2008. On May 14, 2003, the Defense Acquisition Executive approved the Milestone B decision to transfer the FCS and its manned ground variants, including NLOS–C, into system design and development (SDD). Also at that time, the Army reduced risk to the program by restructuring, adding funding and adjusting the initial operating capability of the FCS program to fiscal year 2014. Subsequently, the Joint Requirements Oversight Council revalidated the requirements and key performance parameters of this program January 31, 2005.

The restructured program provides for fielding a brigade-size element using spirals of available technology. NLOS–C as the lead variant of the FCS manned ground vehicle (MGV) program will be fielded ahead of the remainder of FCS systems. In this Spiral 0, the Army will provide a set of 6 prototypes, automated, self-propelled, Crusader-type cannons (NLOS–C) to this Evaluation Force by 2008. By 2014, this Evaluation Force will be complete with fielding the complete unit of action set of FCS equipment to include all seven variants of the MGV. This includes replacing the 6 prototype NLOS–C with 18 first generation, production NLOS–C systems (6 each during 2010, 2011, and 2012).

The NLOS–C project is on track to provide this capability. The NLOS–C concept technology demonstrator funded by Congress in 2003 has fired over 426 rounds in testing and demonstrated the viability of hybrid-electric propulsion.

The remainder of the MGV program is also on track. The design team has selected the best technical approach for all seven systems and is proceeding with SDD. This SDD process is critical to ensure the commonality of all MGV systems that will dramatically reduce the current logistics and personnel footprint associated with armored vehicle formations.

The use of an Evaluation Force is consistent with other efforts. For example, the Army utilized an Evaluation Force (to include deployment to combat) for the High Mobility Artillery Rocket System. This technique allowed the Army to identify employment techniques and correct problems before beginning full-rate production and will be critical to ensure success in the Future Combat Systems.

NON-LINE-OF-SIGHT CANNON IN STRYKER

18 & 19. Senator INHOFE. General Schoomaker, in 2004 I visited the Stryker brigade in Mosul. The Stryker brigade was doing a great job and the soldiers and the commander were very proud and excited about the capability of the Stryker brigade. I asked the commander if there was anything else he would like to have in the Brigade, any capability that was lacking. He told me he would like to have a cannon system like NLOS that had similar mobility to the rest of the Brigade. At this time, the Brigade is fielded with towed cannon and the troops in that artillery formation are exposed. They are not protected by the same armor as the other vehicles in the Brigade. This seems to be a glaring deficiency to me, and apparently to that commander. Does the Army have any plans to fix this problem?

Should we move the NLOS-cannon forward to fill this gap in capability?

General SCHOOMAKER. Currently, Stryker brigades have the M198 towed, 155mm howitzer. The Army acknowledges this is an unacceptable near-term solution. Beginning in 4th Quarter, fiscal year 2006 (fiscal year 2006), the Army will begin fielding the joint, lightweight, 155mm (JLW155), towed, Howitzer to the Stryker brigades. This Howitzer has a "Paladin-like" self-laying capability and increased mobility that increases its effectiveness and survivability. This Howitzer is also a joint program under lead by the U.S. Marine Corps (USMC) which requires a capability to be lifted by their V–22 aircraft. The joint USMC/Army program completes fielding of this Howitzer to the five active component Stryker brigades by fiscal year 2008 and the Reserve component Stryker brigade by fiscal year 2010.

The Army has looked at fielding NLOS–C to the Stryker brigade. To keep NLOS–C parameters common with Future Combat Systems and realize the long-term savings in logistics and personnel, NLOS is correctly tied to the FCS MGV production timeline. Separating the program to support early Stryker brigade fieldings would incur additional research and development costs and most likely generate a new class of single purpose vehicle. Once FCS MGV production has begun, and commonality among variants is assured, the Army may relook the opportunity for providing this capability to Stryker brigades. That projected date would be fiscal year 2014 or later. Until then, this near-term solution provides the newest and best Howitzer (JLW155) to Stryker brigades as quickly as possible and allows these units to have this capability 8 years-plus ahead of a viable NLOS–C solution.

QUESTIONS SUBMITTED BY SENATOR PAT ROBERTS

AIRBORNE LASER PROGRAM

20. Senator ROBERTS. General Jumper, the airborne laser (ABL) program accomplished two significant technical milestones in 2004, one being the simultaneous first light of the conjoined six laser modules in the ground test facility and the second being the beginning of flight testing of the ABL aircraft with the beam control/fire control system on board the aircraft. Could you comment on these milestones and their importance to the overall program's goals?

General JUMPER. First, I congratulate the Missile Defense Agency (MDA) for achieving these milestones, as they have the responsibility of developing this system before it transitions to the Air Force for procurement, and sustainment. Note: According to MDA approved comments:

First Light demonstrated the successful interaction of all major laser subsystems. This included six photon-producing laser modules, the optical diagnostic system, the thermal management system, the fluid management system and the pressure recovery system. It was the first time in history that six modules have worked together to generate photons in a chemical oxygen-iodine laser. Their results bring us closer to achieving our objective of fielding a revolutionary, multi-megawatt high-energy laser-armed combat system designed to acquire, track, and kill ballistic missiles in the boost phase of flight.

21. Senator ROBERTS. General Jumper, does the ABL program's accomplishment of these technical milestones bolster the Air Force's support of the program?

General JUMPER. Yes, these accomplishments strengthen the Air Force's support for this program.

First Light was a critical milestone for ABL, it verified that the physics underlying the high-energy laser design was correct and that the conditions exist to create and maintain a megawatt-class laser beam.

Return to Flight provides essential knowledge of the beam control fire control system as integrated on the aircraft. ABL's return to flight testing signifies a major step towards addressing key risks.

22. Senator ROBERTS. General Jumper, does the Air Force continue to support the expenditure of funds to continue the ABL program?

General JUMPER. Yes, the AF continues to be committed to the ABL's current schedule.

The ABL program is a transformation weapon system specifically designed to meet boost phase missile defense requirements. Although the Air Force has slipped production by a total of 5 years since the fiscal year 2004 POM cycle (due to delays in MDA's Research Development Testing and Engineering (RDT&E) program), we realize this weapon system is one of the most technologically challenging undertakings ever. As long as MDA continues to make significant, measurable progress, the Air Force will continue to support the program for the foreseeable future. MDA refocused its RDT&E efforts in January 2004 to meet near term technical program milestones, and the AF supports such efforts to keep the program on track.

LANGUAGE TRAINING

23. Senator ROBERTS. General Schoomaker, the United States currently has a notable deficiency in linguists for certain languages. It is my understanding that the Department of Defense also recognizes this deficiency, and has proposed funding to teach some of our troops foreign languages. Tell me about this program. Does the Army plan to request increases in this funding over the next several years, as linguists become more and more important to the Intelligence Community?

General SCHOOMAKER. The Defense Language Institute, Foreign Language Center (DLIFLC), established in 1963, has primary responsibility for training linguists throughout the Department of Defense. An annual average of over 3,000 students study over 20 languages deemed critical to national security at DLIFLC. An additional 200 students receive basic language instruction in low-density, high-demand languages via contract instruction through the DLIFLC-Washington. In addition to basic language instruction, courses are presented to meet requirements which include intermediate and advanced language training, 2 to 4 week familiarization courses for deploying units, dialect training, sustainment and refresher training. Training methodology includes video tele-training, resident and non-resident instruction. Since 1990 and due to the changed operational environment, the focus has shifted from Russian and East European languages to Arabic, Chinese, Korean,

Dari, Pashtu, Urdu, and others related to the global war on terrorism. DLIFLC responds to Service training requirements for linguists, the majority of whom serve within the Intelligence Community. The Army is the executive agent for DLIFLC, which is currently funded to meet 98 percent of its requirements, well above the DOD average. A recent budget decision provides for a significant increase in funding, which underscores the importance the Army and other Services have placed on maintaining an expeditionary mindset.

MILITARY TO CIVILIAN JOB CONVERSIONS

24. Senator ROBERTS. General Schoomaker, as the Army continues to restructure and transform into a modular force, I understand there will be a significant number of military to civilian job conversions. In what fields and under what commands will these conversions take place?

General SCHOOMAKER. The fields covered by these conversions include: firefighting, military personnel management, installation security, law enforcement, logistics, air traffic control, engineering, writing, editing, inspector general functions, program management, clerical, military training, intelligence, small arms repair, information technology, base operations, legal services, public affairs, and procurement. Commands where the conversions are taking place include the following: the U.S. Army Training and Doctrine Command, Installation Management Activity, Headquarters, Department of the Army, Army testing and Evaluation Command, Army Contracting Activity, Space and Missile Defense Command, U.S. Army Corps of Engineers, Criminal Investigation Command, U.S. Army Network, Enterprise, Technology Command, U.S. Army Pacific, U.S. Army Forces Command, the United States Military Academy, Military District of Washington, Army Materiel Command, Surface Distribution and Deployment Command, Acquisition Support Command, U.S. Army Medical Command, and U.S. Army Europe.

QUESTION SUBMITTED BY SENATOR SUSAN M. COLLINS

PORTSMOUTH NAVAL SHIPYARD

25. Senator COLLINS. Admiral Clark, in the Nation's efforts to consolidate our defense bases, home ports, and repair facilities, we must beware of an "over consolidation" of our resources. If we do not maintain geographic diversity in our domestic military posture, we may become more vulnerable to the significant and long-term degradation of our military installations. The Portsmouth Naval Shipyard at Kittery, for example, is the least expensive of our Nation's four Navy shipyards to operate. In addition to providing great strategic value to the Navy, the Yard also has one of the finest track records of submarine maintenance our Nation has to offer. Once such a center is closed, the entire supporting infrastructure and specific industrial base expertise and workforce are lost. Military personnel can be, and often are, routinely transferred from one spot to another. The local civilian workforce at the Portsmouth Naval Shipyard spans generations, and is among the Nation's most skilled and cost-efficient. We simply cannot afford to lose the combination of expertise and forward-thinking dexterity that are the hallmarks of this facility. The savings to the Navy for every engineering refueling overhaul performed at Portsmouth would be $57.5 million and almost 4 months of submarine operational time. One engineered overhaul at Portsmouth per year through 2018 will save the Navy and the taxpayer $747.5 million and over 4 years of submarine operational time. I would like to ask whether the Navy has properly assessed the true, long-term costs of potentially losing the financial returns to the Navy that Portsmouth provides, given that Portsmouth Naval Shipyard delivers engineering refueling overhauls to the Navy 4 months faster and $86 million cheaper than other yards and completes depot modernization periods 3½ months quicker and $28 million cheaper than its counterparts?

Admiral CLARK. We are aware of the value that Portsmouth Naval Shipyard provides. The Navy will assess the long-term implications for Portsmouth Naval Shipyard—along with all other Navy bases—under Base Realignment and Closure (BRAC) 2005 procedures. The BRAC law sets out a very fair, analytically based process under which all bases are treated equally. All recommendations are based on a 20-year force structure plan, infrastructure inventory and published selection criteria. Additionally, all data used is certified as accurate and complete, and provided to the commission and Congress.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

F/A–22 AND C–130J

26. Senator CHAMBLISS. General Jumper, the F/A–22 and C–130J production lines share overhead costs because they are produced at the same facility. Has the Air Force conducted an analysis to show what impact closing the C–130J production line after the fiscal year 2006 buy will have on F/A–22 production costs? If not, please perform this analysis and provide the associated cost impacts to the F/A–22 program.

General JUMPER. The Defense Contract Management Agency (DCMA) provided the F/A–22 System Program Office preliminary assessment of overhead rates at all Lockheed Martin Aerospace (LMA) F/A–22 production facilities, to include LMA-Fort Worth, LMA-Palmdale and the LMA-Marietta, Georgia where the C–130J is produced. LMA manufacturing overhead rates are site specific, while all other overhead rates are LMA company-wide. The DCMA preliminary assessment included impacts from closing the C–130J production line at LMA-Marietta after the fiscal year 2006 buy and closing the F/A–22 production line after the fiscal year 2008 buy at all LMA F/A–22 production facilities. The impact was an increase of approximately $240 million for the F/A–22 program through the end of production in fiscal year 2008. A joint Office of the Secretary of Defense Cost Analysis Improvement Group, Air Force Cost Analysis Agency and DCMA team will further evaluate the overhead impacts to all Department of Defense programs at LMA production sites. This effort is currently scheduled to be complete in May 2005.

27. Senator CHAMBLISS. General Jumper, based on the President's proposed budget for fiscal year 2006–2011, which terminates F/A–22 production after the fiscal year 2008 buy, how do you expect this early termination to affect Lot 6 contract negotiations and pricing based on the fact that supplier confidence will be lower and subcontractor costs higher due to the smaller number of aircraft being purchased?

General JUMPER. Supplier confidence is one of many factors we expect to translate into price increases for Lot 6, and we anticipate the impacts to magnify with each successive lot buy. Initially, as supplier confidence weakens, suppliers will cease investments in production improvements and seek to recoup previous investments earlier. The projected impact to Lot 6 related to supplier confidence is approximately $40 million. Additionally, we expect to see higher costs resulting from increased overhead rates, work disruption, displacement or loss of experienced workers, and lost economic ordering benefits due to quantity reduction.

28. Senator CHAMBLISS. General Jumper, has the Air Force conducted an analysis to determine the operations and maintenance costs required to repair and maintain C–130 E and H models that are undeployable or the Air Force had planned to retire which the Air Force will be required to keep if the C–130J multi-year contract is terminated? If not, can you provide that information for the record?

General JUMPER. We must know if our current combat delivery intratheater airlift requirement is still valid in order to determine how many C–130s to repair to maintain capability to meet that mission. The ongoing Mobility Capabilities Study (MCS) will inform us on the accuracy of our current requirement. We anticipate the completed MC8 report in April 2005. This will help us determine how many E- and H-model C–130s we would need to retain to support the combatant commands if the C–130J multi-year contract is terminated as specified in the President's budget.

Our two options to return the restricted/grounded C–130s to deployable status are to replace the center wing box (CWB) or repair it. The estimated cost to replace the CWB is $9 million per aircraft. The estimated cost to repair it is $0.7 million–$1.4 million per aircraft, however the pre-repair inspection may reveal an irreparable CWB which would have to be replaced. Even if we can repair it, it may still carry flight restrictions and gain us little increased capability or extended service life. A cost benefit analysis will determine what level of damage justifies the inspection and repair costs.

29. Senator CHAMBLISS. General Jumper, has the Air Force conducted an analysis to determine the termination costs of canceling the C–130J multi-year procurement contract? If not, please perform this analysis and provide the estimated termination costs.

General JUMPER. The fiscal year 2006 President's budget does not cancel the C–130J program outright. It directs the Air Force to stop production after 2005, adds 8 KC–130Js for the United States Marine Corps (USMC) in fiscal year 2006 (12 total), and stops KC–130J production after 2006.

To date no discussions have taken place with the contractor on termination costs. The Air Force's current estimate for the C–130J termination is approximately $1.3 billion. This estimate includes three items: current cancellation ceiling, an equitable adjustment on previously delivered aircraft and a production rate adjustment penalty.

(1) Cancellation Ceiling (from table in contract) = $439 million if cancelled by 16 Nov 05.

(2) Equitable Adjustment = If contract is terminated under the "Termination for Convenience of the Government" clause, the delivered aircraft under the contract will be repriced. This means that the cost for 15 United States Air Force C–130Js and 8 USMC KC–130Js may increase as much as $35 million per aircraft. The total equitable adjustment could be as high as $785 million.

(3) 2009 Production rate adjustment - $104 million.

30. Senator CHAMBLISS. General Hagee, is it correct that the fiscal year 2006 President's budget request terminates the C–130J multi-year procurement and stops KC–130J production at 33 aircraft, leaving the Marine Corps 18 short of its requirement? If so, what is the Marine Corps' plan for meeting this requirement in the absence of the C–130J?

General HAGEE. Yes, the fiscal year 2006 President's budget terminates the USAF C–130J portion of the multi-year procurement (MYP) contract and eliminates funding for further procurement in the FYDP. This effective closes out the USMC portion of the MYP, leaving the USMC with a total of 33 KC–130J aircraft (18 aircraft short of the 51 aircraft requirement.) A production options study is underway to determine future way-aheads to meet our KC–130K requirements.

E–10 BATTLE MANAGEMENT COMMAND AND CONTROL AIRCRAFT

31. Senator CHAMBLISS. General Jumper, the committee has received several briefings by the Air Force on the E–10 Battle Management Command and Control aircraft that is in the fiscal year 2006 President's budget request. Can you describe the U.S. Air Force vision and requirement for this aircraft?

General JUMPER. The E–10 is the Air Force's next generation wide area surveillance platform that will provide transformational Battle Management Command and Control (BMC2) and Cruise Missile Defense for joint warfighters. The E–10 will achieve decisive operational capability through rapid integration of information from organic as well as external manned, unmanned and space-based sensors—it will take the battle to the enemy at the time and place of our choosing. Additionally, the E–10 will dramatically improve forward-based command and control capability by shortening the warfighter's decision process through integrated Air Force and joint BMC2 systems. This capability will enable friendly forces to respond to time sensitive opportunities with decisive force.

The requirement for this platform is clear. In response to growing cruise missile threat to the homeland and deployed forces, the fiscal year 2004–2009 Defense Planning Guidance directed the Air Force to deploy aircraft equipped with the Multi-Platform Radar Technology Insertion Program sensor for cruise missile defense and enhanced ground moving target indicator capability. The E–10 Capabilities Development Document requirements were validated by the Joint Requirement Oversight Council in October 2004.

FORCE PROTECTION

32. Senator CHAMBLISS. General Schoomaker, I understand based on a briefing given to my staff the week of January 31 on force protection that many of your vehicles, particularly your medium tactical trucks, will not be sufficiently armored until June or July 2005. After contacting the Marine Corps Logistics Base at Albany, Georgia, I learned that they have the capability to surge production of armor kits in a very short period of time. In fact, within 30 days, they estimate that they could increase production of their second generation high HMMWV kit from about 400 a month now, to 1,000 a month. Similarly, they could produce additional truck kits to help the Army get its vehicles armored faster. The Army's 3rd Infantry Division (ID) can attest to the quality of their work since the 3rd ID recently received 500 kits made at Albany. Has the Army considered working with the Marine Corps depots to accelerate the production and fielding of armor kits for its trucks and other equipment, and if not, can you explain why the Army is not aggressively taking this approach?

General SCHOOMAKER. The Army has considered and entered into joint efforts with other Services for both the production and installation of add-on armor kits. The Army did consider the Marine Corps Logistics Base at Albany, Georgia, but at the time they were fully committed to Marine Corps projects, and presently, the Army has sufficient capacity with commercial industry and the Army depots to meet our add-on armor requirements. The Navy has provided skilled armor steel welders to augment one of our prime vendors and an Army depot's capabilities to push production. In addition, the Navy has supplied 50 mechanics in theater to help install add-on armor kits and additional Navy personnel to help with welding Level III kits. The Air Force has also provided a significant capacity through 50 skilled airmen in Balad to help install add-on armor on medium and heavy systems. To accelerate production of the M939 kit, the Army has also evaluated utilization of the production capability of the Norfolk Navy Shipyard, an additional industry base, and Department of Energy both for steel cutting and/or full kit production. The M939 5-ton is being produced by six Army depots with an expected production rate of over 600 per month by the end of April 2005. Currently, the heavy fleet and family of medium tactical vehicles (FMTV) add-on armor kits are being produced by commercial industries who own the technical data packages to their designs. The palletized load system, heavy equipment transport, and heavy expanded mobility tactical truck add-on armor kit production will meet the validated requirement by the end of March 2005. The M915 requirement recently increased and the Army has expanded production to three commercial facilities to meet the requirement by July 2005. The FMTV kit is also being produced by two vendors and will reach a production rate of 500 per month by April 2005.

FEMALE SOLDIERS

33. Senator CHAMBLISS. General Schoomaker, your written statement speaks to how the Army prepares every soldier to be a warrior by replicating the stark realities of combat. Soldiers are receiving more training in marksmanship, hand-to-hand combat, and live-fire convoy training than before. This increased emphasis on survival skills is great to hear, but it also reminds me that in today's war in Iraq, our female soldiers routinely face many of the same threats that men do from improvised explosive devises (IEDs), mortars, and suicide bombers. Women routinely live in the same forward operating bases as men, and women in military police (MP), civil affairs, and tactical human intelligence (HUMINT) teams serve side-by-side with their male counterparts. There is no safe rear area in today's non-linear battlefields. In light of this, can you share your views on how women are performing in this environment and whether it is the right time for us to revisit the co-location rule stating that women will not be assigned to units that routinely co-locate with combat arms units below the brigade level?

General SCHOOMAKER. Women are performing as expected—in an outstanding manner alongside their male counterparts. Their performance throughout both Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) has been exemplified by heroics such as one of our airborne officers being awarded the Bronze Star with valor device for her command leadership during an attack on her Military Police convoy; to a Civil Affairs specialist being awarded a Purple Heart for the injury she suffered while defending herself and her comrades in Najaf, Iraq; to a specialist who assisted in the capture of General Husam Mohammed Amin during one night while she was standing guard.

Women comprise 14.8 percent of our Active Force, 23.5 percent of our Reserve Force and 13.8 percent of our National Guard; they are also representing over 10 percent of the force in OEF/OIF. There is no variance in performance between our men and women serving in combat service and combat service support branches—both are performing in an outstanding manner given the complexity and ambiguity of combat. Gender integrated training has yielded dividends in that we have a strong force made up of both men and women who work effectively with one another, protect each other and bravely stand up during the global war on terror.

In January, the Secretary of the Army reviewed all personnel policies, with an emphasis on the policy of how the Army assigns women soldiers to the new brigade combat team, unit of action. Secretary Harvey's assessment is that the Army's current practices are consistent with personnel assignment policies. As you are aware, the 3rd Infantry Division is currently deployed as the new modular force, and we will continue to monitor the execution of the new structure to ensure we comply with current policies. There is no reason to revisit our combat exclusion policy at this time.

RESERVE COMPONENT FORCES

34. Senator CHAMBLISS. General Schoomaker, if the current rate of deployments and number of soldiers deployed stays relatively constant over the next 3 to 4 years, what is your assessment of the Army's ability to conduct these deployments while working within a policy that restricts the use of Reserve component forces to 24 months cumulative service versus 24 months of consecutive service?

General SCHOOMAKER. The Army, in conjunction with the Joint Force, is in the process of assessing long-term force requirements and how to best source them. If current rates of deployment remain constant over the next 3 to 4 years, and current mobilization policies remain in effect, the Army will find it increasingly difficult to sustain operations. In the near-term, the Army is pursuing other means of sustaining its operational requirements through retraining and remissioning those forces that have not been previously mobilized.

35. Senator CHAMBLISS. General Schoomaker, I understand that the Army is rebalancing and restructuring more than 100,000 positions in active and Reserve component units to lessen the demand on the Reserve components during the first 30 days of a contingency. When do you anticipate this process being relatively complete, and what effect will it have on long duration deployments?

General SCHOOMAKER. The Army's current rebalancing efforts will be relatively complete by the end of fiscal year 2009 with the majority of actions conducted between fiscal year 2005 and 2007. However, we may need to adjust our current plan based on changes to deployment trends, combatant commander requirements, and the results of the 2005 Quadrennial Defense Review. Rebalancing will reduce the frequency and duration of deployments for many Reserve component units currently in high demand as we add more of those units to both the active and Reserve component and increase the rotational depth for those capabilities.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

FUNDING AVAILABLE FOR CONTRACTOR SUPPORT IN IRAQ

36. Senator LEVIN. General Schoomaker, on February 1, the Wall Street Journal reported that "the top U.S. commander in Baghdad is facing what he calls an 'unaffordable' budget gap of at least $4 billion between what Halliburton Co. says it will cost to provide food, housing and other services for U.S. troops for a year and what the government has budgeted." According to the article, the Army has budgeted just $3.6 billion for services that Halliburton has estimated it would cost more than $10 billion to provide. The article states that "the Army has been trimming its requests to close the gap" and "Army officials suggest that ultimately their wish list of services for troops will have to be further slashed, though it's not clear how much basic services will be reduced for soldiers—or even how much they can be without causing significant disruptions." General Casey is quoted as saying that the Army's needs for troop support far exceed the Pentagon's budget ceiling for those services as overall security costs have mounted. Members of this committee have made it clear over and over again that we are prepared and we believe that American taxpayers are prepared to pay the bill to get the job done in Iraq. Do you agree with General Casey's assessment that there is a significant budget gap between the troop support services that the Army wants in Iraq and what the Department of Defense is willing to pay for? If so, do you believe that this gap is attributable to: (1) excessive prices charged by the contractor; (2) Army units requesting services in excess of their actual needs; or (3) an arbitrarily low ceiling on support costs imposed from outside the Army?

General SCHOOMAKER. There is no major funding gap for food, housing, and other services for U.S. troops in Iraq. Although only a portion of the fiscal year 2005 requirement has been funded to date, pending congressional action on the fiscal year 2005 supplemental, the Army's supplemental request includes the balance of the known requirement for a total of $5.4 billion. The $10 billion was an initial "rough order of magnitude" estimate from the contractor, the maximum potential cost, not the actual requirement.

MOBILIZATION POLICY—ARMY

37. Senator LEVIN. General Schoomaker, troops are being mobilized for duty in Iraq and Afghanistan under Partial Mobilization Authority (10 U.S.C. 12302a) which authorizes members of the Reserve component to be ordered to Active Duty

for not more than 24 consecutive months. Although a literal interpretation of this statute would allow multiple mobilizations of up to 24 consecutive months each, the Department of Defense has, by policy, limited the cumulative time on Active Duty under this authority to 24 months. This limits most members of the Guard and Reserves who have served in Iraq to one mobilization, as the 12 months "boots on the ground" policy plus mobilization, train-up, and demobilization consume 16 to 18 months of the 24 cumulative months allowed under the current DOD policy. Senior Army leaders have been quoted as saying DOD needs to change this policy because the Army is running out of Reserve members who have enough time left on the 24 month mobilization clock to serve another tour. They contend that the Army will not have sufficient forces to man the next planned troop rotation in Iraq and Afghanistan beginning this fall. Deputy Under Secretary of Defense Abell told this committee that the Secretary of Defense does not intend to change this policy. What are your views on DOD's policy of limiting involuntary mobilization of members of the Reserve components to 24 cumulative months?

General SCHOOMAKER. The Army leadership is in consonance with DOD's policy on 24 month cumulative service. At the present time, we believe the 24-months cumulative time serves the best interest of the Reserve component soldiers, their families, and employers and that their involuntary contribution to the global war on terror should remain as limited. With that said, we are planning to employ a force generation model to meet ongoing and future global commitments which is predicated on early and continued access to our Reserve component units. Without assured and predictable access to trained Reserve component units, not just individuals, we may have to revisit the current mobilization authority and associated policies or consider increasing the number of active Army units their deployment lengths and/or shorter dwell periods between deployments.

38. Senator LEVIN. General Schoomaker, what would be the impact on the next planned troop rotation into Iraq and Afghanistan if the policy remains in place?

General SCHOOMAKER. Mobilization for the next planned rotation of units into Iraq and Afghanistan is already under way. Continuing through this rotation with the 24 month cumulative policy will not adversely affect our ability to meet the requirements of this rotation. We will continue, as has been our practice from the onset of the war, to meet Reserve manpower requirements by augmenting units with soldiers from donor Reserve and active units, and with soldiers from the Individual Ready Reserve. As we exhaust our access to both units and individuals we rely more heavily, with each subsequent rotation, on augmentation to meet mission manpower requirements. We have mitigated, to some degree, the risks associated with inexperienced, heavily augmented units, by streamlining the voluntary service procedures so that soldiers can volunteer to serve without delays in receiving orders or missteps with pay and allowances as they transition from involuntary to voluntary service.

MARINE CORPS NONLETHAL WEAPONS CAPABILITIES

39. Senator LEVIN. General Hagee, I understand that the Marine Corps is developing requirements for new nonlethal weapons capabilities for use in Iraq and Afghanistan. Can you describe the potential operational uses of these types of systems?

General HAGEE. The Marine Corps has identified and is addressing its non-lethal (NL) required capabilities. The following is a list of new NL concepts and NL capability efforts.

(a) The Joint Aeroballistics Non-lethal Incapacitation System (JANIS)

(1) Capability Description: Neuromuscular disruption represents the single most effective less-than-lethal (non-lethal) technology available to the Joint Services. Current neuromuscular devices and delivery systems are limited in range, are tethered, and can engage only a single target at a time.

Kinetic energy incapacitation methods generally fall from favor due to the risk of impact on delicate areas of the human body such as the eyes. There is also typically a serious blunt trauma hazard potential for subjects engaged at short range. A non-tethered neuromuscular disruption system solves both of these classic shortfalls.

(2) Operational Employment: JANIS is designed to incapacitate individual targets at a range of approximately 100 meters. The current capability shortfall with existing systems (X–26 TASER) is that the system is tethered and requires the marine to be within 18 feet of the target, thus

placing great personal risk to the marine. JANIS employment will afford the marine greater safety; allow him to deliver a non-lethal 20 mm propellant driven neuromuscular disruption dart from a concealed position, day or night. The JANIS capability will provide the marine with the capability to acquire, engage, and hit a target that is in close proximity to non-combatants without injury to the bystanders. JANIS technology will permit, marines to engage and apprehend looters, criminals, individual rioters and, individuals that might have intelligence value. The Marine Corps initiative with JANIS will provide the Joint Force with an incapacitating system not currently available. JANIS marks a significant capability enhancement to the force.

(b) Vehicle Non-Lethal Munitions (VENOM)

The Marine Corps Combat Development Command has conducted experimentation with the VENOM. The Venom® is 40MM Non-Lethal munitions delivery system that can be mounted on a variety of tactical vehicles or statically emplaced and fired from a Heavy Machinegun Tripod. The system provides greater range and volume of non-lethal fire than is currently available. The VENOM system if adopted by the USMC and when fully operational will address the third and fourth prioritized capability requirement; to impede movement, counter material and impede movement, counter personnel. U.S. Forces continue to be confronted with situations requiring individual marines to make split second life or death decisions to determine if an approaching vehicle is an innocent civilian or a vehicle borne improvised explosive device (VBIED). Classifying a target where noncombatants intermingle with combatants has enormous challenges. The VENOM system is a low tech, high value system that can protect marines and noncombatants. VENOM provides Commanders with an option between doing nothing or shooting. The VENOM system provides the capability to deter/dissuade while determining the intent of an approaching target. During crowd control situations it will provide the range and volume of fire not currently available. This capability can protect marines by keeping them beyond reach of a hostile crowd.

(1) System Description: With its launcher capacity of 30 rounds the VENOM delivers area target engagement fires from 0° horizontal, 15° and 30° elevations. The launched configuration enables area coverage at near, mid, and extended ranges. The VENOM system was designed specifically to deliver area target non-lethal fires for crowd control situations; convoy security and vehicle check point operations.

(2) Operational Employment: Convoy Operations. The VENOM system when integrated on tactical vehicles during convoy operations will provide the commander the ability to deter or dissuade civilian vehicles from entering the security area established to the rear of the convoy. In situations where an approaching vehicle encroaches into the security area, VENOM with its tube launched FLASH BANG pyrotechnics will be fired to warn the approaching vehicle to stay back. VENOM will provide the marine with the ability to warn away approaching vehicles. Currently, there are no systems available to accomplish this task. As a result, marines have had to resort to lethal means to warn drivers. VENOM will permit the engagement of an undetermined vehicle (friend or foe) to stay away. VENOM is the marine's option between shouting and shooting.

(3) Operational Employment: Vehicle Check Points. At vehicle check points (VCP) marines can employ the VENOM in a similar technique as with the convoy application. VENOM can be used to warn drivers to slow down or stop at a VCP. Today, a marine's only option is to resort to lethal force should voice commands or other signals fail. VENOM reduces the risk to the marine while protecting innocent civilians.

(c) Other commercial off-the-shelf Non-Lethal capabilities purchased for Iraq and Afghanistan.

In response to urgent requests from I Marine Expeditionary Force the Marine Corps did an urgent fielding of the following capabilities:

(1) X–26 Taser. A commercial product manufactured by TASER International. This is a tethered neuromuscular disruption system capable of engaging single individuals.

(2) Vehicle Lightweight Arresting Device (VLAD). A commercial net designed to stop vehicles by puncturing tires with its spikes and causing the net to wrap around the vehicle axel bringing the vehicle to a halt.

(3) Long Range Acoustic Device (LRAD). American Technology manufactures this system. It is designed as a hailing and warning device to permit

our forces to communicate directly with groups or individuals out to approximately 500 meters. When equipped with a phraselator it gives the marines the ability to translate English to the local language. This system increases the ability to communicate effectively.

40. Senator LEVIN. General Hagee, what is the status of the development and fielding of these systems?

General HAGEE. The JANIS only recently received endorsement from the Defense Advanced Research Projects Agency (DARPA) as a fiscal year 2006 science and technology (S&T) program. Under the current program schedule, the contractor would have a prototype completed within 18 months. The following outlines the JANIS program objectives:

1.1 Dart Objectives

Concept exploration—adaptation of the TASER X–26 circuitry, design projectile and hi/low chamber cartridge.

Concept developments—construct and test circuitry, conduct flight tests, blunt impact studies, interior and terminal ballistics.

Integrate system—design to insure compatibility with sight and launcher.

1.2 Sight Objectives

Concept exploration—evaluate commercial off-the-shelf laser range finders, digital cameras, and displays.

Concept development—integrates subcomponents, design and develop control software, conduct performance trials.

System integration—design to insure compatibility with dart and launcher.

1.3 Launcher Objectives

Concept exploration—launcher, magazine design.

Concept development—constructs launcher, integrate communications circuitry, conduct firing trials.

System integration—design to ensure compatibility with dart and sight.

41. Senator LEVIN. General Hagee, have these technologies been approved for use by all relevant legal and policy offices?

General HAGEE. The X–26 TASER and the Vehicle Lightweight Arresting Device (VLAD) have received endorsement by all relevant legal, policy offices and the human effects review board. The JANIS and other non-lethal systems will receive a full review by both relevant legal, policy and the human effects board as part of the acquisition process, once final prototypes are delivered and prior to any fielding.

42. Senator LEVIN. General Hagee, what is the funding requested in this budget for the development, testing, and deployment of these technologies?

GeneraI HAGEE. The Joint Non-Lethal Weapons (JNLW) Program budget contains incremental increases in its funding levels from $53.1 million in fiscal year 2005 to $65.2 million in fiscal year 2011. The Marine Corps continues to receive the appropriate research, development, test, and evaluation (RDT&E) funding levels for its ongoing non-lethal acquisition programs. The Marine Corps is confident that the JNLW Directorate funding levels will meet future RDT&E funding needs.

ARMY SCIENCE AND TECHNOLOGY

43. Senator LEVIN. General Schoomaker, the Army's science and technology (S&T) budget is down over $1 billion from last year's appropriated level and down slightly ($50 million) from last year's budget request. What research programs have been scaled back with this reduced effort?

General SCHOOMAKER. The Army S&T budget request for fiscal year 2006 is $1.734 billion; this is $48 million less than requested in fiscal year 2005. Because of pressing demands we have had to provide more resources to improve current force capabilities. The major impact to the Army S&T program was to terminate the unmanned combat armed rotorcraft technology effort. The Army remains committed to fielding unmanned systems capabilities. The fiscal year 2006 budget request sustains several other S&T efforts to develop unmanned air and ground vehicles to provide these capabilities to current and future forces.

44. Senator LEVIN. General Schoomaker, how will this reduction affect Army efforts at long term transformation as well as rapid technology development and fielding of new capabilities?

General SCHOOMAKER. The Army is maintaining adequate resources to continue transformation while at war. Our strategy is to pursue advanced technologies in areas that will satisfy current force and future force capability gaps. Our top priority is to care for and equip our soldiers in combat and other deployed operations or at our sustainment bases. While satisfying this imperative we continue to pursue paradigm-shifting capabilities that will be provided by our FCS program. The Army S&T program has been shaped to spiral technologies into the FCS program, while simultaneously seeking opportunities to insert technologies for enhanced capabilities into the current force. We are committed to maintaining our dynamic and diverse S&T portfolio that is responsive to today's soldiers and our future soldiers while accepting prudent risk in some of our efforts.

MOBILE PARTS HOSPITAL

45. Senator LEVIN. General Schoomaker, I understand that the Army's mobile parts hospital rapid manufacturing system has provided a valuable capability in Kuwait, supplying much needed spare parts on-demand to soldiers in theater. I understand that the Army is currently in the process of fielding another system, as well as developing an additional training module. What is the feedback that users have given on the operational use of the system?

General SCHOOMAKER. The Mobile Parts Hospital in Kuwait has been useful in providing a limited number of parts within the constraints of its manufacturing capabilities. Typical products from this system are simple parts such as nuts, bolts, pins, and door latches. The Army is preparing to deploy the lathe module from a Mobile Parts Hospital system to Afghanistan in May 2005. The Army is not acquiring additional training modules.

46. Senator LEVIN. General Schoomaker, what is the status of the development of a formal requirement for a rapid manufacturing capability of this type?

General SCHOOMAKER. The Army continues to assess the cost effectiveness of this limited capability. The system in Kuwait has produced an average of 15 parts per day, a very small number compared to the total demand. Our program manager for sets, kits, outfits, and tools, in conjunction with our warfighting requirements developers, is reviewing data to determine the net value of this capability.

47. Senator LEVIN. General Schoomaker, is there any funding for research, development, or continued procurement of these systems in the fiscal year 2006 budget request?

General SCHOOMAKER. No.

48. Senator LEVIN. General Schoomaker, are you pursuing funding for this system in the upcoming supplemental budget request?

General SCHOOMAKER. There are no funding requests for the Mobile Parts Hospital in the upcoming supplemental budget request.

COMBAT VEHICLE RESEARCH

49. Senator LEVIN. General Schoomaker, despite the fact that the Army is transforming its fleet of combat vehicles with both the Future Combat System development program and tactical wheeled vehicle strategy, the Army's fiscal year 2006 budget request for combat vehicle science and technology has been reduced by over $70 million as compared to the fiscal year 2005 budget request and over $180 million relative to fiscal year 2005 appropriated levels. How will these reduced efforts support the development of advanced technologies that will support future spirals of FCS and future tactical wheeled vehicles?

General SCHOOMAKER. The revised FCS program schedule will bring the full capability FCS-equipped unit of action into the force in 2014. The primary technical challenge is to develop the essential network capability for spiral acquisitions beginning in 2008. New FCS vehicles and platforms will be introduced in 2014. The budget reflects the focus on developing network technologies before platform technologies. The tactical wheeled vehicle fleet will begin being updated in fiscal year 2006. The logistics and sustainment improving technologies such as hybrid electric drive and vehicle prognostic/diagnostics are available within the commercial industrial sector for us to procure as we modernize the fleet.

50. Senator LEVIN. General Schoomaker, to compensate for these reduced research investments, how are you working to better leverage commercial industry investment in vehicle research and development to support Army missions?

General SCHOOMAKER. We have ongoing efforts at the Tank-Automotive Research, Development & Engineering Center's National Automotive Center (NAC) in Warren, Michigan. The NAC is a partnership between the government and the commercial automotive sector to explore new concepts and components that have promise for improving the performance and efficiency of both tactical and combat vehicles. We are also continuing manufacturing technology efforts with the industrial sector to improve the products and affordability of the new components that are needed.

51. Senator LEVIN. General Schoomaker, how have past investments in combat vehicle research and technology been transitioned into systems that are now deployed in Iraq and Afghanistan?

General SCHOOMAKER. The overmatching capabilities we have on battlefields today are the result of research and development investments of the past. Many of the systems and components that provide the overmatching capabilities in today's Abrams tank, Bradley fighting vehicle, Stryker and other combat vehicles are products of the Army's combat vehicle research program. These include night vision sensors, networking communications, advanced armor, munitions, and advanced survivability technologies. To satisfy capabilities demanded by threats in Afghanistan and Iraq, we have accelerated the transition of a number of vehicle-based technologies such as: advanced lightweight armor to protect against threats like rocket-propelled grenades and improvised explosive devices (IEDs) and the robotic Omni-Directional Inspection System for detecting IEDs during vehicle inspections.

QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

SUBMARINE PROCUREMENT

52. Senator LIEBERMAN. Admiral Clark, the Navy's ability to project power in future conflicts will depend on its ability to ensure access. A key piece of that is to establish and maintain undersea superiority of disputed waters. Many other nations are pursuing this strategy with vigor. For example, the Chinese have bought eight Kilo-class, diesel-electric submarines from Russia and are planning to buy four more. They are also building their own Song-class, diesel-electric boats as well as some nuclear-powered attack submarines. They see the value, as we do, in a strong submarine force. Submarines are flexible platforms, they are quiet, stealthy, and can get in close. They provide force protection while also being a useful instrument to project power. They are highly adaptable to a variety of situations. The current naval force structure calls for a nuclear attack submarine fleet of 55 boats. It wasn't clear we could maintain that level at our intended rate of production, and now this budget reduces procurement in the out years. Was the decision to reduce submarine procurement made as part of a larger strategy to change the size or composition of the force structure? If not, then why was procurement reduced?

Admiral CLARK. The decision to reduce submarine procurement was based upon strategic as well as resource prioritization and budgetary considerations. We are optimizing our available resources to rebalance the Navy to meet the challenges of the future. The Navy has been analyzing these issues since the 2001 QDR, evaluating the capabilities required to meet our current and future national security needs. We are actively forging a re-shaped Navy that possesses the right mix of capabilities to prevail in the global war on terror, to deter or dissuade potential adversaries, to contribute to homeland security, and to fight and win in major combat operations.

We have a number of initiatives underway that support this future fleet capability. One example is the forward-basing of attack submarines (SSNs) in Guam, which will yield a more efficient operating cycle and facilitate a more rapid response to emerging crises. Another initiative utilizes distributed anti-submarine warfare (ASW) sensors to address future undersea warfare threats rather than relying upon a platform-on-platform approach to undersea warfare. While the cost of shipbuilding impacts the decisionmaking process, it is not the sole driver in forming the shipbuilding plans of the future.

53. Senator LIEBERMAN. Admiral Clark, there have been several studies under way to assess the number of submarines needed. How many do the warfighting commanders need?

Admiral CLARK. Studies completed within Navy and the Office of the Secretary of Defense over the past year have concluded that a range of 37–62 submarines is

required. These studies, using varying methodologies and assumptions, as well as combatant commander inputs, evaluated both warfighting and non-warfighting requirements. We are also evaluating the benefits of emerging technologies, such as the future development of distributed antisubmarine warfare systems, which could potentially act as a force multiplier to maintain or enhance our undersea warfare capability even with a reduced number of submarines. Additionally, there is analysis that evolving force management concepts, such as forward homeporting, the Fleet Response Plan, and multi-crewing will improve the Navy's force posture by providing the required undersea warfare capability forward with a smaller number of platforms.

54. Senator LIEBERMAN. Admiral Clark, does this budget allow us to maintain a fleet of 55 boats? What are the operational impacts if we fall below that level?

Admiral CLARK. Our nuclear attack submarines (SSN) are exceptional platforms with tremendous capability. The sizing of the future fleet is not complete; however, we will not be able to continue funding a force structure that includes 55 SSNs with today's funding constraints, nor are 55 necessarily required to meet future strategic requirements. Our ongoing analysis of undersea warfare examines undersea technologies to mitigate any future capabilities gap. Specifically, off-board and distributed ASW systems will be required to fill some of the capability gaps that might be otherwise addressed by a larger SSN force. In all of our programs, there will be operational risk that we will have to be mitigated through innovative and cost effective systems.

55. Senator LIEBERMAN. Admiral Clark, with a smaller submarine fleet, will we have a sufficient undersea quantity and capability or provide adequate force protection and power projection?

Admiral CLARK. Providing adequate force protection and power projection are the primary tenants of our USW planning process. Ongoing analysis indicates that through a different force posture construct, we will be able to achieve the same or better undersea warfare capability with a reduced force structure. As part of this analysis, we are evaluating forward-basing and multi-crewing options that further enhance our ability to meet force protection and power projection requirements. These capabilities are enhanced through the employment of off-board and distributed ASW systems in a netted architecture.

56. Senator LIEBERMAN. Admiral Clark, does the Navy believe our industrial base can sustain the reduced level of procurement envisioned in this budget?

Admiral CLARK. Yes, the nuclear submarine industrial base can sustain Navy's requirements for submarine construction for the foreseeable future. The current submarine industrial base is nominally capable of sustaining a two-submarine-per-year build rate. In the case of the *Virginia* class currently in production, construction involves two shipyards through a coproduction agreement as required by public law.

57. Senator LIEBERMAN. Admiral Clark, the budget allocates $600 million over the Future Years Defense Plan to design a future undersea superiority system to the reduced submarine program that includes consideration of new propulsion systems. I am of the impression that this future system could reduce both the cost and size of submarines and could therefore be a cost-effective complement to the Virginia program and give commanders the numbers they need for undersea operations. I think that this is a good idea. Do you agree? Please describe the Navy's goals for this program.

Admiral CLARK. Maintaining undersea superiority necessitates exploring alternative undersea technologies that include distributed offboard netted sensors in lieu of platform-centric technologies. Our plan calls for some portion of the funding to directed toward the development of technologies for distributed ASW systems, including distributed and linked sensors, enhanced cueing and search rates, improved kill rates and enhanced command, control, communications, computers, intelligence, surveillance, and reconnaissance (C^4ISR). Funding toward conducting an analysis of alternatives and submarine design concept study for a new submarine design is still being analyzed.

QUESTIONS SUBMITTED BY SENATOR JACK REED

ABU GHRAIB

58. Senator REED. General Schoomaker, please provide an update/status on all outstanding reports on the abuses and a status report on what action is pending or has been taken on the higher level officers accused in the reports.

General SCHOOMAKER. The answer to this question will be discussed at an office call being scheduled with Senator Reed.

COMBAT CASUALTY CARE TECHNOLOGIES

59. Senator REED. General Schoomaker, what role have new medical technologies played in your ability to deal with combat casualties?

General SCHOOMAKER. The new Army-developed, Hemcon Chitosan Dressing® was fielded at the beginning of the war and represents a major advance in our ability for medics to stop severe bleeding. This bandage is one of the best Food and Drug Administration-approved bandages. In one observational study of combat injured soldiers where the Hemcon Chitosan Dressing® was applied, bleeding was controlled in more than 90 percent of the cases. More than 60 percent of the time it was used after standard gauze dressings failed and many times where use of tourniquets was not possible. No complications were seen in any of the cases.

QuickClot® (QC) has also been shown to be effective for severe bleeding in the laboratory and there is anecdotal evidence of success in combat. Mixed with blood, QC produces an exothermic reaction which has caused bums in some animal studies. Current U.S. Army Medical Command policy limits use of QC to healthcare providers and properly trained medics only, due to the potential for bums.

The potent intravenous blood clotting agent, Recombinant Activated Factor VII, has been used in more than 300 instances at both the forward surgical team and combat support hospitals. This drug was developed as a treatment for hemophilia patients and military surgeons are using it to control internal bleeding unresponsive to traditional methods. This is a revolutionary treatment used on the battlefield for the first time in Iraq.

Tourniquets have been widely utilized in the current war as a hemorrhage control technique. Although all soldiers currently carry a field pressure dressing that doubles as a tourniquet in an emergency and are trained in its use, the Army is adopting the next generation of tourniquets. Many soldiers carry one of these next generation tourniquets now, with many more on the way soon.

The Sonosite®, hand-held ultrasound was developed with Defense Advanced Research Projects Agency and Department of Defense funding and was fielded to our surgical teams at the beginning of the Afghanistan conflict. It greatly increases the speed and accuracy of surgeons to triage and assess trauma.

We have also fielded oxygen generators in Iraq and Afghanistan which filter ambient air into medical grade oxygen. These were initially deployed to reduce the number of oxygen cylinders transported intra- and inter-theater. Though environmental issues made them higher maintenance repair items than desired, they have certainly reduced strategic lift requirements and provided information to support modifications to our follow-on procurements that are currently within contracting.

Also fielded are the digital X-ray machines at Level II and III treatment facilities, making X-rays available faster and without chemical byproducts. These X-rays can be sent forward on digital medium so the next level can see the previous studies.

60. Senator REED. General Schoomaker, what are particular areas of emphasis of your research programs in combat casualty care research?

General SCHOOMAKER. The main emphasis of the Army Combat Casualty Care Research Program continues to be saving the lives of our soldiers. Because most soldiers die before they can reach definitive medical care, our research emphasis is on empowering medics and combat lifesavers with new life-saving technologies. With this in mind, our research areas are:

Hemostasis. We are looking for ways that medics and first responders can stop bleeding. This includes new and improved bandages, better tourniquets, and ways to stop internal bleeding without surgery.

Resuscitation. We are in the process of finalizing new resuscitation guidelines based on our animal research. These guidelines will help our medics to manage injured casualties better. We are also developing an advanced resuscitation fluid that delays patients from going into shock and reduces the body's response to trauma. Next year we will begin a project to determine if there are better ways to manage blast victims and will work to establish updated guidelines on the use of whole

blood products. We are teaming with the National Institutes of Health to conduct a phase III trauma trial for Hypertonic Saline Dextran; a product used within Europe for volume expansion which has a significant weight and cube reduction over current fluid standards.

Neurotrauma research. Head injuries are the greatest killer on the battlefield currently. We are partnering with industry to find drugs that can reduce the effects of penetrating head trauma. We are also developing a new blood test that can be applied by medics and doctors on the battlefield that will quickly give the damage status of head trauma victims. This will help us to more safely manage these patients.

Blood products research. Blood products such as plasma, red cells, and platelets are essential for the successful management of battlefield trauma. Currently, all blood products must be refrigerated or frozen which keeps them from being deployed far forward, and also makes them a logistical burden. We are working to find ways to freeze-dry these products so they can be kept without refrigeration thus allowing them to be used at every echelon of care. We are working on Hemoglobin Based Oxygen Carriers which are a form of blood substitute, with similar blood attributes for life supporting oxygen carrying capability, but with better shelf life and cross typing acceptance.

Pain control research. We are partnering with industry to develop nasal ketamine as a safe alternative for morphine to relieve severe pain. Nasal ketamine is absorbed through the nose like Afrin® spray instead of needing an injection and goes to work in about 5 minutes as compared to 30 minutes for morphine that is injected into the arm. Nasal ketamine appears to be able to kill pain but still allows the soldier to protect him or herself and maybe even drive a vehicle. We are also collaborating with Defense Advanced Research Projects Agency to advance their new pain control antibody which in animals can get rid of long-term chronic pain for periods as long as 2 months.

Dental disease and trauma research. We are in the process of developing a new chewing gum for meals, ready-to-eat that will impede the formation of dental plaque and thereby greatly reduce the dental sick call burden. We are also working on improved ballistic materials that can be incorporated into advanced face protection systems.

Bone and soft tissue research. We are currently working on spray-on bandages, light weight polymer splints, methods of cleaning and debriding wounds, and ways to repair the large bony and soft tissue defects caused by high velocity projectiles.

Physiologic research. We are looking through the study of physiology of noninvasive methods to better diagnose the status of injured patients. These methods will be used with the Land Warrior system and its successors to allow remote triage of wounded soldiers by medics. Coupled to this will be new medic assist algorithms that will suggest treatment strategies. We also working on closed loop control algorithms that can be incorporated into life support equipment to allow the equipment to control the use of oxygen and resuscitation fluids without the need for nurse or medic intervention. This will allow us to push intensive-care-level patient monitoring forward to the medic level.

Medical simulation for training. We are currently developing next-generation patient simulators that accurately mimic battlefield injuries. The simulators will be used by medics for both initial and sustainment training. We are also developing distance learning applications for recertification training of medics.

61. Senator REED. General Schoomaker, what are the funding levels for this research in the fiscal year 2006 budget request?

General SCHOOMAKER. The fiscal year 2006 budget request includes $45.3 million for combat casualty care research in science and technology and advanced development accounts.

MANUFACTURING TECHNOLOGIES

62. Senator REED. General Schoomaker, we have heard recently about difficulties in accelerating the production of armor for vehicles and body armor for soldiers for rapid deployment of technologies to Iraq. What investments are you making to ensure that our defense industrial base has the new innovative technologies necessary to be able to rapidly respond to the Army's future surge production needs quickly, and cost-effectively, in areas such as armored vehicles, munitions, electronics, etc.?

General SCHOOMAKER. The Army has a wide spectrum of investments targeted at critical technologies and capabilities. These investments are made in both the organic and commercial sectors of our industrial base. Further, we balance our invest-

ments to ensure efficiency in stable production as well as effectiveness in meeting surge requirements.

Our investments in manufacturing technologies are targeted at improving our ability to bring future technologies into production affordably, at production rates consistent with planned production. We consider safety and survivability as our highest priority and we are striving to meet the operational requirements for production of armored vehicles, protective armor kits, munitions, aircraft survivability equipment, jammers to thwart improvised explosive devices, and many other commodities. We have both surged our organic facilities and implemented performance-based contracts to get the quantities we need. In some cases, adding additional manufacturers has drastically increased our production output while also improving the technical performance and lowering cost through competition. Body armor is a good example of this.

SUBMARINE RESEARCH AND DEVELOPMENT

63. Senator REED. Admiral Clark, I understand that the Navy and Defense Advanced Research Projects Agency (DARPA) are working together on the development of next generation submarines and undersea warfare technologies. Please describe the investments you are making in this area in this budget request. What is your plan for the testing and fielding of these new systems and technologies?

Admiral CLARK. There is a collaborative effort between DARPA and the Navy that focuses on technology demonstration. This work, called the Tango Bravo program, is not directed towards a particular submarine design. It is focused on conducting demonstrations that will address technological barriers and enable design options for reduced-cost submarines. The program's funding of approximately $97 million over 4 years will be shared equally between DARPA and the Navy.

Tango Bravo demonstrations will focus on up to five technical areas. Each area will conduct specific technology demonstrations, with program metrics focused on each technology's cost and performance. The program's five technical areas are:

1. Shaftless propulsion.
2. External weapon stow and launch.
3. Hull adaptable sonar array.
4. Radical ship hull mechanical and electrical infrastructure reduction.
5. Reduced crew/automated attack center.

As these technologies are developed over the next 4 years, where submarine cost reduction or affordable closure of warfighting gaps can be achieved, the Navy intends to insert applicable technologies into in-service submarines and future submarine designs.

AIR FORCE BASIC RESEARCH

64. Senator REED. General Jumper, I understand that your fiscal year 2006 budget request reduces investments in Air Force basic research by $30 million in constant dollars below fiscal year 2005 appropriated levels and by over $10 million in constant dollars below the fiscal year 2005 budget request. As you are aware, Air Force investments in basic research train the next generation of technical experts in disciplines such as propulsion and space systems, and develop the technologies that will form the basis of the next generation Air Force systems. What research areas is the Air Force disinvesting in with this reduced request?

General JUMPER. The Air Force agrees that basic research provides the foundation for future warfighting capabilities and has funded this area at a level sufficient to achieve those capabilities needed to support Air Force core competencies. Not taking into account those basic research programs devolved to the Air Force by the Office of the Secretary of Defense that are joint efforts, Air Force "core" basic research is up almost $7 million in the fiscal year 2006 President's budget request over the fiscal year 2005 President's budget request. This equates to real growth of 1 percent. Yes, Air Force "core" basic research is down $3.6 million from the fiscal year 2005 appropriated amount; however, the Air Force cannot budget based on congressional adds outside the scope of our planned program.

65. Senator REED. General Jumper, in your view, what role do basic research investments play in the development of Air Force capabilities?

General JUMPER. As previously mentioned, the Air Force considers basic research fundamental to future warfighting capabilities. Air Force basic research supports world-class research with universities, industry, and in-house. Research products and results enable new technologies and capabilities to be developed and used by

the warfighter in order to maintain a technologically superior military force. Basic research is at the cutting edge of science and is often the first step in the process of scientific discovery and development. Our aim is to pursue new fundamental knowledge that could lead to revolutionary breakthroughs. Air Force basic research sustains relevant research not specifically focused on current military applications, but rather on militarily exciting new opportunities for meeting future defense requirements. Whenever possible, it also focuses on evolutionary research responsive to recognized needs of current military systems.

DEFENSE LABORATORIES

66. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, what role have your defense laboratories played in your ability to rapidly develop, test, and field new technologies to Iraq and Afghanistan?

General SCHOOMAKER. The Army laboratories are continuously working on near-, mid-, and long-term novel technologies that will provide our soldiers with superior capabilities. Having this solid technology base allows us to rapidly respond to new and evolving soldier needs that have come to the forefront in Iraq and Afghanistan.

Some examples of force protection technologies that have rapidly transitioned from the Army laboratories to forces in Iraq and Afghanistan are the HMMWV armor kits that provide protection against small arms, fragmentation from improvised explosive devices (IEDs), and blast effects from rocket-propelled grenades; the Abrams bar-armor kit provides protection to the engine compartment; the IED countermeasure emulator to defeat radio-controlled improvised explosive devices; and base camp protection through lightweight blast resistant materials and pre-detonation screens. Examples of detection technologies that have rapidly transitioned are the soldier portable tactical mobile robots (PacBots) to clear caves and other enclosed environments such as bunkers, ammunition caches and walled compounds; the Pilar system that locates gunfire based on the acoustic muzzle blast and bullet shock wave signatures; the Unattended Transient Acoustic Measurement and Signatures Intelligence System providing a means to detect and locate attacker mortar or rocket firings, munitions impacts and other explosive events; the handheld nerve agent sensor; and the Blue Force tracking systems for aircraft.

Admiral CLARK. The Naval Research Enterprise (NRE), which consists of the community of government, university and crucial organizations including the Naval Research Laboratory and the Naval Warfare Centers, has aggressively pushed advanced technologies to support our marines and sailors. Numerous NRE-developed technologies and operating techniques were used during Operations Iraqi Freedom and Enduring Freedom. Over 40 different technologies have been deployed thus far. Examples of the technologies deployed include:

- Atmospheric prediction systems to support targeting
- Unmanned underwater vehicles to clear harbors
- Unmanned aerial vehicles including Dragon Eye and Silver Fox
- Dust abatement polymeric solutions to reduce brown-out conditions during helicopter operations
- Tactical Air Reconnaissance Pod System-Completely Digital (TARPS–CD) system that enabled F–14 aircraft to provide real-time high-resolution images to Allied troops in northern Iraq through tactical radios
- Shared Reconnaissance Pod (SHARP) system to provide F–18 Super Hornets with visible and infrared digital camera systems, in-cockpit image review and exploitation, geo-coordinate determination, and image annotation
- Advanced Airborne Expendable Decoys to protect American military aircraft from anti-aircraft missiles
- Explosive resistant coatings and extremity protection systems to support force protection
- Thumb drives to assist in documenting casualty treatment and needs during evacuation

We are continuing to apply S&T products to support the warfighter. Ongoing initiatives include lightweight personal armor, persistent surveillance technologies to detect IEDs and their makers, and an entire program of long-term fundamental research to prepare for evolution of today's threat and to defeat the threats of the more distant future.

General HAGEE. The Marine Corps Warfighting Laboratory (MCWL) operationalizes the Commandant's goals as stated in Marine Corps Strategy 21, to harness innovation and technology to ensure future Service and Joint Force Commanders have the necessary naval expeditionary capabilities they will require. The MCWL

employs wargaming, modeling and simulation, and operational experimentation to test and validate tactics, techniques, procedures, and technologies, which result in increased capabilities. The MCWL also serves as the Marine Corps access point to the larger science and technology communities, such as the Office of Naval Research and the Defense Advanced Research Projects Agency, as well as other Service and agency laboratories. In that role the MCWL has been involved with the deployment of numerous technologies, through research and/or development, as part of the naval science and technology community, while in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). While not an exhaustive list, the following is an example of the initiatives our MCWL has deployed:

- Countering IED, snipers, Man Portable Air Defense Weapons, Rocket Propelled Grenades and suicide bombers.
- Persistent Wide Area Surveillance.
- Dust Abatement, Asset Tracking and Transit Visibility of Sustainment.
- Explosive Resistant Coating and Ballistic Glass (in addition to many Marine Corps Systems Command armor initiatives).
- Dragon Eye unmanned aerial vehicle (UAV)
- Counter Sniper systems to include Boomerang Generations I & II, PDCue, PDCue 4 Corner, Small Arms Detection System and Mobile Counter Fire System.
- Dragon Runner unmanned ground vehicle (UGV).
- Change Detection systems to include Beamhit.
- Expeditionary Tactical Communications System.
- Dust Abatement palliative operational test and deployment.
- Body/Extremity Protective Gear.
- Stability and Support Operations and Basic Urban Skills Training.

General JUMPER. The Air Force S&T program is primarily focused on future warfighting capabilities, but has played a crucial role in helping to solve several real-time problems facing the warfighter in both Iraq and Afghanistan. For example, the battlefield air operations kit used by ground combat controllers to direct attacks from aircraft is now lighter and more effective due to technologies developed within the Air Force S&T program—a new earplug that facilitates ear protection without decreasing effective communications has been fielded and an antenna switch that enables the ground combat controller to effortlessly switch between channels was also developed and fielded. Another example is the first response expeditionary fire vehicle that provides a lightweight, air-droppable system for effective crash and rescue firefighting services starting on day one of deployments. This vehicle has also been fielded and is ideal for small aircraft/helicopter crashes, hot pit refueling, and tent city fire protection. The Air Force has also worked closely with the Army to improve the materials used in the body armor that protects our troops. In addition, the Air Force has provided a very small, off-road, remote-controlled, reusable robot, called Bombot, that has been deployed to Iraq for detection and destruction of improvised explosive devices.

TEST AND EVALUATION PROGRAMS

67. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, the fiscal year 2006 budget request is the first that includes funding for the Defense Test Resource Management Center (DTRMC), as well as the first budget that moves all indirect costs of testing (institutional and overhead costs) from acquisition program budget lines into specific test and evaluation budget lines. Please describe any major test and evaluation initiative in your Service this year.

General SCHOOMAKER. The Army Test and Evaluation Command (ATEC) has adjusted its organization, procedures and priorities to accommodate rapid test and evaluation in support of the war, while maintaining support to traditional acquisition programs. That effort required establishing a new test and evaluation paradigm to support nontraditional acquisition activities such as the rapid equipping force, the joint improvised explosive device defeat task force and the combating terrorism technology task force. These nontraditional activities and similar organizations are sponsoring an increasing proportion of efforts to rapidly provide equipment to warfighting soldiers in Iraq and Afghanistan. To compliment this initiative, ATEC organized and deployed a forward operational assessment team to Kuwait, Iraq and Afghanistan to assess military equipment and systems in their actual wartime operating environment. Besides conducting rapid test and evaluation, ATEC is partnering in key planning and resourcing forums, such as the joint senior advisory group and the joint test and evaluation working group to ensure that test and evaluation are adequately considered in resourcing and acquisition decisions at Army

and Department of Defense levels. ATEC has leveraged resources of these forums to organize and run a multi-purpose test and experimentation facility that simulates urban Iraqi environments. ATEC has been designated to chair a joint test board to coordinate test resources across all Services by the joint improvised explosive device defeat task force.

Admiral CLARK. The Navy has two ongoing major test and evaluation initiatives. The first is the alignment of resource responsibilities for both training ranges and test ranges under one Navy resource sponsor, the Navy Ranges and Fleet Training Division within the Office of the Director for Material Readiness and Logistics, OPNAV (N4). Through this alignment we intend to leverage commonalities to gain efficiencies between training and test ranges. The second is an ongoing study led by the Navy's Commander, Test and Evaluation Force, to identify. methods to reduce the cost of acquisition program testing.

General HAGEE. MCOTEA, the USMC's Operational Test Activity POMs and defends a separate budget element within the RDT&E line specifically for Operational Testing. This budget line, i.e. $3.578 million in fiscal year 2006 funds a small core of civilian marines, minimal facilities, and maintenance and custodial support. Operational testing costs are funded directly from individual program lines within the USMC's RDT&E budget on an annual basis.

MCOTEA is currently supporting approximately 79 programs, 10 acquisition category (ACAT) I, 12 ACAT II, 35 ACAT III, 22 ACAT IV programs, and other unscheduled efforts through out the year.

Our test execution is performed at USMC training facilities or other DOD training/test ranges as required.

General JUMPER. We have several initiatives underway.

1. In the fiscal year 2006–fiscal year 2011 POM we have moved $1.8 billion to the testing and evaluation (T&E) budget lines in compliance with the fiscal year 2003 guidance regarding institutional funding of the Major Range and Test Facility Base (MRTFB).

2. The AF T&E community continues to work closely with the DTRMC and other Services in their strategic planning efforts to ensure a coordinated effort and the development of effective process for ensuring required current T&E capabilities are sustained and new capabilities are available when needed.

3. We are working with NASA to effect the transfer of the National Full-Scale Aerodynamic Complex (NFAC), at the NASA Ames facility, to AF control in order to retain its unique capabilities to meet DOD requirements.

4. We are reviewing the way we manage requirements and T&E training. AFMC is leading the development of a concept for a Requirements and Test Institute that will provide comprehensive oversight of requirements and test training; validate requirements and test training needs; reshape and redirect training providers as needed; and work with the personnel system to schedule training and follow-on assignments.

68. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, has your budget been certified by the Director of the DTRMC as is required by legislation?

General SCHOOMAKER. The Director of the Defense Test Resource Management Center (DTRMC) certified the Army's test and evaluation operating budget is under funded by $13 million for fiscal year 2006. The Army will work with DTRMC and the Office of the Under Secretary of Defense, Comptroller and to resolve this fiscal year 2006 issue during the OSD fiscal year 2007 budget review.

Admiral CLARK. Yes. The Defense Test Resource Management Center (DTRMC) has certified that the Navy's proposed fiscal year 2006 T&E budgets are adequate. The DTRMC also certified that the Navy T&E budget provides balanced support for the T&E Strategic Plan.

General HAGEE. DTRMC certified all budgets except the Army's T&E budget. Certification includes all T&E budgets.

General JUMPER. Yes. The Air Force budget was certified by the Director of DTRMC on January 31, 2005, in his report on test and evaluation budget certification for fiscal year 2006.

69. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, have all indirect costs of testing been transferred into T&E budget lines?

General SCHOOMAKER. Yes, all indirect costs previously being paid by test customers using Army ranges within the Major Range and Test Facility Base have been transferred to the appropriate Army institutional budget lines.

Admiral CLARK. Yes. The Navy is in compliance with current policy regarding indirect costs associated with test resources for the Major Range and Test Facility Base (MRTFB). Specifically, all identified indirect costs have been transferred into T&E budget lines. The Defense Test Resource Management Center has certified that the current Navy fiscal year 2006 budget funds the MRTFB programs at a level to achieve the fiscal year 2006 funding objective and, consequently, charge DOD test users only for direct costs.

General HAGEE. Marines do not own any Major Range and Test Facility Base facilities therefore this question does not apply.

General JUMPER. Yes. All the indirect costs were transferred during the build of the fiscal year 2006 President's budget.

70. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, what role do T&E organizations play in the rapid testing and deployment of new technologies to Iraq and Afghanistan?

General SCHOOMAKER. The Army Test and Evaluation Command (ATEC) works with both chartered program offices and non-traditional acquisition activities to independently test, and to assess the safety and effectiveness of new products and technologies being rapidly deployed to Iraq and Afghanistan. These assessments support program decisions on system development, acquisition and deployment to the field. Chartered program offices sponsor many rapid equipping projects. However, non-traditional acquisition activities, such as the Rapid Equipping Force, the Improvised Explosive Device Task Force, and the Combating Terrorism Technology Task Force sponsor an increasing proportion of such efforts; particularly those involving commercial off-the-shelf items adapted for military use. ATEC primarily supports conventional force programs. ATEC also provides limited support to special operations programs when asked to do so. When ATEC becomes aware of specific programs that are candidates for rapid acquisition and deployment, it determines the degree of involvement required. That involvement may be limited to quick safety confirmation to verify that the item itself is safe for soldiers to use and that any known hazards are identified. Or it can also include minimum essential testing to identify the item's basic performance capabilities and limitations. If still more is required, it can extend to full-scope test and evaluation on all aspects of a system's effectiveness, suitability and survivability, worked out in coordination with the program office. ATEC can provide independent assessment of all items and systems going to theater, as long as ATEC is made aware of those programs and given access by the program office.

Admiral CLARK. In response to urgent requests from the combatant commanders, our T&E community continues to pursue accelerated testing and delivery of critical warfighting technologies to Iraq and Afghanistan. For instance, our T&E organizations have been instrumental in the rapid deployment of new capabilities, including 500-pound joint direct attack munitions (JDAMs), improved aircraft warning receivers, specialized vehicle armor, integration of thermobaric warheads on Hellfire missiles and others. The Department of Navy's accelerated acquisition' policy is effective, detailing the process for Quick Reaction Assessments (QRAs) of programs currently in development as well as providing an evaluation path for emerging and promising technologies.

General HAGEE. 1. Background on MCOTEA: Marine Corps Operational Test and Evaluating Activity (MCOTEA) is the Marine Corps operational test activity. Its mission is to support the material acquisition process by managing the Marine Corps Operational Test (OT) program for Acquisition Categories I through IV, less the OT of manned aircraft, and to perform such other functions as directed by the Commandant of the Marine Corps. MCOTEA ensures that each system proposed for acquisition is tested adequately, evaluated objectively, and reported independently so that the warfighter receives the best gear possible.

2. Involvement with OEF/OIF: MCOTEA has played a pivotal role in the rapid testing and deployment of new systems, materials, and technologies in support of OEF/OIF. MCOTEA applies its objectivity and logic to help resolve emerging and urgent warfighter needs. MCOTEA supports, as feasible, all opportunities to evaluate systems as afforded by Commanding General, Marine Corps Systems Command. MCOTEA has supported numerous efforts to evaluate warfighting systems and materials.

MCOTEA played a substantial role in rapid turnaround armor plate testing in support of OIF last summer. MCOTEA analyzed developmental testing results and provided limited assessments addressing apparent levels of operational effectiveness. Developmental test data assessments were supplemented by a MCOTEA conducted test documenting the resistance of representative metal plates to penetration by hand grenade fragments. Results were used by the Marine Corps Systems Com-

mand in determining preferred steel types for use in armoring of high mobility multi-wheeled vehicles (HMMWV) and medium tactical vehicle replacements (MTVR). Additionally, MCOTEA initiated and sponsored an assessment of vehicle vulnerabilities. This study was conducted by Service Engineering Company and described the anticipated levels of resistance to penetration of armor plating on HMMWVs, MTVRs and logistics vehicle systems (LVS) relative to select munitions considered representative of potential IEDs.

Last summer, MCOTEA deployed a two-man assessment team to Iraq for a month to conduct a field evaluation of the Stryker box. This team worked directly with I Marine Expeditionary Force (MEF), 1st Marine Division, 1st FSSG and Marine Corps Systems Command to evaluate the Stryker box. The assessment team provided a report to I MEF that detailed the capabilities and limitations of the box, as well as improvements that could be implemented to enhance its purpose. Additionally, the assessment team was able to analyze the existing temporary armor solutions that were being used in theater, and make recommendations to improve their usage as well.

MCOTEA is currently assisting I MEF in their assessment of neutralizing improvised explosive devices with radio frequency, a technology prototype sponsored by the Office of Naval Research and built by the Directed Energy Technology Office at Naval Surface Warfare Center Dahlgren Division. MCOTEA is reviewing developmental test plans; observing developmental tests; identifying operational concerns with safe operation of the system; participating in the Tactics, Techniques, and Procedures conferences; and will observe a limited user test (LUT) at Yuma Proving Grounds. At the conclusion of the LUT, MCOTEA will provide I MEF with a report of its observations to assist in the determination of system maturity for operational employment.

In response to an urgent universal needs statement, MCOTEA supported information assurance and system security testing of VSWAN (Video wide network) at Marine Corps Tactical Systems Support Active (MCTSSA) from 29 November—2 December 2004. VSWAN is a video and distribution system for Scan Eagle UAV currently being used in OIF.

MCOTEA also supports emergent requests for OEF/OIF onsite assistance. For example, at I MEF request, MCOTEA led a four-man information assurance team from Headquarters Marine Corps, the Marine Corps Network Operations and Security Command, and Marine Forces. Atlantic to Iraq for 45 days that trained, evaluated, and assisted I MEF, 1st Marine Division (MARDIV) 3d Marine Air Wing (MAW), and 1st Force Service Support Group (FSSG) at multiple sites in base lining their tactical networks, C4 systems and physical security procedures.

Conclusion: When feasible and provided the opportunity, MCOTEA pursues all opportunities to assist in providing cutting edge technology and time sensitive systems and materials to the warfighter.

General JUMPER. The role that T&E organizations play in the rapid testing and fielding of new technologies to Iraq and Afghanistan is to accelerate the test schedule as much as possible without sacrificing the safety of our airmen. The Air Force test community does a number of things to accomplish this, both at the headquarters level and at the test centers.

At the headquarters level, AF/TE is actively involved in rapid response processes designed to accelerate the fielding of critical systems to meet theater specific wartime needs. These programs do not replace normal acquisition procedures, but rather speed up the administrative process of identifying, approving, and funding systems/capabilities to satisfy urgent warfighter needs. For example, the AF warfighter rapid acquisition process (WRAP), established in 2002, accelerated the fielding of master air attack plan toolkit by at least 2 years. This initiative was a fiscal year 2003 WRAP selection and used during Operation Iraqi Freedom (OIF) last year.

At the test centers, we perform what we call quick reaction tests (QRT) in response to warfighter urgent need requests, and designate these tests as the top priority within the organization. All needed assets and ranges are fully dedicated to the effort, suspending all other test programs, if necessary, and allowing testing schedules to be greatly compressed. Wing and center staffs track progress daily, and operations and reporting shift from normal duty hours to 12–16 hour days and longer. Test centers average about five to seven test accelerations per year.

A recent example of testing we accelerated is the joint direct attack munition (JDAM) F–16 Block 30/40 integration. AF Operational TSE Center and the 53rd Wing coordinated and executed two GBU–38 JDAM/F–16 QRTs in September 2004 and November 2004 to support separate urgent need requests during OIF for the Central Command Air Forces Commander. In just 30 days, the team determined requirements, developed a test schedule, completed the test plan, and executed the test on F–16 Block 30 aircraft. The warfighter was releasing weapons in combat less

than 90 days from the original tasking. The test team repeated the performance during testing on F–16 Block 40 aircraft, with only 9 days from the end of test to fielding. Originally, both these tests were scheduled in future years.

Another example of T&E's role in rapid testing and deployment was the large aircraft infrared countermeasures (LAIRCM) conducted in 2003. In November and December 2003, a C–17 and DHL cargo aircraft were both hit with shoulder-fired antiaircraft missiles. As a result, the 846th Test Squadron was asked to accelerate the ongoing LAIRCM test program. The entire project involved 13 rocket sled shots, coordination of 10 separate units, and software re-build and regression testing, all of which were completed under budget and less than 3 months after the incident.

A third example is the rapid testing of the F–117 EGBU–27. On 14 March 2003, AF Flight Test Center was asked to accelerate the fielding of a new F–117 EGBU–27 capability to support OIF. On 17 March 2003, range and support assets were scheduled, on 18 March 2003, the test plan and safety packages were approved, and on 19 March 2003, weapons were released. The test results were conveyed directly to the weapons officer in theater immediately after the test, and a strike utilizing this new capability occurred 6 hours later (the first weapons delivered in OIF—direct hits.)

SCIENCE AND TECHNOLOGIES UNFUNDED LIST

71. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, the Department's overall request for S&T investments represents only 2.5 percent of the total budget. This again falls short of the Secretary's and Quadrennial Defense Review's (QDR) stated goal of 3 percent investment in S&T. Please provide the committee with a prioritized unfunded S&T opportunities list that details S&T projects with significant military value and technical merit that could be invested in if additional resources became available for S&T.

General SCHOOMAKER. If the Army was provided more resources for S&T, we would use these funds in the following technology areas: close-in and kinetic energy active protection systems for combat vehicles; two-color infrared sensing for active protection systems; network antennas; rotorcraft survivability; defense against RAM, missiles and UAVs; and structural rehabilitation imaging technology for amputees.

Admiral CLARK. The fiscal year 2006 budget reflects a $1.3 billion surge in Navy RDT&E funding over fiscal year 2005, with specific emphasis on reaching the point of production in critical aviation and shipbuilding programs. Although the overall DOD S&T budget may fall short of the 3 percent annual QDR investment goal, the Navy RDT&E account has more than doubled during my tenure as Chief of Naval Operations (CNO).

With respect to an unfunded S&T opportunities list, Department of the Navy S&T funding is applied to three accounts: Basic Research, Applied Research, and Advanced Technology Development. If additional S&T resources became available, I would use basic and early-applied research funds to solve current warfighting gaps identified by the Navy and Marine Corps requirements processes, such as detecting and defeating improvised explosive devices (IEDs) at range and speed. I would also use applied research and advanced technology funds to accelerate innovative naval prototypes such as the electromagnetic rail-gun, persistent littoral undersea surveillance, and sea-base enablers.

General HAGEE. The 2006 President's budget request represents the best balance between validated requirements and fiscal constraints. The Commandant of the Marine Corps has provided various defense committees with an Unfunded Programs List. This list includes three science and technology efforts:

- $20.0 million, RDT&E Navy, provides new detection and neutralization capabilities delineated as critical deficiencies addressed in the Marine Air Ground Task Force, Mine Countermeasures, Master Plan.
- $6.1 million, RDT&E Navy, Precision Approach and Landing System, provides an all-weather approach, hover and landing system for vertical lift aircraft—a joint Service requirement.
- $5.2 million, RDT&E Navy, Laser Integrated Target Engagement System, provides a laser-based target location, tracking identification system.

General JUMPER. The Air Force S&T program is funded at a level to achieve the warfighting capabilities needed to support our core competencies and our vision of an Expeditionary Air and Space Force. However, like many areas in the Air Force, we could wisely invest additional funds if available. Included in the Air Force unfunded priorities list (UPL) for fiscal year 2006 are S&T efforts totaling $88.9 million. These efforts encompass basic research, global mobility, urban operations, tac-

tical directed energy, force protection, integrated vehicle health monitoring, information operations, and spacecraft technologies—a breakout by program element is attached.

UNCLASSIFIED

Science and Technology Appendix		
	PE/BPAC	($M)
Science and Technology		$88.9
Basic Research		
Human Decision Making	61102F/2313	$2.0
Deep Information Extraction	61102F/2304	$2.0
Cultural Modeling for Influence Operations	61102F/2313	$1.0
Global Mobility		
Advanced Air Mobility Mission Capability Simulation	62202F/2403	$4.6
Composite Airfield Matting	62203F/3066	$2.9
Direct Lift Tip Engine for Multi-Mission Aircraft	63112F/4918	$1.0
Urban Operations		
HardSTOP Low Collateral Damage Munition	63601F/670A	$1.8
S&T for Future Weapons Data Links	63601F/670A	$2.5
Micro Air Vehicle for Bomb Impact Assessment	63601F/670A	$0.6
Low Collateral Damage Weapon Enhanced Lethality Full Scale Demo	63601F/670A	$1.0
Tactical Directed Energy		
Solid State Laser Development	63605F/3151	$4.5
Tactical Laser Beam Control	63605F/3151	$2.5
Power for Directed Energy Weapons	62203F/3145	$3.0
Force Protection		
Laser Eye Protection	63112F/2100	$7.0
Threat Location and Negation	63605F/3152	$3.8
Aircraft Warning and Protection	63270F/691X	$4.2
Integrated Vehicle Health Monitoring		
Prognostics and Embedded Sensors	63112F/3153	$4.5
Fleet Health Diagnostics	63231F/2830	$1.5
Aging Wiring	62102F/4349	$2.5
Materials Engineering Models	62102F/4347	$4.0
Information Operations		
Cyber Situational Awareness & Defense	62702F/4519	$6.0
Joint Battlespace Infosphere	63789F/4872	$3.9
Intelligent Information Routing	62702F/4519	$1.1
Sensor Web	63203F/665A	$2.0
Persistent Multi-INT ISR	63203F/665A	$7.0
Spacecraft Technologies		
Hyperspectral S&T Payload for TacSat	63401F/3834	$5.0
Responsive Spacecraft Bus Technology	62601F/8809	$1.0
Deployable Structures Experiment	62601F/8809	$4.0
Space Object Identification & Characterization	63401F/2181	$1.0
Radiation Hardened Microelectronics	62601F/4846	$1.0

GLOBAL INFORMATION GRID

72. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, what are your costs associated with the deployment of the Global Information Grid Bandwidth Expansion program, for functions such as connectivity to bases, and for voice and data services?

General SCHOOMAKER. The Army has $72.2 million programmed in fiscal year 2006 for Global Information Grid Bandwidth Expansion (GIG–BE) implementation. Based on current estimates this will cover Army GIG–BE costs.

Admiral CLARK. Implementing the GIG–BE program for base connectivity, including voice and data, is estimated at $150 million to meet Navy's fiscal year 2006 requirements. This supports required bandwidth for mission accomplishment as well as the cost of access to networks.

General HAGEE. The intent of the GIG–BE is a ubiquitous, secure, IP-based optical network, designed to provide greater enhanced bandwidth and reliability. The benefit to the Marine Corps is leveraging this joint capability as part of our network-centric operations and warfare. The Marine Corps has conducted a full analysis of our enterprise-wide services requirements. As part of Defense Information Systems Agency's (DISA) Enhanced Planning Process (EPP) for the packaging of services/circuits by location, the Marine Corps has submitted for provisioning of services at 23 specific locations. The associated costs are $48,000,000 per year, which is currently programmed for and will be funded at the Department of the Navy (DON) level.

General JUMPER. The GIG–BE provides the long haul communications link in support of vital sensor-to-shooter time reduction—reduces data transmission latency, enables widely distributed C2/ISR operations, and enhances reachback for the deployed warfighter.

GIG–BE, when hosted at an Air Force base, will use the existing base communications infrastructure to provide on-base connections. If no required base infrastructure is available, then Defense Information Systems Agency as the GIG–BE executive agent will pay the costs for connection. Air Force costs in implementing GIG–BE at our bases have been minimal, except in one case, where Air Force has spent $350 to pay for allied support required by the planned installation.

The fiscal year 2006 President's budget request for the Air Force share of DOD standard long haul communications service increases by $110 million to sustain the expanded communications infrastructure and to cover the costs of providing connectivity to other DOD tenants on Air Force bases. We are also increasing both investment and services resources in several programs associated with base communications connectivity to rapidly distribute the expanded flow of information to the base out to the operational users at their work locations (command posts, maintenance facilities, supply warehouses, fuel sites, medical facilities, etc.)

73. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, the Assistant Secretary of Defense for Networks and Information Integration has established a goal to transition all DOD networks to the Internet Protocol version 6 (IPv6) by fiscal year 2008. Many systems, both currently deployed and being developed, are not yet IPv6 capable. What is your estimate for the conversion costs to IPv6 for your Service?

General SCHOOMAKER. The Army CIO is responsible for developing the Army's IPv6 Transition Plan. The Army CIO's guidance mandates that all solutions would be the result of collaborative efforts across the DOD. One of the primary tenets of the DOD's transition strategy is that the majority of equipment and applications would transition through their normal technology refresh cycle. The CIO–G6 established a governance structure and transition office that incorporated Army representation from the Army staff, secretariat, major commands, program executive officers, program managers, and the Information Management Activity.

The Army is working in conjunction with the Office of the Assistant Secretary of Defense Network and Information Integration Department of Defense Chief Information Office ASD(NII)/DOD CIA to prepare a response to the Fiscal Year 2005 Defense Authorization Conference Bill (H.R. 4200), section 331, fiscal year 2005 Defense Authorization Report 108–767, p. 649 and House Armed Services Committee Bill H.R. 4200 (section 331).

The Army is proactively participating in the DOD IPv6 Transition Office (TO) Steering Committee, DOD TO working groups, IPv6 forums, and the Internet Engineering Task Force to shape the standards. Commercial-off-the-shelf products will drive the commercial market place and the Army will utilize these products for the LandWarNet core network architecture. Government-off-the-shelf (GOTS) products have a longer development timeline and many have unknown cost factors. The majority of the Army LandWarNet tactical configuration will be supported by future GOTS products making production costs impossible to estimate at this time.

The Army IPv6 transition plan will support the DOD's concept of phased operational deployments of IPv6 to effectively manage risk, maintain interoperability and meet operational requirements. The Army's goal is to begin operational deployments across LandWarNet in fiscal year 2008 and continue until IPv6 dominance

is achieved around fiscal year 2013. IPv4 will be utilized in operations as necessary and interoperability between IPv6 and IPv4 will be maintained in these operations.

Even with the transition strategy described above, there are still unknown costs, and case by case security and performance issues that will affect the costs of transitioning to IPv6. Army efforts to transition to IPv6 will be supported through results achieved from test beds, modeling and simulation studies, and pilots on non-operational networks. Existing contracts will have to be modified to support ongoing developmental efforts. The end-to-end transition to IPv6 Army legacy equipment and applications not currently scheduled for technology refreshment will require modification or replacement. Army enterprise transition mechanism architecture, consistent with the DOD transition plan will have to be engineered, implemented, and maintained until all IPv4 equipment is cycled out of the Army inventory and coalition partners are IPv6 capable. The Army is dependent on DOD standards, technical solutions, implementation plans, and timelines before it can quantify final IPv6 conversion costs.

Admiral CLARK. The Navy is currently in the discovery and planning phase of the IPv6 transition effort and does not have a validated cost estimate for the total conversion effort. Our program is led by the IPv6 Transition Office of the Navy's Space and Naval Warfare Systems Command (SPAWAR) whose ongoing efforts with DOD will define a detailed, phased approach that includes detailed costs and schedules for conversion of Navy's core information infrastructure. One significant element that is restraining our efforts is the lack of widely accepted and implemented industry standards. Specifically, IPv6 protocols are commercially defined and standardized by the Internet Engineering Task Force (IETF) and are not, in fact, mature to the extent required for many naval systems, including weapon systems. The lack of definitive international standards as well as the varying degree of industry compliance with such standards has also curtailed the Navy's ability to adequately estimate costs for transition to IPv6. In the interim and until full deployment plans are mature, Navy will transition appropriate systems to IPv6 in a discipline, measured program during normal system refresh cycles.

General HAGEE. The Marine Corps is not able, at this time, to estimate the costs of the IPv6 conversion. A significant percentage of the conversion will be embedded within life cycle updates to systems in the future, while other solutions are still in the development stage within the commercial sector.

There will be conversion costs for this major technology insertion to occur. Generally, these costs are expected to be in the areas of:

- Transition program management (new/existing contracts)
- Engineering conversion solutions (e.g. networking, applications and security)
- Continuing to develop planning documents (e.g. Master Plans)
- Testing (e.g. test beds, pilots, and operational exercises)

The Marine Corps will minimize the additional costs in some areas by harmonizing with the DOD enterprise transition efforts. These efforts include engineering common solutions, supporting knowledge sharing, eliminating duplicative test efforts and participating in joint pilot tests and demonstrations.

General JUMPER. The transition to IPv6 is a major technology insertion program that will require the replacement or upgrading of many existing and programmed information technology systems and/or assets owned by the AF. The Air Force established a Transition Management Office (TMO). The overarching costs for transition management and providing focused direction for a successful conversion have been identified and funded at $11.171 million fiscal year 2006–2011. The majority of direct costs are in the migration of existing applications and the development of new systems. These cost categories have been identified but not yet quantified. The soon to be released Air Force IPv6 Transition Plan (Version 2.0) will task all program offices and major commands to identify transition costs and estimated transition time line to the TMO within 90 days of release. Due to the sheer volume of AF systems, the AF IPv6 TMO will not be able to produce an accurate estimate of Air Force IPv6 conversion costs until late summer. By proactively providing clear acquisition guidance in the near term, we intend to avoid incurring some major upgrade and migration costs in the future.

74. Senator REED. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, what is your assessment of the advantages and disadvantages to the performance of network-centric systems of a transition to IPv6?

General SCHOOMAKER. The Army's position is that Internet Protocol version 6 is superior to IPv4 and is required to support the concept of Network Centricity and the long term warfighting capability of the Army as a member of the joint force.

IP has proven to be a core technology which has enabled the evolution of the DOD's business and warfighting community; however, IPv4 is coming to the end of its useful life as inherent limitations prevent the continued evolution to converged networking. IPv6 has been designed to overcome inherent limitations identified in IPv4.

The Army believes it can obtain operational benefits by beginning the transition to IPv6 now. The magnitude of the LandWarNet requires a phased implementation which must be staged now to be affordable when the IPv6 activation period begins. The administrative burdens of provisioning and configuration management will be reduced. The continuous engineering of work-a-rounds to establish additional protocols and procedures to circumvent IPv4 shortfalls will be removed. The operations of mobility and ad-hoc network will be simplified, principally through the use of stateless address auto-configuration and neighbor discovery capabilities. Improved quality of service can be offered end-to-end for priority traffic. Hackers will be forced to start at ground zero in developing penetration toolsets.

The Army recognizes that transitioning to IPv6 will have some short term disadvantages. Since IPv4 and IPv6 are not directly interoperable, transition mechanism must be utilized. These transition mechanisms must be maintained and Army resources utilizing IPv4 will not realize full functional benefits until LandWarNet is native IPv6.

Admiral CLARK. As we move towards a smaller, netted force, the reliability, security and speed of communication networks is important to the full realization of FORCEnet. Internet Protocol (IP) is a basic and important component for interoperability across Navy that enables the secure connection of people and systems, at sea and ashore. Further, today's sensors, platforms, weapons and forces are being built as "net-ready" nodes, incorporating IP-based protocols. IPv6 improvements will consequently enhance our network operations, including security, network growth, flexibility, and mobility support; advances that far outweigh the implementation challenges.

Specifically, the IPv6 protocols' inherent security features provide significant new capabilities for authentication, data integrity, replay protection, and confidentiality while strengthening support for multimedia applications and other digital products (including voice-over-IP, conferencing, collaboration, and video). IPv6 also simplifies mobile connectivity, introduces true self-forming network operations and provides an almost unlimited address space. Greatly expanded address space alone will improve the FORCEnet architecture and the ability to reliably connect numerous manned and unmanned platforms, sensor fields, mobile assets, and other dispersed users at the same time, even in a dense battlespace.

Importantly, the precise timing and speed of commercial deployments utilizing IPv6 are uncertain, constituting the greatest current difficulty of IPv6 implementation. The ability to deliver all the capabilities—other than the greatly expanded address availability—is dependent upon commercial development and execution of these new standards. Navy will also need to continue support for IPv4 for a number of years, consuming both technical talent and resources in managing our networks.

General HAGEE. The Marine Corps has identified the following IPv6 features as advantages to the performance of network-centric systems:

- Improved end-to-end security: End-to-end packet security is a fundamental requirement for net-centric operations. The inherent IPv6 security features provide significant capabilities for authentication, data integrity, replay protection, and confidentiality, JPv6 includes additional security features such as mandatory IPSec for all information flows.
- Quality of Service (QoS) Flexibility: QoS is an increasingly important requirement for networking environments to support multimedia applications including Voice over IP, conferencing, collaboration, video, etc.
- Improved Support to Mobility: Transition to IPv6 is a necessary step towards ubiquitous computing. It is expected there will be increased demands for mobile computing power and networking infrastructure to support it.
- Ease System Management Burdens: Managing today's IPv4 based networks have become increasingly complex as "fixes" and patches have been put in place to try to overcome its fundamental limitations. IPv6 has the potential of providing inherent solutions to this complexity.
- Vastly Increased IP Address Space. While not currently a primary driver for near-term USMC adoption, the greatly expanded IPv6 address space provides an opportunity to re-architect the entire DOD address space architecture to better facilitate the future proliferation of numerous unmanned sensors, mobile assets, etc.

The Marine Corps has identified the following IPv6 disadvantage to the performance of network-centric systems:

• The Marine Corps has a critical dependency on COTS products from hardware and software vendors. Many of the major vendors are now building (or committed in the near-term) to building dual IP layer stack products. While these dual stack products are expected to be available for the near-term, it is likely that eventually these products will become IPv6-only. Without a cohesive and integrated transition effort, (which will take years) the Marine Corps could be faced with a massive Year 2000-like problem.

General JUMPER. In my opinion, while the transition to IPv6 is critical to achieving net-centric operations and warfare, the transition will be challenging. The advantages of IPv6 to the performance of Net-centric systems are:

IPv6 has the capabilities and protocol flexibility to support future netcentric requirements. IPv4 was originally designed to facilitate communications among government agencies, academia, and other research institutes in a fairly centralized (mainframe computers) and bandwidth constrained environment. IPv6 was designed in the 1990s to address the shortcomings related to Internet Protocol version 4 (IPv4). For example, IPv6 will allow the DOD to implement military unique features to include security and mobility without developing new standards or modifying the protocol itself. IPv6 also has a vast address space to allow for development and deployment of highly distributed computing environments as the foundation of net-centric operations.

The disadvantages of IPv6 to the performance of net-centric systems are:

Compared to IPv4, IPv6 will require significantly more training for network operators, engineers, and end users to be trained to use, protect, and operate IPv6-based networks and systems.

IPv4 and IPv6 protocols are not inherently interoperable and may therefore impede the "task, post, process, use" concept. Transition mechanisms must be in place across the enterprise to ensure information availability and compatibility.

QUESTIONS SUBMITTED BY SENATOR MARK DAYTON

NATIONAL MILITARY STRATEGY 1–4–2–1 PLAN

75. Senator DAYTON. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, have the current strains on our military capabilities to conduct simultaneous operations in Iraq and Afghanistan, in addition to maintaining other world-wide commitments, brought into doubt our capacity to execute the National Military Strategy's 1–4–2–1 plan?

General SCHOOMAKER. The United States Army remains capable of executing the National Military Strategy. The 1–4–2–1 plan requires the U.S. military to defend the Homeland; operate in and from four forward regions to assure allies and friends, dissuade competitors, and deter and counter aggression and coercion; and swiftly defeat adversaries in overlapping military campaigns while preserving for the President the option to call for a more decisive and enduring result in one of the two. Although the magnitude of Army commitments over the past year has stressed the force, the Army remains capable of executing the missions our Nation and the National Military Strategy require of us. In order to ensure our continued ability to meet the challenges of the unpredictable and dangerous world in which we live, we are transforming our Army into a more lethal, agile, and flexible force. We are sustaining our global commitments while making tremendous strides in transformation. With the continued support of Congress, we will emerge from this transformation as a larger, more powerful force better able to conduct the protracted military campaigns and expeditionary operations required to meet the challenges of the 21st century security environment.

Admiral CLARK. Analysis conducted over the last year reaffirms that our current force posture is sufficient to execute the National Military Strategy. Although a surge deployment would create a strain on the Navy, the Navy is unique among the Services in that our forces are continually deployed as part of sustaining a global presence.

The Navy's challenge is to build a force set that supports major combat operations, while retaining a capability to accomplish non-traditional mission tasks associated with the new security environment. The 2005 Quadrennial Defense Review is now underway and will focus on four core problems—traditional, irregular, catastrophic, and disruptive—that the new environment presents. By maximizing the advantage that our naval forces bring to the battlespace through netted, offboard

sensors, I am confident that our force set is sufficient to defeat these new threats within the limits of acceptable risk.

General HAGEE. [Deleted.]

General JUMPER. [Deleted.]

76. Senator DAYTON. General Schoomaker, Admiral Clark, General Hagee, and General Jumper, are there currently any deficiencies or inadequacies that would imperial our capability to accomplish all those missions simultaneously and successfully? If so, what are they and what steps would be necessary to bring them to sufficient strength to be successful?

General SCHOOMAKER. The United States Army is currently able to simultaneously execute the missions required of it in the National Military Strategy. That said, we understand that the security environment in which we are currently operating is substantially different than the one for which our Army was designed, and the Army is aggressively transforming itself to better meet the challenges of the 21st century. We are transforming from a force designed for contingency operations in the post-Cold War era to a force designed for continuous operations in an era presenting a wider array of challenges, from "traditional" state threats to threats posed by non-state actors such as transnational terrorists. To complete our transformation, we are dependent upon the resources requested in the President's budget, as well as supplemental appropriations. These funds will allow us to execute ongoing missions in support of the National Military Strategy, as well as ensure our ability to complete the transformation necessary to combat the challenges of the new and dangerous security environment.

Admiral CLARK. The Navy constantly reviews the readiness and capability of our forces to perform the missions and tasks associated with the National Military Strategy and determines near term and long term risks based upon our findings. The Navy performs this analysis internally and in the context of joint processes. Overall, the Navy's strategic risk is acceptable. Operating concepts like the Navy's Fleet Response Plan (FRP) provide the ability to rapidly surge capabilities globally, while at the same time living within our budget. The rapid response of our Armed Forces to the devastating tsunami that swept across South Asia is an example of the flexibility and strategic agility that the Nation gains from ready Navy forces.

A stabilized shipbuilding approach is also required in the near term to sustain the requisite force structure. As I have testified, our analysis shows that this will necessitate changes to our full funding budget policy for the Shipbuilding and Conversion, Navy (SCN) account.

General HAGEE. [Deleted.]

General JUMPER. We currently are meeting all operational demands; however, C–130s deployed to central command area of operations are concerns to the Air Force's tactical airlift operations supporting Operation Iraqi Freedom, as well as in other combatant commands. With an expected minimal change in worldwide airlift requirements, Air Reserves component (ARC) mobilization authorization will begin to expire December 2005 through June 2006. Air Force plans to fill gaps through use of C–17s, contract airlift and attempt to secure more Active-Duty C–130 support from USAF in Europe and Air Force Reserves forces, both mobilized and volunteers; however OPTEMPO for Active-Duty will get higher as more and more of our ARC forces reach their 2-year mobilization limit. AF and ARC are investigating ways to increase volunteerism. Despite this inadequacy, the Quadrennial Defense Review will give us further insights and analyze our capabilities for sustainability and our ability to meet future challenges. Also, the Base Realignment and Closure process will also inform us on how to address our future capabilities and make appropriate recommendations. Finally, close interaction with the combatant commanders remains pivotal in identifying and resolving issues and key to our future success.

FUTURE TOTAL FORCE

77. Senator DAYTON. General Jumper, the Future Total Force (FTF) initiative relies heavily on Air National Guard (ANG) units being located at Active-Duty bases. What is the U.S. Air Force plan for compensating demographic disadvantages when located in areas not conducive to recruiting and retaining ANG members?

General JUMPER. FTF does not rely exclusively on basing Air National Guard units at Active-Duty bases. FTF recognizes that the Air National Guard and Air Force Reserve are an indispensable part of the Nation's warfighting capability. FTF is a long-range plan to allocate resources, balance risks, and shape the force to protect our Nation. The organizational concept within FTF leverages the strengths of our Active-Duty, Air National Guard and Air Force Reserve.

In order to capitalize on these strengths, we based the FTF organizational construct on the successful associate model. Associate units are comprised of two or more components that are operationally integrated but whose chains of command remain separate. The Air National Guard and Air Force Reserve are fully integrated into our FTF planning team. We are working together to identify associate unit opportunities.

In some cases we will associate Air National Guard units with Active-Duty units at Active-Duty bases. In some cases we will associate Active-Duty units with Air National Guard units at Air National Guard bases or communities. Yet in other cases, Air National Guard units will remain stand-alone units. Definitive decisions on implementing specific associate units will be made after we know the BRAC results.

78. Senator DAYTON. General Jumper, have the requirements of Operation Noble Eagle and the contributions of ANG units been fully analyzed to determine if the FTF initiative supports the defense of our homeland—the most vital mission responsibility of the U.S. Air Force?

General JUMPER. True, homeland defense is the most vital mission responsibility of the U.S. Air Force and for that reason, the Air Force looked very closely at what capabilities are and will be required for that mission. Those capabilities requirements were identified and separated out of the mix so as not to be jeopardized throughout the FTF analysis process,. In other words, at no time will the capabilities requirements necessary to provide homeland defense be vulnerable to divestments or reorganization efforts.

It is important to point out that exempting the capabilities required for homeland defense does not necessarily isolate a particular unit or installation from divestments or reorganization efforts. There are many considerations that will help determine which units and installations will be selected for FTF implementation, but primary among these will be the impact on the Air Force's ability to provide homeland security.

The FTF is a 20-year plan. It will evolve over time and will in fact enhance the Air Force's ability to protect the homeland.

[Whereupon, at 1:35 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

TUESDAY, FEBRUARY 15, 2005

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

PRIORITIES AND PLANS FOR THE ATOMIC ENERGY DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY AND TO REVIEW THE FISCAL YEAR 2006 PRESIDENT'S BUDGET REQUEST FOR ATOMIC ENERGY DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY AND THE NATIONAL NUCLEAR SECURITY ADMINISTRATION

The committee met, pursuant to notice, at 9:39 a.m., in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, Talent, Cornyn, Reed, and Akaka.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: William C. Greenwalt, professional staff member; Lynn F. Rusten, professional staff member; Scott W. Stucky, general counsel; and Kristine L. Svinicki, professional staff member.

Minority staff members present: Richard D. DeBobes, Democratic staff director; and Madelyn R. Creedon, minority counsel.

Staff assistants present: Andrew W. Florell, Catherine E. Sendak, and Bridget E. Ward.

Committee members' assistants present: Elizabeth King, assistant to Senator Reed; Davelyn Noelani Kalipi and Darcie Tokioka, assistants to Senator Akaka; and William Sutey, assistant to Senator Bill Nelson.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, everyone.

The committee meets today to receive testimony from Secretary of Energy, Samuel Bodman, on plans and priorities for the Department of Energy's (DOE) national security programs and on the President's budget request for the atomic energy defense activities

of the DOE and the National Nuclear Security Administration (NNSA) for fiscal year 2006.

We all welcome you, Mr. Secretary. You have only, I think, been in office 2 weeks?

Secretary BODMAN. Yes, sir. This is the end of my second week.

Chairman WARNER. Thank you.

We visited yesterday at length. You have in the grasp of your hands a series of issues about which we will look forward to hearing from you this morning.

Let me highlight some of these concerns before the committee.

One of the most solemn responsibilities you have as Secretary of Energy, in conjunction with the Secretary of Defense (SECDEF), is to certify to the President of the United States on an annual basis that the nuclear weapons stockpile of this Nation is reliable, safe, and secure. Currently the DOE relies on the science-based stockpile stewardship program to maintain the credibility of our nuclear weapons stockpile since we have given up underground testing. The stewardship program has been before this committee for many, many years, and we are anxious to have your assessment of the progress made and the extent that you and others are confident the program is providing this Nation the essential facts needed to determine the safety and status of the stockpile.

We will also look to you to tell us if any significant problems arise with respect to the safety and reliability of the stockpile that would require a resumption of live testing. I am not suggesting that, but given that the program is still incomplete in its original objectives, we must constantly look at the necessity, if it exists, to go back to live testing because we have an obligation not only to the citizens of this country but the citizens of the world to make sure that stockpile is safe. It is essential to our strategic balance and strategic plans.

I note that, as part of the nuclear stockpile support plan, the DOE has requested funding in fiscal year 2006 for two nuclear weapons programs that have generated legitimate and important debate here in Congress. These programs are the robust nuclear earth penetrator (RNEP), and the reliable replacement warhead. Personally, I have supported these programs. I think they are essential, prudent, and necessary for our overall defense program. We were doing studies of the programs in the past to ensure that we maintain the ability as a Nation to respond to any future military requirements as might be laid down by the President through the SECDEF. I hope you will address the administration's rationale for requesting funding to continue studying the feasibility of these programs in your testimony today.

Another significant challenge for the DOE is the environmental management (EM) program which is tasked with the cleanup of our defense nuclear sites. DOE has completed cleanup at 76 of the 114 sites under the program. Progress, I think, that is encouraging. Every site that is closed reduces the environmental risk to our communities and the fiscal burden on our taxpayers. So we will listen to your assessment of that program this morning.

Finally, I look forward to hearing about the DOE's current programs and future plans to advance the President's nuclear nonproliferation agenda. I note the DOE's fiscal year 2006 request for

defense nuclear nonproliferation represents a 15-percent increase over last year's request. This clearly reflects the high priority the President places on countering the threat of proliferation of weapons of mass destruction, as well as DOE's growing efforts.

Mr. Bodman, we thank you again for your public service. Congratulations on your recognition to become the Secretary of DOE.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman. Senator Levin wanted very much to be here but he is simultaneously engaged over at the Homeland Security and Governmental Affairs Committee.

Welcome, Mr. Secretary. Congratulations on your new position as Secretary of Energy.

Although the DOE is a small department, it has many important but controversial missions and responsibilities. In your 2 weeks as secretary, I am sure you have begun to discover what is involved in managing a department with programs that include weatherstripping, fuel efficient cars, and nuclear weapons.

The Senate Armed Services Committee has jurisdiction over two-thirds of the DOE budget that is included in the defense budget. Most visible of these programs are the nuclear weapons programs, the nonproliferation programs, and the environmental management program that is cleaning up the nuclear waste and contamination from the Cold War nuclear weapons programs.

I was pleased that in the DOE fiscal year 2006 budget request, there is continued support for the nonproliferation programs. These programs are vitally important if we are to prevent the spread of nuclear materials and weapons. Mr. Secretary, your predecessor was a strong supporter of these programs, and I trust that you will be even more supportive as we go forward.

The fiscal year 2006 budget request for the environmental restoration program is down from last year. While I recognize that this reflects in part that cleanup of the Rocky Flats plant should be finished by the end of the year, I am concerned that other sites might not see the additional attention they were promised. When Congress and the DOE agreed to support an accelerated cleanup of Rocky Flats, part of that bargain was to provide substantial additional funding to the cleanup up front. This focus would allow Rocky Flats to close early and save billions in the process. The savings would then be passed on to other sites so that they would then receive the benefit of accelerated cleanup. The reductions in the budget request do not reflect this bargain. Several sites have already expressed concern about the reductions. I look forward to your views on this particular situation.

The most serious issue facing the Department, this Congress, and the Nation, however, is the apparent obsession that this administration has with new nuclear weapons. Last year, the 2005 DOE budget request for new nuclear weapons concepts and the RNEP was rejected, and no funds were appropriated for those efforts in fiscal year 2005. However, the 2006 budget again requests $8.5 million for the RNEP.

In lieu of the new nuclear weapons concepts funding, Congress created a new budget line for 2005. This new line, the reliable replacement warhead program, was created and funded with the re-

directed advanced concepts money. Now there seems to be significant uncertainty over what DOE will do with this program. There has been some suggestion that DOE will use this line for more nuclear weapons.

Secretary Bodman, before there is a repeat of the controversy and discussion from the last few years on nuclear weapons, I would hope that you could champion the beginning of a fresh look at nuclear weapons and nuclear weapons policy and that this fresh look would include an open dialogue between the administration and Congress. I certainly hope and trust that we can work together to address these issues.

Once again, thank you for being here and best of luck in your new role.

Secretary BODMAN. Thank you, sir.

Chairman WARNER. Thank you very much, Senator Reed.

Senator Cornyn, you have joined us. Would you like to make some opening comments and welcome the Secretary?

Senator CORNYN. Thank you, Mr. Chairman. I would be happy to reserve my questions for the usual, regular order.

Chairman WARNER. Senator Akaka, would you like to make a comment?

Senator AKAKA. Yes. Mr. Chairman, thank you for having this hearing. I came especially to welcome the Secretary to our hearing. I am also on the Senate Energy Committee and so it is good to have you here at the Senate Armed Services Committee. We join with you in what you are doing and we are here to hear your priorities on energy with the Department of Defense (DOD).

I just want to press the point that because of retirement soon, we will be having a problem of getting enough scientists and engineers into the system to be ready to do work with our nuclear weapons, as well as our atomic energy defense. So we look forward to working with you on that.

I want to add my best wishes to you as Secretary of Energy and wish you well and to tell you that I look forward to working with you on this.

Thank you very much, Mr. Chairman.

Secretary BODMAN. Thank you, Senator.

Chairman WARNER. Thank you very much, Senator.

Mr. Secretary, we will place in the record today your entire statement and suggest now you proceed to address those portions that you would like to open up with this morning.

STATEMENT OF HON. SAMUEL W. BODMAN, SECRETARY OF ENERGY

Secretary BODMAN. Thank you, sir. Senator Warner, Senator Reed, members of the committee, thank you for the opportunity to be here to appear before you to discuss this administration's priorities for nuclear weapons and its attendant threat reduction programs, as well as DOE's environmental cleanup program.

Before I start, I would like to thank all the members of the committee for their very strong support of our critical national security interests. The support this department has received from this committee is, frankly, very heartwarming to a newcomer.

As members of the committee know, the DOE's programs under the NNSA support three fundamental national security missions: first, to assure the safety and reliability of the U.S. nuclear weapons stockpile; second, to reduce the threat posed by the possible proliferation of weapons of mass destruction; and third, to provide reliable and safe nuclear reactor propulsion systems for the United States Navy. All are very important.

Our Nation continues to benefit from the security provided by safe, secure, reliable, and effective nuclear weapons and the people who support them. For the past 8 years, the Secretaries of Defense and Energy have reported to the President that the nuclear weapons stockpile remains safe, secure, and reliable. I will join the SECDEF soon in my first assessment of the state of our nuclear weapons stockpile. The chairman has already referred to that. This assessment of the stockpile is based not on nuclear tests but on cutting-edge, scientific and engineering tools, extensive laboratory tests, field testing of non-nuclear components, and sound technical judgments, all of which, at least in my judgment, provide a real challenge for those of us charged with this significant responsibility.

Each year we are gaining a more complete understanding of the complex physical processes underlying the performance of our aging nuclear stockpile. This understanding gives us an increased confidence in our ability to accurately assess the reliability and effectiveness of the weapons in our stockpile.

A robust defense research and development and industrial base, which provides a responsive nuclear weapons infrastructure, is critically important to achieving our defense goals. The elements of a responsive infrastructure include the people, the science and technology base, and the facilities and equipment to support a right-sized and secure nuclear weapons enterprise. It also involves a transformation in engineering and production practices that will enable us to respond more rapidly and flexibly to emerging needs.

A near halt in nuclear weapons modernization over the last decade has taken a toll on our ability to be responsive to changing defense needs, but we are restoring lost capabilities such as the ability to manufacture plutonium pits, the triggering devices that are needed for many weapons, and we are modernizing other capabilities in order to meet the demanding schedules of warhead refurbishment programs. These efforts will help us meet the President's vision of the smallest nuclear stockpile consistent with our Nation's security.

One of our most important projects is the National Ignition Facility (NIF) which is located at the Lawrence Livermore National Laboratory (LLNL). It is an essential component of the stockpile stewardship program and of a responsive nuclear infrastructure. Using advanced laser and computer technologies, the NIF will be capable of simulating the heat and pressures of a nuclear explosion, which will provide essential data in assessing the potential performance of nuclear weapons. In the absence of underground testing, this tool will give us increased confidence in evaluating the reliability and effectiveness of our stockpile.

Another important aspect of the weapons complex is security, a responsibility that has become even more critical in the post-Sep-

tember 11 era. Because of the need for additional and upgraded facilities and equipment to ensure the safety and protection of our nuclear weapons infrastructure, funding for safeguards and security in NNSA has increased by almost 400 percent during this administration, which is a very strong indicator of the priority that both Congress and this administration place on our security mission.

Let me now turn briefly to the nuclear nonproliferation and threat reduction programs. Acquisition of nuclear weapons by rogue states or terrorists is a grave threat to this country. Our ability to counter this threat requires close coordination in threat reduction and nonproliferation efforts with the Departments of State and Defense. Under programs such as the Global Threat Reduction Initiative (GTRI), which we established in May 2004, DOE works with more than 70 countries to secure dangerous nuclear and radioactive materials, halt the production of new fissile materials, detect the illegal trafficking or diversion of nuclear material, and ultimately destroy surplus weapons usable materials.

Contributing to the Department's national security mission is the naval reactor propulsion program, whose mission is to provide the U.S. Navy with safe, militarily-effective nuclear power propulsion plants and ensure their continued safe, reliable, and long-lived operation. Nuclear propulsion plays an essential role in ensuring the Navy's ability to respond anywhere America's interests are threatened.

Closely related to the Department's nuclear defense mission is the cleanup of various sites around the country that have been contaminated through the years as a result of the development and sustainment of our nuclear defense capability. We have reformed the cleanup process for these sites, which has resulted in accelerating the time table and reducing the cost while continuing to safeguard human health and the environment. We will soon close three sites: Rocky Flats in Colorado, and Mound and Fernald in Ohio. This will be a real red letter day for this Department in my judgment.

I would like to take this opportunity to express my deep appreciation to Chairman Warner, all the members of this committee, and in particular to Senator Lindsey Graham, for their hard work to pass legislation embodied in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 which allows the Department to continue the vital cleanup effort at the Savannah River Site and at the Idaho National Laboratory.

Mr. Chairman, thank you again sincerely for the opportunity of being here today. I would be pleased to take questions.

[The prepared statement of Secretary Bodman follows:]

PREPARED STATEMENT BY HON. SAMUEL W. BODMAN

Chairman Warner, Senator Levin, and members of the committee, thank you for the opportunity to appear before you today to discuss the administration's priorities for nuclear weapons, threat reduction programs, and the Department of Energy's (DOE) environmental cleanup program. Before I start, I also want to thank all of the members for their strong support for our critical national security activities.

Let me first address national security programs under the National Nuclear Security Administration (NNSA). NNSA's fiscal year 2006 budget request supports three fundamental national security missions:

- assure the safety and reliability of the U.S. nuclear weapons stockpile;

• reduce the threat posed by the proliferation of weapons of mass destruction; and
• provide reliable and safe nuclear reactor propulsion systems for the U.S. Navy.

NUCLEAR WEAPONS PROGRAMS

Our Nation continues to benefit from the security provided by safe, secure, reliable, and effective nuclear forces. In this, I am pleased to report that for 8 consecutive years, the Secretaries of Defense and Energy have reported to the President that the nuclear weapons stockpile remains safe, secure and reliable. I will join the Secretary of Defense (SECDEF) soon in my first such assessment. This assessment is based not on nuclear tests, but on cutting-edge scientific and engineering tools and extensive laboratory and flight tests of warhead components and subsystems. Each year, we are gaining a more complete understanding of the complex physical processes underlying the performance of our aging nuclear stockpile.

The fiscal year 2006 request supports the requirements of the Stockpile Stewardship Program consistent with the administration's Nuclear Posture Review (NPR) and the revised stockpile plan submitted to Congress in June 2004. Over $1.4 billion in fiscal year 2006 is requested to support the Directed Stockpile Work that will ensure the operational readiness of the nuclear weapons in the nation's stockpile. Our request places a high priority on accomplishing the near-term workload and supporting technologies for the stockpile along with the long-term science and technology investments to ensure the capability and capacity to support ongoing missions. We are requesting $4 million to restart the Robust Nuclear Earth Penetrator (RNEP) study and $14 million in fiscal year 2007 to complete the study.

In our fiscal year 2006 budget, $2 billion is focused on scientific and technical efforts essential for certification, maintenance and life extension of the stockpile which has allowed NNSA to move to "science-based" certification and assessments for stewardship. Specifically, $491.7 million provides the basic scientific understanding and the technologies required for the directed stockpile workload and the completion of new scientific and experimental facilities. This includes $70.3 million for the Microsystem and Engineering Sciences Applications (MESA) complex which will enable us to continue a path of completion in fiscal year 2010. We will continue our efforts to maintain the ability to conduct underground nuclear testing and complete the transition to the 18-month test readiness posture that is mandated by Congress.

With a request of $660.8 million for the Advanced Simulation and Computing Campaign, we will be able to remain on schedule to develop experimental and computational tools and facilities and technologies necessary to support continued certification of the refurbished weapons and aging weapons components without underground nuclear testing. As we enhance our computational tools to link the historical test base of more than 1,000 nuclear tests to computer simulations, we can continue to certify whether the stockpile is safe, secure and reliable without resorting to nuclear testing. This will also include bringing online in fiscal year 2006 a 100-teraflop system that will provide the supercomputer capabilities and three-dimensional modeling required for stockpile certification.

In the Inertial Confinement Fusion Ignition and High Yield Campaign, the $460.4 million request is focused on achieving ignition of a controlled fusion reaction at National Ignition Facility (NIF) in 2010 to create temperatures and pressures found only in stars and exploding nuclear weapons. We are asking for $141.9 million to support construction of the NIF to meet this goal.

The Pit Manufacturing and Certification Campaign request of $248.8 million continues work on reestablishing the ability to manufacture and certify the W88 pit by 2007, planning for future pit types, and planning for a Modern Pit Facility (MPF).

In fiscal year 2006 we are requesting a total of $2.1 billion for NNSA's facility operations and infrastructure recapitalization programs which provide for the operation of existing facilities, remediation and disposition of excess facilities, and construction of new facilities to enable NNSA to move toward a more supportable and responsive infrastructure.

With a request of $1 billion, the NNSA security program will protect weapons, materials, information and employees, and provide emergency response assets, including first-responder teams, in the event of a nuclear emergency. Funding for these programs increased significantly since fiscal year 2001 to permit implementation of upgrades and improvements to our facilities resulting from recent revisions to the design basis threat for the DOE complex.

Beginning in fiscal year 2006, the budget request reflects the transfer from the Office of Environmental Management (EM) of funding for legacy cleanup and waste

management activities at most NNSA sites. In fiscal year 2006, NNSA will execute the Environmental Projects and Operations Program at the total requested level of $222.3 million (of which $47 million is funded in the Facilities Operations request for newly generated waste at Lawrence Livermore National Laboratory and Y–12 National Security Complex) to manage the environmental restoration, legacy waste disposition, and decontamination and decommissioning activities at NNSA sites (Kansas City Plant, Lawrence Livermore National Laboratory, Nevada Test Site, Sandia National Laboratories, Pantex Plant, and the Separations Process Research Unit in New York). The Department plans to transfer environmental activities at the Los Alamos National Laboratory (LANL) and the Y–12 National Security Complex from EM to NNSA in future years, with the transfer of LANL expected in fiscal year 2007.

Responsive Nuclear Weapons Infrastructure

Overarching all these activities is our response to the NPR to create and maintain a responsive nuclear weapons infrastructure—a key element, along with strike forces and missile defenses, of the administration's "New Triad" of strategic capabilities. Of the many concepts advanced by the NPR, and refined in subsequent assessments, one of the most important is the recognition that a robust defense research and development and industrial base—which includes a responsive nuclear infrastructure—is as important as the forces themselves in achieving our defense goals.

By "responsive nuclear weapons infrastructure," we refer to the resilience of the nuclear enterprise to unanticipated events or emerging threats, and the ability to anticipate innovations by an adversary and to counter them before our deterrent is degraded—all the while continuing to carry out the day-to-day activities in support of the stockpile. Unanticipated events could include complete failure of a deployed warhead type or the need to respond to new and emerging threats.

The elements of a responsive infrastructure include the people, the science and technology base, and the facilities and equipment to support a right-sized nuclear weapons enterprise. But, more than that, it involves a transformation in engineering and production practices that will enable us to respond rapidly and flexibly to emerging needs.

Our current infrastructure must be improved to be able to respond more rapidly to new requirements or to newly discovered safety and reliability problems of our future stockpile. A near halt in nuclear weapons modernization over the past decade has taken a toll on our ability to be responsive. For example, we have been unable to produce certain critical parts for nuclear weapons (plutonium parts, some secondary components) for many years. But we are on a path to redress key shortfalls. We have restored tritium production with the irradiation of special fuel rods in a Tennessee Valley Authority reactor, and anticipate that we will have a tritium extraction facility online in fiscal year 2007 in time to meet the tritium needs of our stockpile. We are restoring lost uranium purification capabilities at our Y–12 plant, and modernizing other capabilities, so that we can meet demanding schedules of warhead refurbishment programs. We have taken steps to recruit and retain a strong workforce with the right skills for the focused mission. Finally, we are devoting substantial resources to restoring facilities that have suffered from years of deferred maintenance.

Our basic strategy will be to apply out-year savings from the reduced refurbishment workload associated with a smaller stockpile to finance, in part, this responsive infrastructure. Among other things, we must achieve the scientific goals of stockpile stewardship, continue facilities and infrastructure recapitalization at our labs and plants, proceed with the design and construction of a MPF to restore plutonium pit production, strengthen test readiness and transfer knowledge to the next generation of weapons scientists and engineers who will populate this responsive infrastructure. If we can employ a responsive infrastructure to produce new or replacement warheads on a timescale in which geopolitical threats could emerge, or in response to stockpile technical problems, then this will enable consideration of further reductions in nondeployed warheads and thereby meet the President's vision of the smallest stockpile consistent with our Nation's security. We will need continued support from Congress for this important effort.

National Ignition Facility

The NIF at Lawrence Livermore National Laboratory is an essential component of the Stockpile Stewardship Program and of a responsive nuclear infrastructure. Our fiscal year 2006 budget requests $141.9 million for NIF construction. The NIF's 192-laser beam facility will be capable of achieving the temperatures and pressures found only in stars and in exploding nuclear weapons. Achieving thermonuclear

burn is a critical process in all our nuclear weapons, and NIF ignition is our only means to directly access it in the laboratory which, in the absence of underground testing, is essential to assessing the potential performance of nuclear weapons. For that reason, our Inertial Confinement Fusion (ICF) program activities are focused on the goal of ignition. As stated in the "Defense Sciences Board Report on the Employment of the NIF," dated October 2004, NIF ignition will allow progress on the "most important remaining issue in weapons physics." Execution of the first ignition experiment in 2010 is a high priority for NNSA and the DOE. Consistent with this objective and with planned budgets, we are updating plans for the NIF project and ICF ignition programs. I look forward to providing you with a revised plan by June 30, 2005, which describes our proposed path forward.

Safeguards and Security and the Design Basis Threat

Securing our people, our nuclear weapons and weapons-usable materials, our information, and our infrastructure from harm, theft or compromise is my highest priority. The job has become more difficult and costly as a result of two factors: the increased post-September 11 threat to nuclear warheads and associated fissile materials coupled with the primacy of "denying access" to these key assets—a much more rigorous security standard than "recapture/recovery." This is reflected in NNSA's fiscal year 2006 budget request of $1 billion for the security program, of which $740 million is for safeguards and security to continue the steep upward trend in resources allocated to implement the Design Basis Threat (DBT) at all sites and facilities with nuclear materials. Our fiscal year 2006 budget request ensures implementation of the 2003 DBT requirements and postures the Department to respond to the emerging specificity of the 2004 DBT requirements. The 2004 DBT, approved in October 2004, established the high-level safeguards and security requirements from which the site-specific parameters are being finalized. As we implement 2003 DBT requirements by the end of fiscal year 2006, we will ensure that the specific actions are consistent with the 2004 DBT requirements so we can meet our goal to implement the 2004 DBT by fiscal year 2008. Funds in fiscal year 2006 will be used to, among other things, upgrade protective forces weapons, training and equipment; harden storage structures; improve earlier detection and assessment of intrusion; consolidate nuclear material; and install additional delay mechanisms and barriers around critical facilities in order to protect our facilities against an evolving threat. Let me be clear, we will do what needs to be done to sustain our protective force readiness and our ability to secure the complex. Funding for safeguards and security in NNSA has increased by almost 400 percent during this administration, which is a strong indicator of the priority Congress and the administration place on our security mission.

NONPROLIFERATION AND THREAT REDUCTION PROGRAMS

Let me now turn to nuclear nonproliferation and threat reduction programs. Acquisition of nuclear weapons by rogue states or terrorists is a grave threat to the United States. Our ability to counter this threat requires a comprehensive approach to threat reduction and nuclear nonproliferation. The DOE's nuclear nonproliferation programs, implemented through the NNSA, are structured around this premise. The administration is requesting $1.64 billion to support activities to reduce the global weapons of mass destruction proliferation threat, about a 15-percent increase over comparable fiscal year 2005 activities. (Projects include shutting down two plutonium reactors by 2008, completing security upgrades in Russia by 2008, expanding the Megaports program, and expanding research and development to improve materials detection. All these efforts are directly related to homeland protection.) This increase demonstrates the President's commitment to prevent, contain, and roll back the proliferation of the nuclear weapons-usable materials, technology, and know-how. The Department works with more than 70 countries to secure dangerous nuclear and radioactive materials, halt the production of new fissile material, detect the illegal trafficking or diversion of nuclear material, and ultimately destroy surplus weapons-usable materials. This multi-layered approach is intended to reduce the incentive for terrorists and rogue states to obtain weapons of mass destruction (WMD) and limit terrorists' access to these deadly weapons and materials. I would now like to provide a status update on a number of the Department's key nonproliferation programs.

The fiscal year 2006 Fissile Material Disposition budget request is $653.1 million, about $550 million of which is for Plutonium Disposition and $103 million of which is for U.S. uranium disposition. The Plutonium Disposition Program (also known as the MOX program), the Department's largest nonproliferation program, provides for the disposal of 68 metric tons (MT) of surplus Russian and U.S. weapons-grade plutonium by fabricating it into mixed oxide (MOX) fuel for use in reactors. Although

significant technical progress has been made on the U.S. MOX facility, delays resulting from an impasse with the Russian Federation on procedures to protect U.S. contractors from liability during work in Russia are forcing this program to restructure its planned schedule and funding requirements. We believe that we are close to resolving the liability issue. We have submitted a potential path forward that provides adequate liability protection for the United States and that we believe will satisfy Russian concerns. We will meet with Russian officials this week to discuss the details. We currently plan to begin site preparation activities in South Carolina and Russia in fiscal year 2005. The United States was originally scheduled to begin construction of the MOX Fuel Fabrication Facility in 2002. The delays caused by the liability dispute have made this project more costly and more difficult to manage, but the Department remains committed to completing our plutonium disposition mission, both in the United States and Russia.

The Global Threat Reduction Initiative (GTRI), announced last May, represents the Department's latest effort to identify, secure, recover, and/or facilitate the disposition of vulnerable nuclear and radioactive materials that pose a threat to the United States and the international community as quickly and expeditiously as possible. Since the creation of GTRI, we have had a number of successes. Under our radiological threat reduction program, we have completed security upgrades at more than 130 facilities in countries such as Russia, Uzbekistan, Indonesia, Poland, and Panama have ongoing activities in South America, Central America, Africa, Asia, and Europe. We have had two successful shipments since last May to repatriate Russian-origin highly enriched uranium from Uzbekistan in September and from the Czech Republic in December. The fiscal year 2006 budget request of $98 million for GTRI supports the ambitious completion dates and program objectives set by the program.

For more than a decade, the United States has worked cooperatively with the Russian Federation and other former Soviet states to secure nuclear weapons and weapons material that may be at risk of theft or diversion. To date, we have provided security upgrades at more than 75 percent of nuclear sites at which we have done cooperative work. By the end of fiscal year 2006, we will have completed upgrades on 100 percent of the Russian Navy nuclear fuel and weapons sites. We have begun work with the Russian Strategic Rocket Forces and aim to complete upgrades by 2007. The primary challenge in coming months will be to gain access to the remaining, and most sensitive, Russian nuclear facilities that contain large amounts of fissile material. In addition to securing material at the source in Russia, the fiscal year 2006 request provided a significant increase for securing nuclear material outside the former Soviet Union. In another global initiative, we are deploying radiation detection capabilities at five additional major seaports in fiscal year 2006 to pre-screen cargo containers destined for the United States for nuclear and radiological materials. The International Material Protection and Cooperation fiscal year 2006 budget request of $343.4 million supports meeting all of the accelerated completion dates and objectives.

The Elimination of Weapons Grade Plutonium Production (EWGPP) will shut down the three remaining plutonium production reactors in Russia at Seversk and Zhelezhogorsk. These reactors currently produce approximately 1.2 metric tons of weapons-grade plutonium per year, enough to produce nearly a bomb a day. The plan is to dismantle and replace these reactors, which supply energy to local communities, with fossil fuel plants by 2008 in Seversk and 2011 in Zheleznogorsk. The first validated estimate of total program cost—$1.2 billion—was determined January 2004. After extensive negotiations with Russia, we have achieved $200 million in cost savings. Also, with the authority provided in the National Defense Authorization Act for Fiscal Year 2005 to accept international funding, we have successfully solicited a $20 million contribution from the United Kingdom and will continue to seek additional contributions from the international community to complete the Zheleznogorsk project. The fiscal year 2006 budget request of $132 million fully funds the Seversk project to completion.

The Nonproliferation and Verification Research and Development Program is also set to receive a major boost in fiscal year 2006. Any approach to preventing proliferation and, subsequently, a nuclear terrorist attack against the United States or allies requires that the United States possess the technical means to detect the proliferation of nuclear materials as quickly as possible. For years the Department's nonproliferation research and development (R&D) has been flat-funded. The fiscal year 2006 budget request of $272.2 million—an increase of 21.5 percent—will boost R&D in the area of nuclear detection technologies including new-generation miniaturized detectors with increased sensitivity.

Finally, a significant component of the administration's approach is to prevent the diversion of WMD-related material, technology and expertise to and from states of

proliferation concern. Through a variety of export control and safeguards cooperation activities with foreign governments, through efforts to engage scientists in the former Soviet Union and states in which WMD programs have recently been terminated, and through interactions with international bodies such as the International Atomic Energy Agency and Nuclear Suppliers Group, we are tightening the control of the most dangerous technologies and materials to prevent proliferation. The fiscal year 2006 budget request for Global Initiatives for Proliferation Prevention and Nonproliferation and International Security is $118.1 million.

We need to remain cognizant of the linkage between a future that encourages broader use of nuclear energy in meeting rising energy demands worldwide and one that places a premium on nonproliferation and counterterrorism performance. No one nation can address these future challenges alone. No single nation has a monopoly on nuclear technology or on the ideas or proposals that will mitigate the threats posed by proliferation and terrorism. We will continue to welcome the contributions and proactive cooperation of others who share our vision of a nuclear future that is better protected from the dangers of theft or diversion of sensitive nuclear materials and technologies. All of us share an obligation to work together to reduce the threat posed by high-risk, unsecured nuclear and radioactive sources and materials.

NAVAL REACTOR PROPULSION PROGRAM

Also contributing to the Department's national security mission is the Department's naval reactor propulsion program, whose mission is to provide the U.S. Navy with safe, militarily effective nuclear power propulsion plants and ensure their continued safe, reliable, and long-lived operation. Nuclear propulsion plays an essential role in ensuring the "forward presence" of the Navy around world to respond anywhere America's interests are threatened. The program has a broad mandate, maintaining responsibility for nuclear propulsion from cradle to grave. Over 40 percent of the Navy's major combatants are nuclear-powered, including aircraft carriers, attack submarines, and strategic submarines, which provide the Nation's most survivable deterrent. The administration is requesting $786 million to support the program's ongoing work on power plant technology, reactor safety, materials development and servicing and evaluation.

CLEANUP AND CLOSURE OF CONTAMINATED FACILITIES

Closely related to the Department's nuclear defense mission is the cleanup of various sites around the country that have been contaminated through the years as a result of the development of our nuclear defense capability. Over the past 4 years, the Department has reformed the massive cleanup process for these sites to accelerate the timetable and save costs while continuing to safeguard human health and the environment.

I thank Chairman Warner, all members of this committee, and in particular Senator Lindsey Graham, for their hard work to pass legislation embodied in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 which allows the Department to continue the vital cleanup at the Savannah River Site and the Idaho National Laboratory.

The Department of Energy's Office of Legacy Management (LM) is working closely with the Office of EM in transitioning the three 2006 closure sites: Rocky Flats, Colorado; Mound, Ohio; and Fernald, Ohio. In preparing the sites for closure, EM and LM have established transition teams consisting of subject-matter experts from different fields, such as environmental and regulatory compliance, community outreach, records management, and worker benefits. The goal of the teams is to have a seamless transition from EM to LM at closure. Closure consists of physical completion (the remedy is in place), contractual closure, and regulatory closure.

ENSURING A SEAMLESS SITE TRANSITION

Even after the extensive cleanup operation by the Department, some residual contamination will remain at the sites (i.e., it is technically and financially infeasible to restore the sites to levels acceptable for unrestricted use). In order to protect human health and the environment, these sites will require long-term surveillance and monitoring. In December 2003, under the direction of Congress, the Department created an LM program to consolidate the Department's legacy mission. The long-term surveillance and monitoring mission of "closed" sites falls under the scope of the LM organization. I should also point out that while LM is a young organization, the Department has been performing long-term surveillance and monitoring functions for many years.

The scope of all work to successfully complete site transition is captured in the site transition plan. The transition is managed like a project with defined scope,

schedule, and cost to guard against unanticipated delays and cost overruns. LM expects to assume the programmatic ownership of these sites starting in fiscal year 2007.

PROTECTING THE NATION'S INVESTMENT IN CLEANUP THROUGH EFFECTIVE LONG-TERM SURVEILLANCE AND MONITORING

The primary function of long-term surveillance and monitoring at these closure sites and other LM sites is to ensure protection of human health and the environment until the managed waste materials left onsite are no longer hazardous. The Office of LM provides a comprehensive and effective management approach to implement the four major elements to meet this primary function: site monitoring, maintenance, and reporting; institutional controls; information and records management; and environmental monitoring.

Site monitoring includes periodic inspections to verify that engineered structures and barriers constructed to isolate hazards from the environment are intact. Maintenance activities could consist of repair of structures, replacement of signs and markers, and routine maintenance of security features such as fencing. All site activities must be documented for the archives.

Institutional controls include zoning restrictions, use permits, well-drilling restrictions, and other restrictions administered under local government authority. Institutional controls that can be imposed by the property owner (typically DOE) include deed restrictions, easements and restrictive covenants that are based on state property law. The Office of LM ensures these restrictions are maintained over time through periodic review and assessment.

Information and records management consists of storing, preserving, and providing access to background and design information and to activity reports. This information is available for use by the general public and other stakeholders and must be maintained for the use of future generations long after the initial custodians are gone.

Environmental monitoring is conducted to verify continued remedy performance and to provide an early indication of any problems that develop. Environmental monitoring can include air monitoring, surface water and groundwater monitoring, vegetation monitoring, soil and sediment sampling and monitoring, and wildlife assessments.

Economic Development Assistance

The Rocky Flats, Fernald, and Mound community reuse organizations (CROs) have all received community transition grants in order to mitigate the impacts of downsizing at these closure sites. These grants have been used to create jobs in the communities or determine the future use of the site in the case of Rocky Flats. The Department considers the role planned for community and worker transition activities to be completed, and no additional funding has been requested.

Property Transfer

The Department is the fourth-largest Federal land manager, conducting its mission at 50 major sites on 2.4 million acres across the United States. The Office of LM and the Office of EM have been working together to ensure successful transfer of property for alternative uses. For example, Rocky Flats is approximately 6,500 acres. After EM has successfully completed its closure mission, a majority of the land will transfer to the U.S. Fish and Wildlife Service pursuant to the Rocky Flats National Wildlife Refuge Act of 2001. Between 800 and 1,000 acres will be retained by DOE, specifically transferring from EM to LM for long-term surveillance and maintenance. Fernald is another closure site that EM and LM are working to complete environmental remediation and transition into long-term surveillance and maintenance.

The Fernald site is approximately 1,050 acres and will remain in Federal ownership post-closure. DOE will conduct long-term surveillance and maintenance at the site for the foreseeable future. Additionally, Mound is another of the Department's closure sites. The end use of Mound will be an industrial park. Originally the site was about 306 acres. When the Department made the decision to close the Mound site, Miamisburg city officials began making plans to redevelop it after cleanup was completed. The Miamisburg Mound Community Improvement Corporation (MMCIC) was formed, by city ordinance to oversee redevelopment of the site into a commercial industrial park. As of today, more than 40 percent of the original site footprint has been transferred. With DOE support, MMCIC and the community formed a partnership to transition Mound for reuse as a technology and industrial park to diversify the region's economy and to generate new job opportunities. DOE has supported the economic development effort with grants and matching funds totaling

more than $60 million. The Mound Advanced Technology Center currently houses 27 businesses with a total of more than 300 employees.

RECOGNIZING THE VALUE OF EFFECTIVE OUTREACH

LM is committed to working with the communities and stakeholders at each of the sites not only during the transition phase of the sites, but also continuing after closure. The three sites will adhere to regulations set by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and public participation requirements, as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA). LM has made it a priority to gather community opinion and to work closely with stakeholders. Each site will have a public involvement plan that will outline methods of communication to inform the public of site activities.

Public participation activities are conducted to actively inform the public about individual sites and will include public meetings, maintaining the administration records and public reading rooms, maintaining an internet Web site, conducting site tours, and issuing news releases, notices, factsheets, and other publications as needed.

In addition to these methods of informing the public, Congress passed legislation in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, which requires the Department to establish local stakeholder organizations (LSOs) at the Rocky Flats, Fernald, and Mound sites. These LSOs will be formed in consultation with local elected officials and will provide advice to LM on issues and concerns regarding the sites. Membership will be comprised of local elected officials or their designees. The LSOs must be established within 6 months of closure of the three sites. LM has engaged in meetings with stakeholders at the three sites and is asking for input to develop the local stakeholder organizations. LM met with the Rocky Flats Citizen Advisory Board and the Rocky Flats Coalition of Local Governments in February 2005. Meetings with stakeholders at Fernald and Mound will be held in February 2005. After initial input is gained, LM will develop a concept of establishing the LSOs to be reviewed and developed with the stakeholders.

Thank you. This concludes my formal statement. I would be pleased to answer any questions you may have at this time.

Chairman WARNER. Thank you very much.

We will proceed on a 6-minute round.

I want to go back to the science-based stockpile stewardship program. May I say, Mr. Secretary, during our very enjoyable meeting yesterday, it was made clear to me that you are on the job 2 weeks, and that it is going to be important for you to do additional study before you can fully develop your full range of opinions regarding the programs of this important agency. But this committee has spent a lot of time on the science-based stockpile program, and I would like to have you provide for the record a summary of the history of the program, when it was initiated, the amount of money that has been expended each year to develop it, and where you feel we are today between startup and let us call it a full-up program in which we presumably can repose 99 percent confidence that it will ascertain those facts essential to determine the viability and the safety of our inventory of weapons. So I ask you to put that in the record and let your staff work with you in developing that.

But prior to that, are you in a position to share your initial thoughts on where we are on that program and the degree to which we as a Nation can repose confidence in the facts it reveals regarding the current inventory?

Secretary BODMAN. Thank you, sir, first for your flexibility and understanding of my short time on the job. We will work with the committee staff in order to provide a full and complete detailed answer to your first question.

[The information referred to follows:]

During Secretary Bodman's testimony to the Senate Armed Services Committee, Senator Warner stated, ". . . I would like you to provide for the record a summary

of the (science based stockpile stewardship) program, when it was initiated, the amount of money expended each year to develop it, and where you feel we are today between startup and . . . can repose 99 percent confidence that it will ascertain those facts essential to determine the viability and the safety of our inventory of weapons." The following information is in response to these questions.

I. Summary of the Stockpile Stewardship program, when it was initiated, and the amount of money expended each year to develop it.

The Stockpile Stewardship Program (SSP) was initiated in response to several events occurring around the end of the Cold War. Most notable were the sharp decreases in the budget for the nuclear weapons program, President George H.W. Bush's decision to institute a moratorium on nuclear testing, and the Nuclear Weapons Complex Reconfiguration ("Complex-21") Study that identified significant cost savings that could be achieved by downsizing the Nuclear Weapons Complex (NWC). These events prompted the demand for a transition to a smaller stockpile, a moratorium on underground nuclear testing, and calls to reduce the size of the nuclear weapons complex to more affordably sustain the safety, reliability and performance of our nuclear weapons.

In January 1993, after an interagency review, Presidential Decision Directive (PDD)-15 formally established the Stockpile Stewardship Program. This PDD led to a significant redirection of the nuclear weapons program. Throughout the Cold War, the military and the weapons laboratories had based their confidence in the nuclear weapons stockpile, in part, on the performance data from hundreds of atmospheric and underground nuclear tests. To mitigate the risk of continuing the moratorium on nuclear testing, DOE made further investments in scientific tools to assure that our Nation had the means to assess the complex hydrodynamic and nuclear phenomena involved in a nuclear detonation. It also required the development of sophisticated tools and computer-based simulation techniques to assess various aging phenomena as nuclear weapons continued to serve well beyond their anticipated lifetimes.

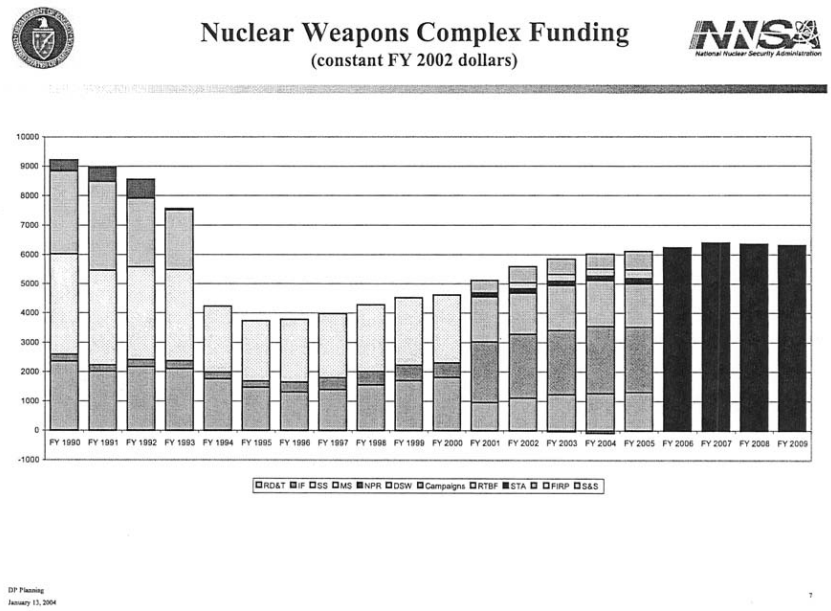
To achieve these objectives, funds were directed into sustaining the existing U.S. arsenal without reliance on nuclear testing. These actions enhanced research and development (R&D) and deferred all but essential funding for the production complex. This decision unfortunately allowed the key production facilities to fall into disrepair throughout the 1990s.

In 1993, the DOE Non-nuclear Consolidation Environmental Assessment led to the decision to close Mound, Pinellas, and Rocky Flats plants permanently, and safety issues, coupled with escalating costs and no immediate requirement, led to the decision to cease production of plutonium and tritium at Savannah River Site. The 1995 Nuclear Posture Review established administration expectations for DOE, namely, to maintain the existing "Cold-War-optimized" stockpile indefinitely.

The SSP has continued to evolve. By the late 1990s, there was growing recognition within both the DOE and Congress that the nuclear weapons production infrastructure had been neglected at the expense of R&D capabilities and infrastructure. A matter of particular concern was the deferral of facility maintenance. To remedy the latter situation Congress, at the administration's request, authorized and funded the Facilities Infrastructure Recapitalization Program (FIRP) starting in fiscal year 2002. The 2001 Nuclear Posture Review (NPR) established the concept of a New Triad of strategic capabilities to achieve defense policy goals that included a reduced, but still critical role for nuclear weapons. Finally, the Treaty of Moscow established historic reductions on the size of the operationally deployed stockpile by 2012.

Sustaining confidence in safety, security and reliability of the U.S. nuclear deterrent remains the primary focus of the SSP. NNSA is currently committed to maintaining the aging stockpile indefinitely. The principal benefit derived from the investment in science-based stockpile stewardship is that we continue to have confidence in the safety, performance, and reliability of the stockpile although the average age of warheads in the stockpile is beyond 20 years. SSP has provided the tools, capabilities, and improved understanding of the fundamental science of nuclear weapons and enables us to pursue the development of a reliable replacement warhead (RRW). If we are successful, RRW will ensure warhead safety and reliability over the long-term without nuclear testing, and will promote ease of manufacture and certification that will permit a much more responsive nuclear weapons infrastructure.

The figure below provides the funding profile of the weapons program since 1990, in constant fiscal year 2002 dollars. A more detailed description of the current SSP is provided in the attached SSP overview. This overview is currently being updated.

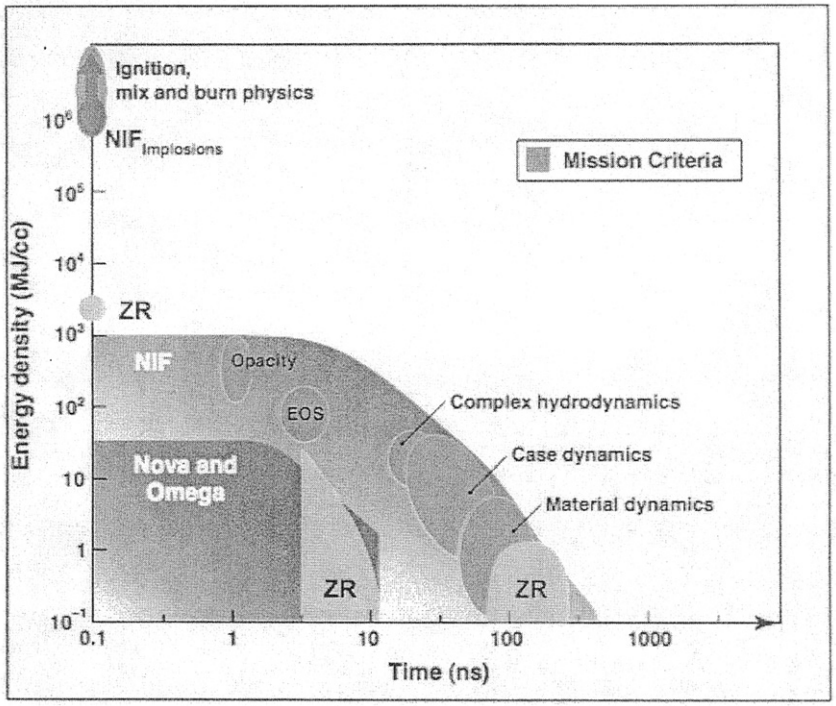


II. . . . where you feel we are today between startup and . . . can repose 99 percent confidence that it will ascertain those facts essential to determine the viability and the safety of our inventory of weapons.

The U.S. is undergoing a fundamental shift in national security strategy to address the realities of strategic deterrence in the 21st century. In accordance the NPR, the U.S. will, in an uncertain world, continue to rely on nuclear weapons as a key element of national security. At the same time, increased reliance will be placed on the ability to respond rapidly to technical problems uncovered in the stockpile, or to new or emerging threats, rather than relying solely on Reserve warheads in the nuclear stockpile to provide this "hedge." The President has directed DOD and NNSA to initiate actions toward that goal. NNSA recently described its approach for doing so in its "Defense Programs Strategic Vision for 2030" (enclosed).

To answer the specific question posed, the NNSA has high confidence in the safety and reliability of the stockpile today. Because of the SSP, we now have a more detailed understanding of the physics and chemistry of nuclear weapons and their operation. Indeed, we believe our confidence in the past, when we relied more on nuclear testing, may have been overestimated. The issue facing NNSA and the Nation is whether high confidence can be sustained at an affordable cost into the indefinite future.

The essential value of the SSP is manifested in the Annual Assessment process that culminates in the annual certification of the nuclear weapons stockpile. For each of the last 9 years, the weapons program directors at the NNSA laboratories have provided an assessment of the safety and reliability of the U.S. nuclear weapons stockpile. This confidence in the safety, reliability and performance of the nuclear weapons stockpile is based on historical nuclear testing data and is increasingly bolstered and enhanced by new information generated and assessed through the SSP. Advanced Simulation and Computing (ASC) has provided the simulation capabilities and the massive computational resources necessary to support certification and assessment. Currently ASC has an arsenal of codes to address the behavior of weapon systems. Although the advancements in computing strength and simulation capabilities have been impressive, simulations must be verified and validated. This is achieved through experimental facilities. The SSP is providing these tools that measure performance against mission, criteria. The figure below illustrates performance criteria overlaying the energy regimes that the various experimental facilities are capable of achieving.



Despite no underground nuclear testing, the SSP has allowed us to gain new insight and understanding of nuclear weapons behavior. The SSP provides support activities needed to sustain the confidence and maintain a credible deterrent: stockpile maintenance (including component replacements and refurbishments), surveillance, assessment and certification, computing and simulation, design and manufacturing, pit production, tritium production, and facility and infrastructure investments. The years of experience with SSP and with the knowledge acquired and assimilated from the simulation and experimental tools has led us to understand that small changes over the extended lifetimes of the current stockpile will likely result in increasing uncertainty in their long-term certification. Our strategy is evolving from "certify what we build" to "build what we can certify," the basis for the Reliable Replacement Warhead (RRW). If successful, the RRW will be more easily manufactured and certified than the current stockpile.

The SSP has been vital to both sustaining the existing nuclear weapons stockpile and enabling the development of the RRW. With SSP's emphasis on warhead performance margins, and quantification of uncertainties in those margins, we have achieved a much better characterization of the degree to which warheads in the current stockpile are impacted by the small changes that inevitably occur in warhead remanufacture. All three NNSA weapon design laboratories have endorsed this approach.

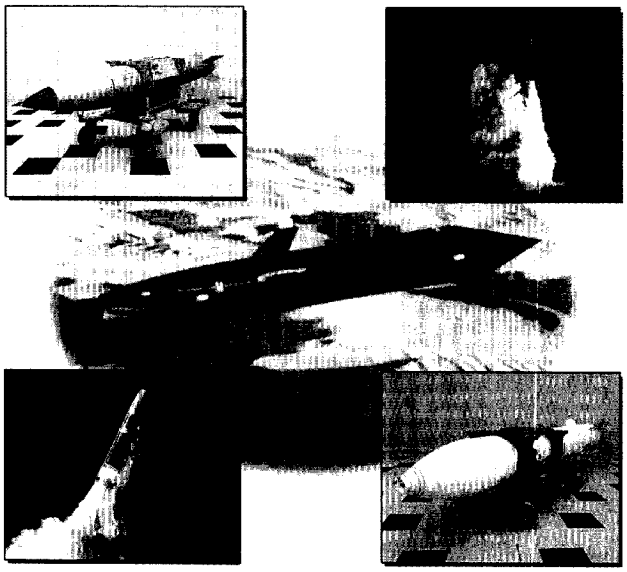
III. What are the means the foreign nuclear powers employ to maintain the safety, security, and reliability of their nuclear weapons stockpiles?

To the best of our knowledge, the other declared nuclear weapons states' approaches to stockpile stewardship are not dissimilar to our own. We believe all of the foreign programs have ongoing surveillance activities, and several of these countries have adopted a philosophy of continuous replacement of proven designs before their end of life.

DOE/NA-0011

Defense Programs

STRATEGIC VISION FOR 2030

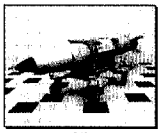


February 2005

National Nuclear Security Administration
Office of the Deputy Administrator for Defense Programs

UNITED STATES NUCLEAR WEAPONS STOCKPILE

Bomb	Description	Carrier	Laboratories	Mission	Military Service
B61-3/4/10	Bomb	F-15 & F-16	Los Alamos/ Sandia	Air to Surface	Air Force
B61-7	Bomb	B-52 & B-2	Los Alamos/ Sandia	Air to Surface	Air Force
B61-11	Bomb	B-2	Los Alamos/ Sandia	Air to Surface	Air Force



B61

W62/W78

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W62	ICBM Warhead	Minuteman III ICBM	Lawrence Livermore/ Sandia	Surface to Surface	Air Force
W78	ICBM Warhead	Minuteman III ICBM	Los Alamos/ Sandia	Surface to Surface	Air Force

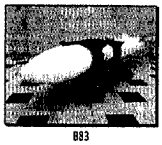
Warhead	Description	Carrier	Laboratories	Mission	Military Service
W76	SLBM Warhead	C4 & D5 Missiles, Trident Submarines	Los Alamos/ Sandia	Underwater to Surface	Navy
W88	SLBM Warhead	D5 Missile, Trident Submarines	Los Alamos/ Sandia	Underwater to Surface	Navy

W76/W88

W87

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W87	ICBM Warhead	Peacekeeper ICBM	Lawrence Livermore/ Sandia	Surface to Surface	Air Force

Bomb	Description	Carrier	Laboratories	Mission	Military Service
B83	Bomb	B-52 & B-2	Lawrence Livermore/ Sandia	Air to Surface	Air Force



B83

W80

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W80-0	TLAM/N	Attack Submarine	Los Alamos/ Sandia	Underwater to Surface	Navy
W80-1	ALCM/ACM	B-52	Los Alamos/ Sandia	Air to Surface	Air Force

The Inactive Nuclear Weapons Stockpile also includes the W84, designed by Lawrence Livermore and Sandia National Laboratories.

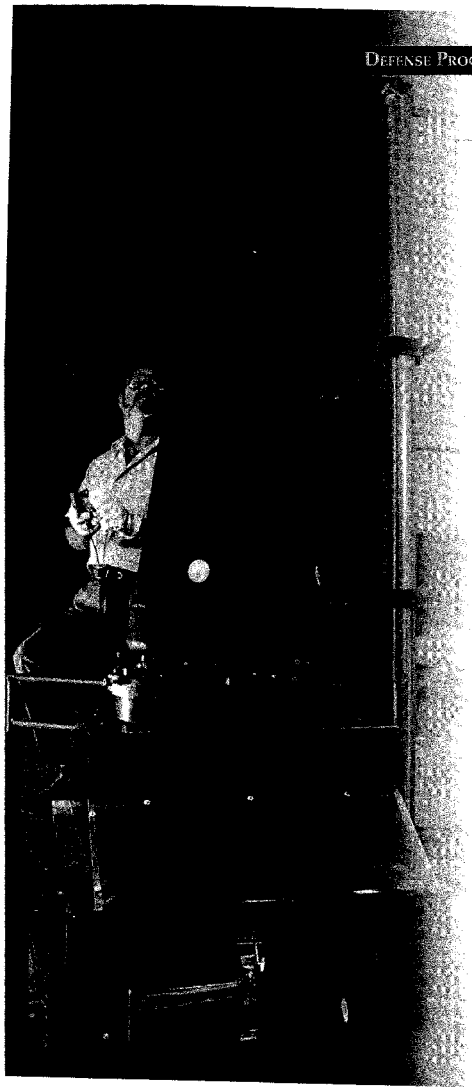


Table of Contents

Introduction from Dr. Beckner	iii
Defense Programs Strategic Vision for 2030	1
Defense Programs Vision	1
Fundamental Assumptions	2
Ancillary Assumptions	2
Overarching Constraint	3
Transforming the Nuclear Weapons Complex	11
Transforming the Stockpile	12
Risks	12
Planning Principles for the 2030 Stockpile and Associated Infrastructure	13
Acronyms	17

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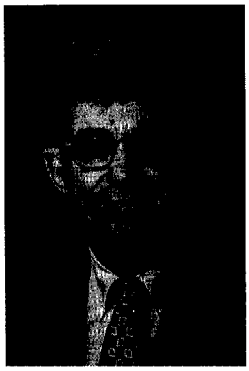
INTRODUCTION FROM DR. BECKNER



Dr. Everet H. Beckner
Deputy Administrator for Defense Programs

The U.S. nuclear weapons enterprise must rapidly evolve to a more sustainable path. The National Nuclear Security Administration, in concert with the Department of Defense, must move away from a Cold War deterrence strategy and develop a new way of supporting the national security requirements which require a fully credible nuclear deterrent against all future threats, but within a constrained resource envelope.

The U.S. is undergoing a fundamental shift in national security strategy to address the realities of the 21st century and, in accordance with the Nuclear Posture Review, is placing more reliance on conventional capabilities to assure our allies, dissuade competitors, deter aggressors, and defeat our enemies. Nonetheless, the Nation will continue to rely on nuclear weapons as a critical part of the strategy to achieve that goal and, in an uncertain world, will place an increased reliance on the ability to rapidly develop and field a response to emerging threats rather than relying solely on operationally ready nuclear weapons. The President has directed us to initiate actions toward that goal.

Reexamination of the physical security requirements for nuclear weapon facilities dictates an increase in resources devoted to addressing potential threats. Also, the threat clearly includes malevolent acts using one of our weapons as well as that posed by primitive weapons deployed by rogue nations or sub-national groups. Surety improvements within the weapons can help reduce the threat of malevolent acts, and implementing those changes is an important stockpile transformation parameter.

At the same time, in keeping with the reduced role of nuclear weapons in achieving our national security goals, the Nation is expecting a reduction in the cost of the nuclear enterprise and a return on the decade of investments in the Science-Based Stockpile Stewardship Program. Both Congress and the Administration have sent clear messages of this expectation and the nuclear weapons enterprise must respond. At the current budget levels, the enterprise has very little headroom to develop the important, new responsive capabilities.

Defense Programs (DP) must choose a path between two extremes: optimizing a strategy that sustains the existing stockpile and enterprise but does not address potential new threats, or, focusing on preparing for a broad array of potential new threats. Choosing one extreme or the other is clearly unwise, and DP will continue to work with the Department of Defense and Congress to arrive at the

proper nuclear weapon capability for the future, both in terms of the stockpile and the capabilities of the nuclear weapons complex. We must identify and execute strategies that optimize cost versus acceptable risk while transforming the stockpile and the supporting enterprise to better address nuclear deterrent requirements within available resources. I am committed to working with the Department of Defense and Congress to pursue these strategies and meet our obligations to the Nation.

Everet H. Beckner
Deputy Administrator for Defense Programs

DEFENSE PROGRAMS STRATEGIC VISION FOR 2030

Over the past two years, the National Nuclear Security Administration's (NNSA) Office of Defense Programs (DP) has been developing a vision for the future nuclear weapons stockpile and its supporting NNSA infrastructure. This vision was derived from a number of sources, including the 2001 Nuclear Posture Review, discussions at the 2003 Stockpile Stewardship Conference held at U.S. STRATCOM, the Strategic Capabilities Assessment (SCA) and Administration guidance on the implementation of the Treaty of Moscow. The result was the issuance of the ***DP Strategic Vision*** in May 2004. That document was a vehicle to engage a wider community of senior managers within the Nuclear Weapons Complex (NWC) to further refine this vision into a tool that can guide decisions on future investments in the NWC. To this end, Strategic Management Retreats were held on September 13-14, 2004, and again on November 9, 2004, and the tasking coming out of those retreats was to take the ideas and discussions raised there and incorporate them into an updated vision, or planning scenario, that can be used to guide future DP plans. This document defines the future state to be used for planning purposes.

The May 2004 DP Strategic Vision.

Test being run with a W80 System Tester that will be used at the Pantex Plant.

DEFENSE PROGRAMS VISION

As stated in the current FY 2006 Defense Programs Planning Guidance, the DP Vision is:

> "Provide the Nation with an integrated nuclear security enterprise, consisting of research, development, engineering, test, transportation, and production facilities that operate a responsive, efficient, secure, and safe NNSA capability and that is recognized as preeminent in personnel, technical leadership, planning, and program management."

To accomplish this vision, the DP Strategic Vision for 2030 is built around a small number of fundamental assumptions that, once validated, logically drive the complex to a particular future state. These assumptions are:

A B61-4 trainer using an aircraft monitor and control package that simulates the electronic control system of several types of military aircraft.

FUNDAMENTAL ASSUMPTIONS

1. The U.S. is a nuclear weapons state, second to none.

2. U.S. nuclear weapons capabilities will support the Nation's defense policy goals to assure allies, deter aggressors, dissuade competitors, and defeat enemies.

3. Safety and security of the stockpile is of paramount importance, and is a primary NNSA responsibility.

ANCILLARY ASSUMPTIONS

4. Well before 2030, the adequacy and sustainability of Science-Based Stockpile Stewardship will have been accepted by the U.S. government and the science community as a working strategy to provide assurance of the safety and reliability of the weapons in the stockpile.

5. The stockpile will be maintained and transformed consistent with DoD requirements without requiring underground nuclear testing. However, NNSA will maintain a state of readiness in case testing becomes necessary in the future.

6. Based on the DoD Transformation study, the future stockpile will likely contain some replacements for today's weapons and/or the Life Extension Program (LEP) weapons. The future Responsive Infrastructure and the concept of Reliable Replacement Warheads (RRWs) will make available weapons with improved safety, security, reliability and performance margins.

7. The U.S. weapons program will continue to have sufficient quantities of plutonium and highly enriched uranium for its needs. The U.S. will produce and process tritium as required to meet program needs.

8. Consistent with DoD requirements and to offset the risk implicit in reducing the U.S. nuclear stockpile significantly below current levels, a Responsive Infrastructure strategy will be implemented, as noted in Assumption 6 above.

9. NNSA will have responsibility for environmental restoration for those sites where it has continuing operations, as well as responsibility for any newly generated waste. The NNSA Office of Infrastructure and the Environment will be responsible for managing legacy waste and restoration activities at NNSA sites. DP is responsible for management of newly generated waste at its sites.

OVERARCHING CONSTRAINT

The final assumption is also the over-arching constraint on the 2030 vision:

10. For purposes of planning, the budget for weapon activities will be assumed to remain level through completion of LEPs and the re-engineering of the complex. Beyond those events, the budget will likely decline. Should budgets decline sooner, LEPs will be protected at the expense of schedule, scope, or increased risk, if necessary.

These assumptions will be used to define the magnitude and characteristics of the 2030 stockpile and the supporting NWC infrastructure.

These assumptions have a cascading set of implications that are developed below.

FUNDAMENTAL ASSUMPTION:

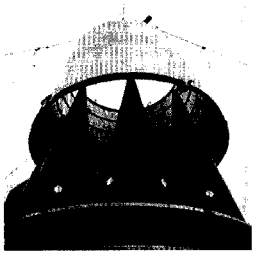
1. The U.S. is a nuclear weapons state, second to none.

This fundamental assumption underpins all our plans for the future. This assumption states that, in 2030, the U.S. has a nuclear weapons stockpile and Department of Defense (DoD) delivery systems sufficient to support National policies and strategies. The existence of a stockpile implies the U.S. has a Research, Development, and Testing (RD&T) capability to support this stockpile as well as a production, transportation, and maintenance capability. This fundamental assumption, by itself, does not dictate a stockpile of any particular size or composition, nor the size and capabilities of the NWC infrastructure, only that they ***must*** exist.

FUNDAMENTAL ASSUMPTION:

2. U.S. nuclear weapons capabilities will support the Nation's defense policy goals to assure allies, deter aggressors, dissuade competitors, and defeat enemies.

This assumption is codified in the 2001 Nuclear Posture Review as it applies to NNSA and, through additional actions by the President, provides for sizing of the U.S. nuclear weapons stockpile and, ultimately, the DP laboratory and plant infrastructure.



W87 Peacekeeper warheads.

Predicting twenty-five years into the future is filled with uncertainty. It is unlikely that anyone twenty-five years ago would have predicted the current geopolitical environment. It is conceivable in the future that one or more nuclear weapon states will try to challenge U.S. leadership in various arenas. Against this possibility the most conservative approach to sizing the stockpile of 2030 requires that the U.S. be able to rapidly respond to a near-peer adversary, or some combination of adversaries. The magnitude of potential threats and the pace of our production capability largely specify the size of the operationally-ready U.S. stockpile. For the U.S. to deter or dissuade all potential nuclear enemies, the total U.S. stockpile will probably remain in the range of a few thousand (vice significantly less than 1,000 weapons). The NWC (production and R&D) must be sized and maintained to support this stockpile.

FUNDAMENTAL ASSUMPTION:

3. Safety and security of the stockpile is of paramount importance, and is a primary NNSA responsibility.

The NNSA must begin an evolutionary transformation of the stockpile to incorporate improved security and safety. Much of the Cold War-optimized stockpile will become increasingly unsuited to meet the safety and security challenges of the coming decades.

The current nuclear weapons stockpile was designed and manufactured primarily in the 1970 –1990 timeframe and optimized to parameters consistent with the Cold War constraints and objectives. While built to the safety and security standards of the era, those standards have, and will continue to evolve in the face of new threats, new capabilities, and the recognition that some of the previous design constraints can be relaxed. For example, the need to maximize the yield to weight ratio on some weapons led to the decision to retain conventional high explosive (CHE) in some designs even though insensitive high explosives (IHE) were coming into general use in other designs. The intrinsic safety improvements that IHE provides argues strongly for upgrading the CHE systems, particularly in light of the fact that the weight and volume constraints that led to selection of CHE in the first place may no longer be as applicable. Fire-resistant pits

Sandia National Laboratories employees involved in designing and building testers that will be used at the new Weapons Evaluation Test Lab at the Pantex Plant.

A Federal Officer training with a firearm.

are another technology that has been only partially deployed into the current stockpile but could offer additional safety margins in some accident scenarios.

U.S. weapons must be secure against a recognized credible threat that has changed radically, particularly since September 11, 2001. Some have postulated that the greatest nuclear threat to the American public may be a malevolent act using stolen weapons. The NNSA has been developing surety technologies for several decades and it may now be possible to field weapons that are intrinsically secure, i.e. weapons designed such that even if we lost physical control of a warhead, a technologically sophisticated adversary could not use it immediately against us. These technologies can be made available and we must press forward with the development efforts needed to deploy them.

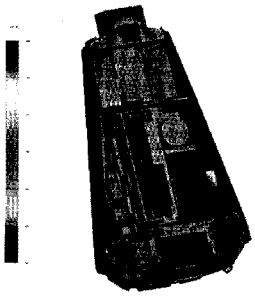
Changing the characteristics of the stockpile will take a long time, and may not be complete by 2030. Nonetheless, the NNSA would be remiss in its responsibilities if it were not implementing a plan to bring the stockpile up to the next level of safety and security standards. In order to do so, the NNSA and DoD may need to reexamine the required military characteristics for the deployed stockpile. Because of the need to support on-going work, including dismantling thousands of Cold War-era weapons, and other constraints delineated below, the NNSA, with DoD, will probably not be able to start significant transformation of the current stockpile until around 2015.

The following assumptions do not help define a specific future state but do help define the environment in which the transformation will occur.

ANCILLARY ASSUMPTION:

4. **Well before 2030, the adequacy and sustainability of Science-Based Stockpile Stewardship will have been accepted by the U.S. government and the science community as a working strategy to provide assurance of the safety and reliability of the weapons in the stockpile.**

Science-Based Stockpile Stewardship has been underway for almost a decade now, and has enjoyed many successes. Many of the tools and capabilities planned for development are either now online or will be within the next decade. Current capabilities include the ability to conduct sub-critical experiments at Nevada Test Site (NTS), a high-performance plutonium gas gun (JASPER), the first arm of the Dual Axis Radiographic Hydrodynamic Test (DARHT) facility, initial experimental capabilities at NIF, and access to 100 TeraOp computing platforms. The plan is

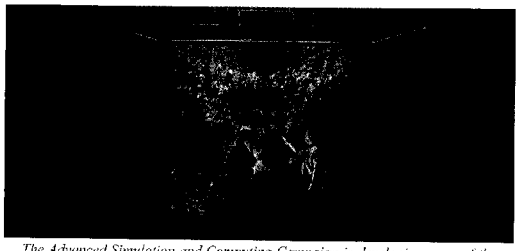


Computer simulations provide vital information about the design of nuclear weapon systems.

underway to develop fusion ignition at NIF to provide nuclear burn for validation of weapons simulations. Within the next decade, the program should be increasingly able to provide definitive answers to current stockpile issues, including the life expectancy of plutonium components and the impact of process changes on dynamic material properties. It will also provide the capability to model the effects of engineering changes in 3-D weapon codes to support certification and assessment. However, success is not assured since it requires fusion ignition and high fidelity computer simulations that have never been achieved.

Quantification of Margins and Uncertainties (QMU) is a science-based methodology that has been developed at the NNSA weapons laboratories as a way to determine the sensitivity of particular designs to various physical parameters, including manufacturing variations and maintenance intervals. The overarching goal is that QMU, together with other Science-Based stockpile stewardship capabilities, will be sufficient to maintain the U.S. nuclear deterrent into the indefinite future. As QMU matures, it enhances the possibility of analytically evaluating design changes and quantifying the impact. QMU, in conjunction with other stockpile stewardship tools, will allow the NNSA weapons laboratories to confidently design and produce new weapons that are intrinsically safer and more secure without the need to return to underground nuclear testing.

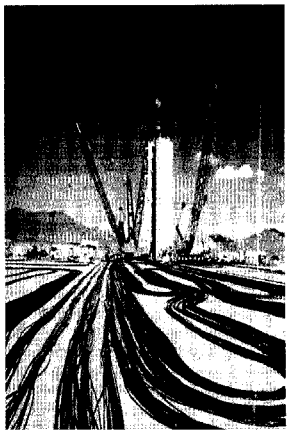
As the stockpile stewardship tools are completed and brought into operational use, program investments are expected to shift from RD&T to production and support activities. Maintenance of an RD&T capability will always be required, but the magnitude of the investment as a percentage of the total program should decrease. Another possible implication of the successful implementation of Science-Based stockpile stewardship is that by 2030, the nuclear test readiness posture that needs to be maintained for technical reasons could be relaxed, if political imperatives are also reduced.



The Advanced Simulation and Computing Campaign is developing some of the world's largest high-end computers, needed to satisfy the unique simulation requirements of the Stockpile Stewardship Program.

ANCILLARY ASSUMPTION:

5. **The stockpile will be maintained and transformed consistent with DoD requirements without requiring underground nuclear testing. However, NNSA will maintain a state of readiness in case testing becomes necessary in the future.**



The Test Readiness Program maintains the assets and capabilities needed to conduct an underground nuclear test.

As discussed in the preceding section, successful implementation of QMU may enable the U.S. to maintain and transform the stockpile without resorting to underground nuclear testing. As safety and security improvements are introduced into the stockpile, designs that minimize or avoid the need for underground nuclear testing will be given priority. At the 2003 Stockpile Stewardship Conference, the Risk Panel explored the utility of returning to testing and concluded that testing could be a useful adjunct to the Stockpile Stewardship Program, but there was no compelling reason to return to testing at that time. Further, as QMU and Stockpile Stewardship continue to mature, it will become increasingly less likely that testing will be required for technical reasons. Nevertheless, the Panel could not guarantee that a stockpile issue requiring testing for resolution will not arise, and, hence, maintaining a test readiness posture is a prudent precaution.

ANCILLARY ASSUMPTION:

6. **Based on the DoD Transformation study, the future stockpile will likely contain some replacements for today's weapons and/or the LEP weapons. The future Responsive Infrastructure and the concept of RRWs will make available weapons with improved safety, security, reliability and performance margins.**

The transformation of the nuclear arsenal will occur over an extended period of time, and may not be complete by 2030. Indeed, it may never be complete, as safety and security criteria continue to evolve. There will always be a mix of weapons in the stockpile, and by 2030 we should be in a mode of continuously changing out the very oldest weapons with weapons that have improved safety and security features (Assumption 3) incorporated into them. Maintaining a "warm" production with a relatively low annual throughput, but with the capability to "surge" if necessary, will be a key aspect of the NNSA's Responsive

Infrastructure strategy discussed later. A key driver for the transformation of the stockpile will be to improve safety, security, and reliability. At the same time, if requested by DoD and authorized by Congress, the NWC will be able to design and field weapons with new capabilities. The RRW program is to demonstrate the feasibility of developing reliable replacement components that are producable and certifiable for the existing stockpile. The RRW program will help focus NNSA's transformation to a Responsive Infrastructure.

ANCILLARY ASSUMPTION:

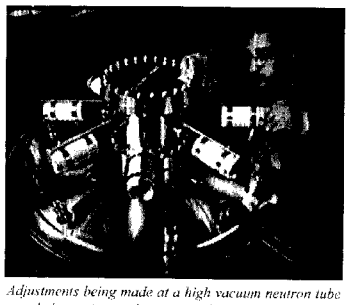
7. **The U.S. weapons program will continue to have sufficient quantities of plutonium and highly enriched uranium (HEU) for its needs. The U.S. will produce and process tritium as required to meet program needs.**

The current U.S. stockpile was designed in an era when plutonium and HEU were in limited supply. These limitations, together with the need to optimize the designs around yield to weight ratio, were major design constraints. Those optimizations, and the extent to which they pervade the full-scale test databases, are now the source of many of the uncertainties and concerns with maintaining the current and future stockpile. A future stockpile significantly smaller than Cold War levels means that for the foreseeable future the U.S. will not need to produce new plutonium or HEU. Our tritium production strategy using Tennessee Valley Authority reactors allows surge production if needed.

ANCILLARY ASSUMPTION:

8. **Consistent with DoD requirements to offset the risk implicit in reducing the U.S. nuclear stockpile significantly below current levels, a Responsive Infrastructure strategy will be implemented, as noted in Assumption 6.**

The 2001 Nuclear Posture Review has articulated goals for a "responsive nuclear weapons complex" that will provide an appropriate balance between research and development (R&D) and production capabilities to be able to meet a range of future eventualities. The weapons complex still needs substantial change in order to fulfill its role in a "Responsive Infrastructure" that can both support an aging and evolving stockpile and also provide an agile response to unforeseen developments and/or potential new requirements for nuclear warheads.



Adjustments being made at a high vacuum neutron tube bake station at the neutron generator facility.

"Responsive" refers to the ability of the nuclear weapons enterprise to anticipate stockpile surprises or innovations by an adversary and to counter them before our deterrent is degraded. These program activities are required while continuing to carry out

Figure 1 - Responsive Infrastructure Goals

CAPABILITY	Response Time * (months)	
Augment Stockpile	1	Resolve Any Issue < 3 Yrs
Resolve Stockpile Issues	12	
Adapt Existing Weapons	18	
Develop New Weapons	36	
Perform Safe Underground Test	18	

the day-to-day activities in support of the stockpile. Unanticipated events could include catastrophic failure of a deployed warhead type. Emerging threats could call for new warhead development or support to DoD in force augmentation.

A key measure of "responsiveness" is how long it would take to complete certain activities to address stockpile "surprise" or deal with new or emerging threats (see Figure 1). Properly implemented, a Responsive Infrastructure strategy will reduce the overall costs of the nuclear weapons complex. DP will implement a Responsive Infrastructure strategy as a series of projects and initiatives, each with the goal of reducing RD&T and production costs and significantly reducing the timeframe to design and field new capabilities.

ANCILLARY ASSUMPTION:

9. **NNSA will have responsibility for environmental restoration for those sites where it has continuing operations, as well as responsibility for any newly generated waste. The NNSA Office of Infrastructure and the Environment will be responsible for managing the legacy waste and restoration activities at NNSA sites. DP is responsible for management of newly generated waste at its sites.**

NNSA will assume responsibility for environmental restoration of its sites beginning in FY 2006. The environmental restoration activities include legacy waste treatment, storage, and disposal and environmental remediation for sites where NNSA will have continuing operations, as well as newly generated waste at the Lawrence Livermore National Laboratory and the Y-12 National Security Complex. Responsibility for newly generated waste at other NNSA sites was transferred by prior agreements. Additionally, the realignment includes the waste disposal facilities at the Nevada Test Site. Excess contaminated facilities will be scheduled for demolition, and will be subject to continued surveillance and maintenance to minimize environmental risk. As environmental restoration completes, long-term stewardship will be managed by NNSA. Within the NNSA,

responsibility for environmental restoration and newly generated waste resides with the Associate Administrator for Infrastructure and the Environment.

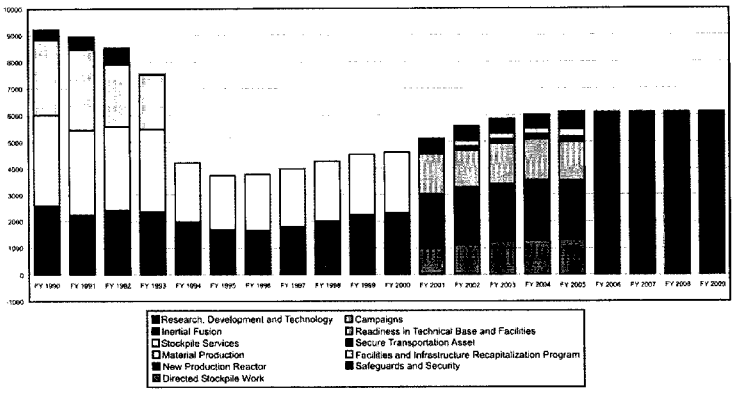
BUDGET PROJECTIONS ESTABLISHES BOUNDARIES ON THE 2030 VISION:

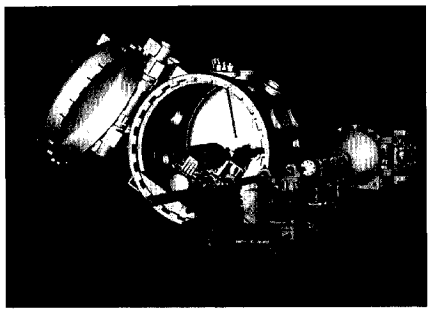
10. For planning purposes, we assume the budget for nuclear weapon activities will remain level through completion of LEPs and re-engineering of the complex. Beyond those events the budget should decline.

For the past several years, the nuclear weapons budget has grown, but in the future is expected to at best remain relatively constant when adjusted for inflation (Figure 2). In defining a vision for 2030, the assumption that the budget will remain relatively flat will be the key constraint. Building on the first three fundamental assumptions, this assumption will drive the pace at which we can transform both the complex and the 2030 stockpile.

Under the assumption of a constant budget, a number of implications arise. First and foremost, pressure to improve security at nuclear weapon complex sites will increase the need for the NWC to become smaller, more productive, and efficient. If we are to identify funds for transformation of the NWC as well as to fully support the stockpile, DP must begin to develop strategies for productivity gains now.

Figure 2 - Nuclear Weapons Complex Funding
(Constant FY 2002 dollars)





The Joint Actinide Shock Physics Experimental Research facility at the Nevada Test Site is home to the two-stage gas gun, a 30-meter-long, two-stage device to strengthen scientists' ability to ensure that the Nation's nuclear stockpile is safe and reliable.

TRANSFORMING THE NUCLEAR WEAPONS COMPLEX

The NWC must evolve into a more sustainable complex. Several factors will drive the complex in this direction, with security costs likely to be the most significant. Currently, the NWC consists of three national laboratories (two with production missions), four production facilities, and the Nevada Test Site (NTS). The philosophy to date has been to downsize in place. This philosophy requires maintaining eight guard forces, multiple security areas, and significant level of secure transportation to move parts, material, and weapon components between sites. Without significant budget increases, this approach is probably not sustainable in the long term.

In the near-term, consolidating Manufacturing and Operating (M&O) contracts may provide improved efficiencies and, hence, savings by implementation of standardized accounting, human resources, information technology, and procurement activities, as well as allowing increased flexibility to shift personnel between sites, to address short-term issues.

Another area with the potential of near-term savings within the NWC is the elimination of duplicate capabilities. For example, high explosives research is conducted at the Los Alamos National Laboratory, Lawrence Livermore National Laboratory, and NTS. Similarly, hydrotesting is performed at multiple locations. All three weapon laboratories have significant computing capabilities, even though secure computing at remote locations has been demonstrated and is in use. An alternative near-term strategy may be to designate centers of excellence. For instance, centers of excellence could be designated for: hydrotesting, computing, high-energy density physics, high-explosive manufacturing, plutonium R&D, and non-nuclear design and manufacturing, among others.

Reducing the number of sites that DP operates would obviously reduce security costs. In the long-term, the ability of the NNSA to accomplish its mission within a fixed budget may require closing sites and/or consolidating activities. Where possible, non-nuclear manufacturing or material supply chains will be outsourced. Consolidation of the NWC will have to be managed very carefully, because the Complex will have to continue to operate throughout this consolidation in order to meet the immediate needs of the stockpile. The nature and recommendations for the consolidation of the NWC will be developed in a study that the Secretary of Energy has directed for completion in FY 2005.

If we can consolidate activities into fewer sites and smaller footprints, security risks, as an example, can be reduced leading to lower costs and improved security. Carefully choosing a consolidation path that leads to reduced risks and costs can substantially add efficiencies. Each site will likely be affected and an integrated, enterprise approach must be pursued to achieve maximum cost savings.

TRANSFORMING THE STOCKPILE

The other way that the NNSA can free up the funds needed to transform to a safer, more secure stockpile is by ensuring that future nuclear weapons will be designed with life-cycle cost as a major design criterion, after safety and security. The design will enable reduced total life-cycle costs, including the cost to manufacture the weapon, the cost to maintain the weapon by both DoD and NNSA, and, the cost to dismantle the weapon. Assuming a total U.S. stockpile of thousands of weapons (Assumption 2), the 2030 NWC should have the capability to produce on the order of 100 weapons per year. This is in addition to refurbishment, dismantlements, and surveillance.

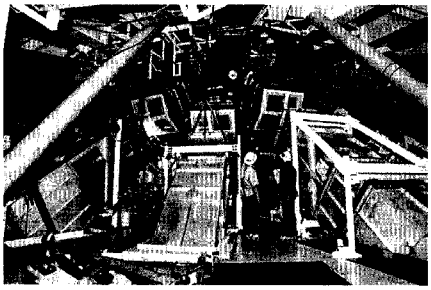
The ability of the weapons design community to assess and implement design enabling changes such as IHE and the elimination of hazardous, difficult to process materials now designed into weapons will be an important aspect of improving safety, security, and cost effectiveness. The security aspects alone warrant these changes.

By 2030, there may be fewer warhead types than are currently present in the stockpile. Any required future weapons will, to the extent practical, be built around a limited number of modular components including standardized new pit and secondary designs. The concept is to have a few pre-qualified designs of each functional subsystem to be used in future warheads designs, i.e., a couple of pit designs, secondary designs, gas transfer systems, and firesets incorporating advanced use-control and safety features. Robust manufacturing and performance margins can be incorporated into these subsystems. Ease of manufacturing, inherent safety and use control, designed-in longevity, and certification without underground nuclear testing will be major design goals for these future systems. Development of the RRW in concert with implementation of Responsive Infrastructure will start the NWC moving in this direction.

RISKS

Funding: The transformation of the Complex to a smaller, more cost-effective size will require redirection of fiscal resources. Budget cuts may result in insufficient funds to accomplish the end goal.

Deterrent Requirements: The approach envisioned by this document may not meet DoD deterrence needs. As the Complex is in the midst of its transformation, the international environment could rapidly turn for the worse which would dictate the reestablishment of a larger nuclear deterrent than would be possible to achieve.



The National Ignition Facility, with its laser beamlines focused on a tiny target, is the world's largest laser project. Scientific experiments are underway.

Leadership: Several decisions must be made almost immediately to realize substantial cost savings. Failure to make these decisions or delaying these decisions will be, in effect, decisions to continue the status quo and the opportunities for the savings will be lost.

Skills: The creation of "gaps" in design and production timing, while enabling a transformation of the Complex infrastructure might not provide sufficient work to maintain the skill sets of nuclear weapons designers and manufacturers. This would cause morale to decline and a possible loss of critical expertise.

Capabilities: Unless carefully planned and executed, Complex capabilities could be eliminated before sufficient assets (e.g., piece parts) are in place to "carry the weapons program" through to the time new capabilities are on line (such as the situation that occurred when Mound, Pinellas, and Rocky Flats were closed).

PLANNING PRINCIPLES FOR THE 2030 STOCKPILE AND ASSOCIATED INFRASTRUCTURE:

The following summarize the implications developed above:

- The U.S. will maintain an RD&T and production infrastructure in support of a nuclear stockpile that totals a few thousand weapons of various types.
- If required by the DoD and authorized by Congress, the capability to incorporate special features for special targets will be included in specific warheads to address emerging threats.
- The NWC will have the capability to produce all nuclear components.
- To hold down costs while significantly improving safety and security of the stockpile, beginning around the 2015 timeframe, some characteristics of the weapons in the stockpile will begin to be transformed in comparison to the current stockpile (improved manufacturability).
- Modified warheads will include new technologies designed for security, manufacturability, ease of maintenance, increased performance margins, increased safety and use-control, improved longevity, and will minimize the use of difficult to handle materials and processes that threaten the environment.

- Environmental, safety, and health regulations will continue to be stringent, but manageable.

- The workforce will be highly trained, flexible, mobile, and smaller, consisting of federal and contractor employees whose mix may change rapidly.

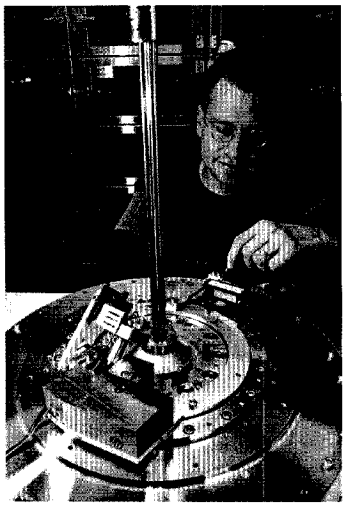
To achieve these characteristics of the long-term stockpile, the following will be a necessary but, perhaps, not sufficient set of achievements:

- The planned Life Extension Programs for the W76, W80, and B61 will be completed, though probably at lower numbers of refurbished weapons than originally envisioned.

- The Inertial Confinement Fusion and High Yield Campaign and the Science Campaign will obtain the data and understanding needed to certify modified and new warheads.

- The NNSA will develop and institute a Responsive Infrastructure strategy to provide rapid deployment of modified or new warheads to meet emerging threats.

- The backlog of weapons to be dismantled and disposed will be worked off, and excess and enduring nuclear materials will be stored safely.



A Sandia National Laboratories researcher demonstrates the setup he and his team created to peer into the center of Sandia's Z machine at the moment of firing. The crystal under his finger is attached to portions of a Z target configuration.

- Surveillance of the stockpile will be thoroughly planned and executed, with the results analyzed to ensure safety, security, and reliability.

- If required by DoD and authorized by Congress, advanced concepts will be developed and fielded for future application.

- Development, certification, and production tools will be established to realize desired stockpile attributes.

- Certification capabilities, without using nuclear testing, will be established for existing or modified warheads. Large, high-performance computing capabilities will be a critical element of this strategy.

- The Secure Transportation Asset fleet and agent force will be properly sized to meet mission requirements and will be responsive to the dynamic requirements of the NWC.

- The NWC will seek to measurably improve efficiency by installing modern business practices and designing easy-to-manufacture weapon components.

- In time, on a complex-wide basis, activities will be downsized and existing facilities modernized or replaced. Inter- or intra-site consolidation of missions and functions may occur.

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Acronyms

CHE	Conventional High Explosive
DARHT	Dual Axis Radiographic Hydrodynamic Test
DoD	Department of Defense
DP	Defense Programs
HEU	Highly Enriched Uranium
IHE	Insensitive High Explosive
JASPER	Joint Actinide Shock Physics Experimental Research
LEP	Life Extension Program
M&O	Manufacturing and Operating
NIF	National Ignition Facility
NNSA	National Nuclear Security Administration
NTS	Nevada Test Site
NWC	Nuclear Weapons Complex
QMU	Quantification of Margins and Uncertainties
R&D	Research and Development
RD&T	Research, Development, and Testing
RRW	Reliable Replacement Warhead
SCA	Strategic Capabilities Assessment
STRATCOM	United States Strategic Command
U.S.	United States

Prepared by:

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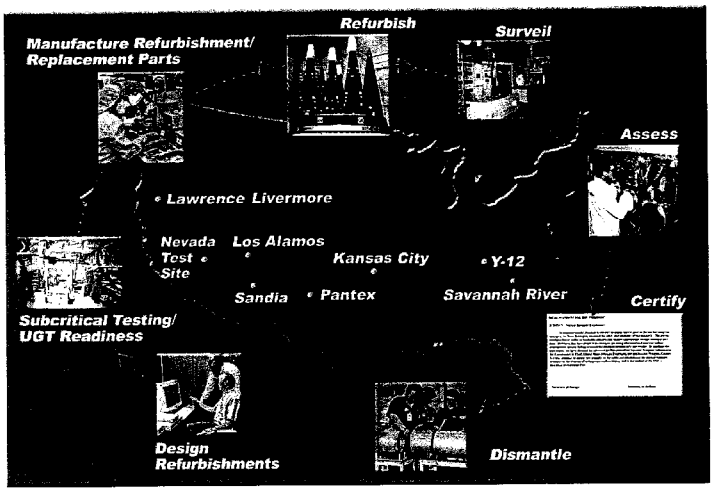
Stockpile Stewardship Program
Overview
Fiscal Year 2003

National Nuclear Security Administration

March 10, 2003

U.S. Department of Energy
National Nuclear Security Administration
Office of the Deputy Administrator for Defense Programs

The Stockpile Stewardship Program



Presidential Statement on Nuclear Deterrence

"My Administration is committed to achieving a credible deterrent with the lowest possible number of nuclear weapons consistent with our national security needs, including our obligations to our allies."

"...As we carry out these reductions, it is vitally important that we continue to ensure the safety, security, and reliability of our Nation's nuclear weapons stockpile."

President George W. Bush
The White House
August 6, 2002

Secretary of Energy's Perspective on National Security Programs

"One of the most sobering and important responsibilities vested in the Secretary of Energy is the duty to certify to the President each year that the U.S. nuclear arsenal is safe, secure, and reliable, and I can assure the members of this Committee that nothing I do will be higher on my priority list than the management of our nuclear stockpile."

Spencer Abraham
Confirmation Hearing before the
Committee on Energy and Natural Resources
United States Senate
Washington, D.C.
January 18, 2001

National Nuclear Security Administration
Administrator's Perspective on Stockpile Stewardship

"The National Nuclear Security Administration and its weapons complex consider the safety, security, and reliability of the nuclear stockpile to be its supreme responsibility. Since the advent of the Stockpile Stewardship Program ten years ago, our scientists and engineers have made significant strides in improving our understanding of nuclear warheads and their performance. The tools and technologies of Stockpile Stewardship have allowed us to replace and reassess components; develop modifications to weapons systems; extend the service life of warheads; and, address many issues in the stockpile, without requiring resumption of nuclear testing."

Ambassador Linton Brooks
Acting Administrator, NNSA
December 2002

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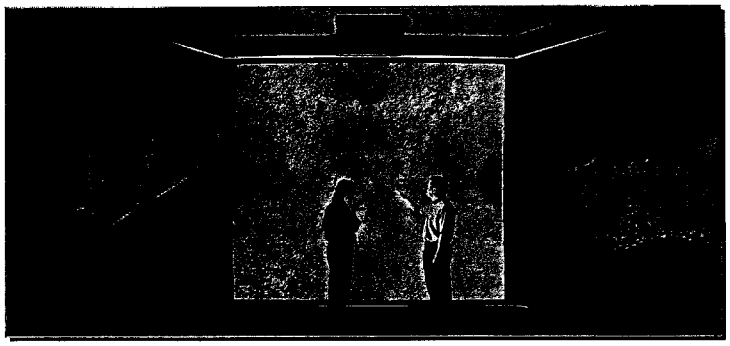


The Advanced Simulation and Computing (ASC) Campaign is developing some of the world's largest high-end computers, needed to satisfy the unique simulation requirements of the Stockpile Stewardship Program.

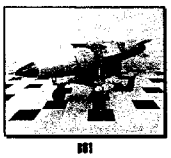
Table of Contents

United States Nuclear Weapons Stockpile vi
Stockpile Stewardship Program Overview vii
Nuclear Weapons Complex x
Stockpile Stewardship Program Overview 1
- Today's National Security Environment 1
- Confidence Under a Nuclear Test Moratorium 1
- The Stockpile Stewardship Program 1
- Stockpile Stewardship Program Requirements 2
- Nuclear Posture Review 2
- Nuclear Weapons Management Process 4
- Stockpile Stewardship Challenges: The Planning Basis 6
- Confidence in the Nuclear Deterrent 9
- Stockpile Stewardship Program Integration 10
- Stockpile Stewardship Program Elements 10
- Stockpile Stewardship Program Functions 11
- Stockpile Maintenance 12
- Surveillance: Predicting and Detecting Problems 13
- Assessment and Certification: Analyzing and Evaluating 14
- Advanced Simulation and Computing 16
- Design and Manufacturing: Refurbishing and Certifying 17
- Pit Production 19
- Restoring Tritium Production 19
- Restoring Facilities and Infrastructure 20
- Restoring Confidence in Project Management 21
- Integrated Safety Management 21
- Integrated Safeguards and Security Management 21
- Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile 22
- Stockpile Stewardship Program Accomplishments 23
- Stockpile Stewardship Program Looking Ahead 24
- Stockpile Stewardship Program FY 2003 Budget 25

Conclusion 25
Acronyms and Abbreviations A-1

United States Nuclear Weapons Stockpile

Bomb	Description	Carrier	Laboratories	Mission	Military Service
B61-3/4/10	Bomb	F-15 & F-16	Los Alamos/ Sandia	Air to Surface	Air Force
B61-7	Bomb	B-52 & B-2	Los Alamos/ Sandia	Air to Surface	Air Force
B61-11	Bomb	B-2	Los Alamos/ Sandia	Air to Surface	Air Force



B61

W62/W78

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W62	ICBM Warhead	Minuteman III ICBM	Lawrence Livermore/ Sandia	Surface to Surface	Air Force
W78	ICBM Warhead	Minuteman III ICBM	Los Alamos/ Sandia	Surface to Surface	Air Force

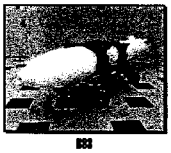
Warhead	Description	Carrier	Laboratories	Mission	Military Service
W76	SLBM Warhead	C4 & D5 Missiles, Trident Submarines	Los Alamos/ Sandia	Underwater to Surface	Navy
W88	SLBM Warhead	D5 Missile, Trident Submarines	Los Alamos/ Sandia	Underwater to Surface	Navy

W76/W88

W87

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W87	ICBM Warhead	Peacekeeper ICBM	Lawrence Livermore/ Sandia	Surface to Surface	Air Force

Bomb	Description	Carrier	Laboratories	Mission	Military Service
B83	Bomb	B-52 & B-2	Lawrence Livermore/ Sandia	Air to Surface	Air Force

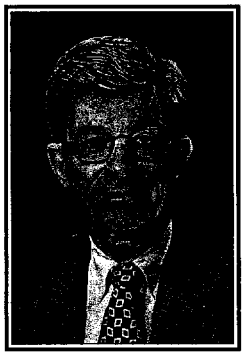


B83

W80

Warhead	Description	Carrier	Laboratories	Mission	Military Service
W80-0	TLAM/N	Attack Submarine	Los Alamos/ Sandia	Underwater to Surface	Navy
W80-1	ALCM/ACM	B-52	Los Alamos/ Sandia	Air to Surface	Air Force

The Inactive Nuclear Weapons Stockpile also includes the W84, designed by Lawrence Livermore and Sandia National Laboratories.



Stockpile Stewardship Program Overview

History underscores the certainty of surprise by our adversaries and our need to respond accordingly. The January 2002 Nuclear Posture Review (NPR) reaffirmed the role of nuclear weapons in the national defense strategy. A nuclear deterrent remains a cornerstone of U.S. national security policy. The NPR, together with the Treaty of Moscow, established the U.S. nuclear force structure for this deterrent. The NPR also validated the deterrence value of maintaining the capability to rapidly respond to emerging threats. Our mission remains clear – within the NNSA, the Office of Defense Programs (DP) is responsible for the maintenance of high confidence in the safety, security, and reliability of the nuclear weapons stockpile.

In 1993, the President and the Congress established the Stockpile Stewardship Program (SSP) to ensure that a credible U.S. nuclear deterrent is maintained. The tenets of this program are sound and have served us well. Each year, for the last six years, the SSP has enabled the Secretaries of Defense and Energy to apprise the President that the safety and reliability of the nuclear weapons stockpile had been successfully maintained and that there is currently no need to resume nuclear testing. The capabilities of the SSP have also enabled us to begin refurbishment actions on several warhead types to extend their service lifetimes.

The SSP is designed to focus the intellectual and physical resources of the NNSA nuclear weapons complex on successfully meeting these critical challenges. To be successful, we must remain committed to the underlying principles of the SSP – the challenge of a critical national mission, the best science, engineering, and production processes required to meet that challenge, the leadership required to successfully apply those resources, and the confidence of the Nation that we are achieving our goals.

Maintaining Nuclear Deterrence is a Critical National Mission. This mission and its challenges are worthy of the enterprise we lead. With the completion of the NPR, the Nation again articulated a clear and consistent policy with respect to the importance of the nuclear deterrent. This policy is backed by a National commitment of resources commensurate with the task, leaving no doubt in the minds of our allies and potential adversaries, as well as the current and future stewards, that the United States will continue to sustain a credible nuclear deterrent as a pillar of our national security. Our adversaries must view the U.S. nuclear weapons stockpile, and the attendant complex, as a credible and capable deterrent against the use of weapons of mass destruction.

Intellectual and Physical Resources. Since its inception, the nuclear weapons enterprise has relied upon the innovation and dedication of a highly motivated and talented workforce, focused on supporting a critical national security initiative. Supporting this mission has been a career of choice for many of the Nation's best and brightest. Excellence is a pervasive attribute of the SSP - we will continue to attract the best and brightest scientists and engineers to this program because of our scientific integrity and commitment to excellence. It is of paramount importance that the nuclear weapons enterprise operate in a safe, secure, efficient, and environmentally sound manner, with procedures in place to protect employees and the general public. We will operate our institutions in accordance with the highest standards of safety, security and performance. To this end, we will continue to modernize the facilities and business practices of the complex, thus providing the intellectual talent with the means to successfully accomplish their critical tasks.

Effective Leadership Committed to Mission. Effective leadership is essential to the success of the SSP. As we implement the strategy defined by the NPR, the leadership of the NNSA and its contractors will set the strategic course for future stewardship efforts, while demonstrating the ability to resolve near-term issues. We have developed a Future Years Nuclear Security Plan (FYNSP) to chart our course through the near-term challenges to our desired future state. Confidence in our ability to sustain a credible nuclear deterrent will be measured by our ability to successfully manage this enterprise, and our demonstrated will to make hard investment/divestment decisions necessary to reach this future state.

Confidence in our Deterrence. Confidence in our ability to support the deterrence policy of the Nation is demonstrated by how well we execute our stockpile support mission. Continued assessment of the certification-basis of the stockpile must be objective and unequivocal. If a nuclear test is needed sometime in the future, the SSP will accurately assess and clearly articulate this requirement. To this end, we will provide the President with the option to conduct a test in a timely manner if one is needed.

In Summary. The SSP is the right path and is providing the Nation with a safe, secure, and reliable stockpile. The NPR established that the nuclear deterrent will remain a cornerstone of the Nation's defense strategy. Maintaining the stockpile continues to be a scientific and engineering challenge that requires the application of the NNSA's best capabilities. Pursuant to this, we recognize that the SSP is not a substitute for nuclear testing, nor would a return to nuclear testing negate the need for the SSP. The bulk of the SSP's activities would still be necessary to effectively assess the safety, security, and reliability of the aging U.S. nuclear weapons stockpile. A major element in our deterrence strategy is the readiness of the nuclear weapons complex to counter emerging threats to our National security, therefore, we must maintain the *capability* to design, produce, and certify new warhead types if they are needed.

Despite the wide-ranging challenges and their attendant risks, the basic strategy and program elements of the SSP are working well. The SSP continues to demonstrate results by solving problems that historically would have required nuclear testing. Refurbishment activities are underway on three major systems in the stockpile and life extension plans are continuing for a fourth system. We are

exploring methods to adapt our stockpile for the threats of a post-Cold War geopolitical arena and the current and emerging threats of this era. These efforts are in concert with the recently completed NPR and the Treaty of Moscow, which lay out the future direction for the Nation's nuclear force posture. With the strong and continued support of the Administration and Congress, we are confident that the SSP will provide the framework and capabilities to maintain our Nation's nuclear deterrent well into the 21st century.

Everet H. Beckner
Deputy Administrator for Defense Programs

Stockpile Stewardship Program

Pantex Plant

Mission:
Fabrication of chemical explosives, development work in support of the design laboratories, pit storage, and nuclear weapons assembly, disassembly, testing, quality assurance, repair, retirement, and disposal.

Stewardship Activities/Tools:

- Fabrication - Pantex fabricates high explosives used in nuclear weapons and performs modifications and surveillance of nuclear weapons that are scheduled to remain in the stockpile.
- Assembly/Disassembly - the facility where routine assembly/disassembly of nuclear weapons is performed. Currently, the W79 and W56 warheads are being dismantled, and the W87 Life Extension Program is underway. Planning for the W76 and W80 life extension work has been initiated.
- Plutonium Pit Storage - the location for strategic reserve pit storage and storage of surplus pits, pending disposition.

PANTEX PLANT
AMARILLO TEXAS

Kansas City Plant

Mission:
Manufacture and procurement of nonnuclear components for nuclear weapons. This includes electrical, electronic, electromechanical, mechanical, plastic, and nonfissionable metal components. The broad range of components and devices procured from U.S. industry is supported by an extensive system to qualify suppliers and accept products.

Stewardship Activities/Tools:

- Safeguards Transporters - a new generation of trailers used to transport nuclear weapons and materials by the Secure Transportation Asset. The entire fleet of 46 safeguards transporters will be completed by FY 2005.
- Heartland Supercomputer - one of the largest computers of its type to be installed in a manufacturing facility, on which engineers analyze product designs.
- Industrial Processes - plating, machining, metal disposition, molding, painting, heat treating, and welding, some of which are uniquely tailored to meet special weapon-reliability requirements.

Y-12 Plant

Mission:
Fabrication of precision parts and components from special nuclear materials for nuclear weapons.

Stewardship Activities/Tools:

- Refurbishment support - currently in the second year of a 4 1/2-year effort supporting the W87 Life Extension Program; planning is underway to support the B61 and the W76 refurbishment.
- Enriched uranium operations - continuing efforts toward full resumption of operations.
- Recycle and Recovery - maintains the capability to recycle and recover uranium and lithium for national security missions.

Y12
National Security Complex

Savannah River Site

Mission:
Loads tritium and nontritium reservoirs to meet requirements of the Nuclear Weapons Stockpile Plan, conducts reservoir surveillance operations and gas transfer system testing, and manages tritium inventories and facilities.

Stewardship Activities/Tools:

- Tritium handling to support the weapons in the stockpile.
- Tritium Extraction Facility - being built at Savannah River Site; construction began in the summer of 2000; will process the tritium-producing burnable absorber rods irradiated for the DOE by the Tennessee Valley Authority in the Watts Bar and Sequoyah reactors.

SRS
savannah river site
TM

THE U.S. NUCLEAR

Lawrence Livermore National Laboratory

Mission:
Design laboratory that supports, with Los Alamos National Laboratory, DOE's integrated program of surveillance, including efforts to better predict aging phenomena, assessment (validated by simulation and experiments), and refurbishment of stockpile components. Principal activities include stockpile surveillance, stockpile assessment, stockpile refurbishment, and integrated program management.

Stewardship Activities/Tools:

- Stockpile support - continue W87 life extension and initiate actions to refurbish W80.
- Materials - support study to determine the operational life of plutonium pits.
- Certification of weapon performance.
- National Ignition Facility - 192-beam laser facility, currently under construction, will offer unique capability for investigating ignition and fusion burn and for creating conditions of high temperature and pressure approaching those found in nuclear weapons.
- High Explosives Applications Facility - the most modern high-explosives research facility in the world.
- Secure and Open Computing Facilities - serve as a testbed for development of high performance computer hardware and software.

Sandia National Laboratories

Mission:
Responsible for the nonnuclear components and systems engineering for all nuclear weapons; a key point of contact with the DoD in the areas of weapons requirements, system design, logistics, surveillance, training, and dismantlement.

Stewardship Activities/Tools:

- Weapons surveillance program - supports assessment of reliability of the current stockpile.
- Stockpile support - engineering support for the B61, W76, and W80 refurbishments.
- Certification of weapon performance.
- Z pulsed-power facility - will perform hundreds of experiments in areas of weapons physics and weapons effects.
- ASC Option Red - computer operating at a peak speed of 3.1 teraOPS; has resolved certification issues and performed simulation achieving neutron generator production, design, manufacture, and certification, without nuclear testing, for the first time.
- Neutron generators - design and manufacturing source.
- Microelectronics Development Laboratory - produces radiation-hardened microchips.

Los Alamos National Laboratory

Mission:
Design laboratory that shares responsibility with Lawrence Livermore National Laboratory for the safety and reliability of the nuclear explosives package in the Nation's nuclear weapons. While both labs maintain the capability to design and develop new nuclear weapons, Los Alamos National Laboratory possesses unique capabilities in neutron scattering, enhanced surveillance, and plutonium science and engineering.

Stewardship Activities/Tools:

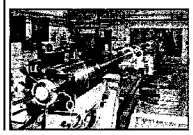
- Stockpile support - continued limited refurbishment actions on the W76 and B61.
- Certification of weapon performance.
- Dual-Axis Radiographic Hydrodynamic Test Facility - state-of-the-art accelerators allow improved views of hydrodynamic experiments.
- Plutonium pit manufacturing and certification capability - being reestablished to replace units destructively tested in the surveillance program and to provide replacement pits in the future.
- TA-55 Plutonium Facility - source of world-class plutonium research and machining capability.
- Los Alamos Neutron Science Center - center of excellence for research utilizing neutrons.

Nevada Test Site

Mission:
Maintain capability to resume underground nuclear testing consistent with the Comprehensive Test Ban Treaty safeguards. Conduct required materials tests, particularly ones that use plutonium.

Stewardship Activities/Tools:

- U1a Complex - the subcritical experiment site (explosive experiments with special nuclear materials).
- Device Assembly Facility - offers state-of-the-art safety and security for the conduct of operations involving high explosives, fissile materials, and nuclear explosives.
- Big Explosives Experimental Facility - one of the Nation's premier hydrodynamic research and development testing facilities.
- Joint Actinides Shock Physics Experimental Research - the only facility at which experiments with special nuclear materials, involving a two-stage, light gas gun for actinide compounds are authorized.
- Atlas pulsed power facility will conduct experiments on hydrodynamic material behavior under controlled conditions.



Stockpile Stewardship Program Overview

Today's National Security Environment

The U.S. policy governing the nuclear weapons stockpile has undergone profound change, reflecting the new and continually evolving geopolitical and military requirements of the post-Cold War Era. Events around the globe demonstrate that the world remains a dangerous place. Non-state actors seek nuclear weapons. China continues to develop its nuclear weapons capabilities. Both India and Pakistan have conducted nuclear tests and continue development of their nuclear weapons programs. Iran, Iraq, and, most notably, North Korea are developing ballistic missiles that could threaten the United States and our allies. Any of these countries could consider these as delivery vehicles for weapons of mass destruction, including nuclear weapons. Considering these potential threats, the U.S. nuclear deterrent remains essential to the Nation's defense.

A number of nuclear deterrence and stockpile policy reviews have been conducted since the end of the Cold War. There is a bipartisan consensus that the strength of the U.S. nuclear deterrent has benefited world security during the last half century and has helped to establish the conditions for cooperative threat reductions.

Confidence Under a Nuclear Test Moratorium

Throughout the past decade, the United States has launched a wide variety of arms control initiatives designed to reduce the threat from nuclear weapons. Major U.S. initiatives in the early 1990s included withdrawal and retirement of many nuclear weapons, taking strategic bombers off alert, canceling several strategic improvement programs, halting production of new nuclear warheads, and declaring a moratorium on nuclear testing.

Under a declared U.S. nuclear testing moratorium, the DOE and DoD are confronted with the challenge of finding other means of maintaining confidence in the safety, security, and reliability of U.S. nuclear weapons. At the same time, both Departments need to retain the current level of nuclear expertise and continue to attract the Nation's best and brightest scientists and engineers to work in the nuclear weapons program. The FY 1994 National Defense Authorization Act directed the Secretary of Energy "to establish a stewardship program to ensure the preservation of the core intellectual and technical competencies of the U.S. in nuclear weapons." The SSP is working today to accomplish those twin objectives of confidence and competence.

The Stockpile Stewardship Program

The term stockpile stewardship encompasses all DOE efforts to meet its nuclear weapons responsibilities. Stockpile stewardship includes:

- operations associated with surveilling, assessing, maintaining, refurbishing, manufacturing, and dismantling of the nuclear weapons stockpile;
- activities associated with the research, design, development, simulation, modeling, and nonnuclear testing of nuclear weapons; and
- efforts to assess the safety, security, and reliability and ongoing certifiability of the stockpile.

In the past, nuclear testing and the continuous development and production of new nuclear weapons were essential elements for preserving high confidence in the stockpile. However, the United States is currently in a nuclear testing moratorium and has not manufactured a new weapon type since the early 1990s. The SSP is the United States' strategy to maintain the safety, security, and reliability of the existing nuclear weapons stockpile with improved experimental capabilities complemented with advanced simulation and surveillance tools.

Stockpile Stewardship Program Requirements

Program requirements flow from a number of sources. These include the Nuclear Weapons Stockpile Plan (NWSP) and DoD-generated policy documents. Under the current Presidentially approved NWSP, DOE is required to support the stockpile levels specified in the Strategic Arms Reduction Treaty (START) I until START II enters into force and then, to retain the capability to reconstitute the stockpile to START I levels. In January 1996, the U.S. Senate ratified the START II Treaty. In 1997, the United States and Russia negotiated a START II Protocol.

In April 2000, the Russian Duma ratified START II, and the associated 1997 Protocol. To date, those 1997 arms control initiatives have not been ratified by the U.S. Senate. Therefore, START II and the 1997 agreements have not yet entered into force. The SSP is consistent with efforts to bring START II into force.

In 1994, DoD's Nuclear Posture Review (NPR) recognized the challenge of maintaining high confidence in the stockpile. The NPR was revalidated in the May 1997 DoD Quadrennial Defense Review. The 1994 NPR assumed that, in the future, there will be no nuclear testing or fissile material production. The 1994 NPR further stated that DOE is to:

- maintain the capability to design, fabricate, and certify new warheads;
- develop a stockpile surveillance engineering base;
- demonstrate a capability to refabricate and certify weapon types in the stockpile;
- maintain a nuclear weapons science and technology base; and,
- ensure tritium availability.

In response to the continually changing geopolitical environment and, in concert with defining the future strategic defense approach, the President directed the Secretary of Defense to conduct a Strategic Defense Review to create a vision for the Nation's military including the nuclear deterrent. In addition, the National Defense Authorization Act of 2001 required that DoD and DOE conduct a new NPR and that DoD conduct a 2001 Quadrennial Defense Review during the coming year. The results of these studies and the recently developed Treaty of Moscow provide an updated policy framework for the SSP.

Nuclear Posture Review

NNSA was a key participant in the Administration's comprehensive 2001 Nuclear Posture Review (NPR). The purpose of this review was to lay out the direction for American nuclear weapons forces over the next ten years. The centerpiece of the NPR is the New Triad of flexible response capabilities consisting of the following elements:

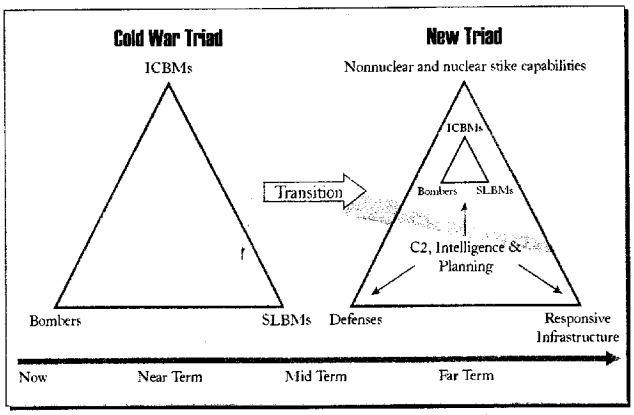
- nonnuclear and nuclear strike capabilities, including systems for command and control,
- active and passive defenses, including ballistic missile defenses, and

- R&D and industrial infrastructure needed to develop, build, and maintain nuclear offensive forces and defensive systems.

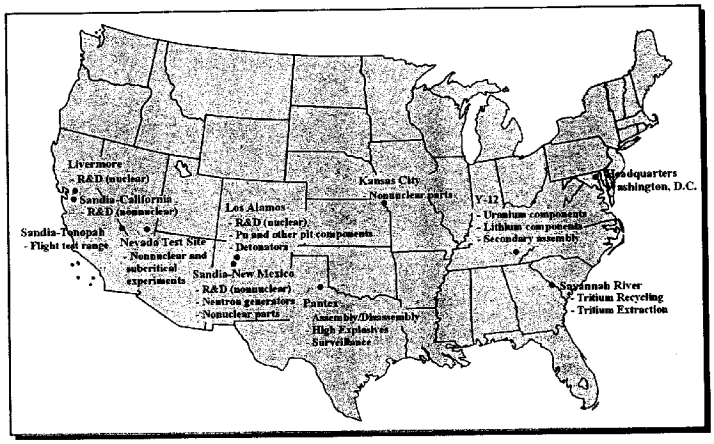
Of particular interest to the NNSA is that the New Triad reflects a broad recognition of the importance of a robust and responsive nuclear weapons infrastructure in sustaining deterrence. In this connection, the NPR notes that the flexibility to sustain our enduring nuclear weapons stockpile, to adapt current weapons to new missions, or to field new weapons, if required, depends on a healthy program for Stockpile Stewardship and peer-review-based certification, as well as a robust infrastructure for nuclear weapons production. It is a key point that not only the forces, but the demonstrable capabilities of the nuclear weapons complex itself, including its ability to sustain and adapt, are required to underpin credible deterrence in a changing security environment.

Most importantly, the NPR reemphasizes the importance of nuclear weapons to deter the threats of weapons of mass destruction, to assure allies of U.S. security commitments, to hold at risk an adversary's assets and capabilities that cannot be countered through nonnuclear means and to dissuade potential adversaries from developing nuclear, technical, biological, or conventional threats.

To accomplish this goal, NNSA expects to continue to certify the stockpile through an aggressive science-based Stockpile Stewardship Program without resorting to underground nuclear testing. As discussed in the NPR, NNSA is seeking to reduce the lead-time to carry out a nuclear test by working with the DoD to refine test scenarios and evaluate the cost/benefit tradeoffs in order to implement and sustain the optimum test readiness time of 18 months that best support the New Triad. The NPR also reaffirms a stockpile refurbishment plan that has been under development between DoD and DOE, and outlines the shape of the nuclear weapons stockpile, as we significantly reduce the number of operationally deployed nuclear weapons to the 1700-2200 range over the next ten years. The number and condition of warheads to be provided under the NPR is consistent with the plan put forth in the FY 2003 Congressional Budget



The New Triad



DOE/NNSA Nuclear Weapons Complex

Request. Simultaneously, the NPR calls for maintaining a "Responsive Force" which can be used to hedge against unforeseen problems in the deployed stockpile or an unexpected evolution of international relations. In addition, the NPR calls for NNSA to reestablish an advanced-concepts effort to ensure that our nuclear weapons capability can respond to a spectrum of threats to U.S. security.

To indefinitely ensure the reliability and performance of this smaller number of weapons, the NPR calls for a modernized responsive nuclear weapons infrastructure to recover and sustain our nuclear weapons design and production capabilities. Having significantly downsized the footprint of the nuclear weapons complex over the past ten years, a modernized, responsive infrastructure means upgrading our key facilities, many of which are now approaching 50 years in age, with a dedicated refurbishment program. It also means implementing contingency planning for a modern pit facility to address long-term pit replacement needs. NNSA will continue to maintain the capability to conduct an underground test, if so required and directed by the President.

Nuclear Weapons Management Process

The success of the SSP depends on a strong partnership between DOE and DoD. DOE and DoD have responsibilities that are specific and delineated in a number of statutes and memoranda of understanding. Both Departments share responsibility for advising the President annually on the safety, security, and reliability of the nuclear weapons stockpile.

DoD is responsible for the establishment of military requirements that are incorporated into the Presidentially approved NWSP; the development and operation of complete weapon systems; personnel training; and the development and maintenance of nuclear weapon employment plans. The DOE is responsible for the conduct of nuclear weapons research and development on nuclear warheads; production of components, subsystems, and nuclear warheads; surveillance assessment and certification of the stockpile; management of nuclear materials; dismantlement of retired weapons; maintenance of critical capabilities within the nuclear weapons complex

(national laboratories, production plants, and the Nevada Test Site); conduct of subcritical tests and other experiments; and, advancement of simulation capabilities in support of stockpile stewardship.

Within DOE/NNSA, DP has overall responsibility for managing the SSP. The SSP is directed by DOE Federal personnel at Headquarters, supported by sites, and implemented by non-Federal personnel at Lawrence Livermore National Laboratory (LLNL), Livermore, California; Los Alamos National Laboratory (LANL), Los Alamos, New Mexico; Sandia National Laboratories (SNL), Albuquerque, New Mexico, Livermore, California, and Tonopah, Nevada; the Nevada Test Site (NTS) near Las Vegas, Nevada; the Pantex Plant, Amarillo, Texas; Kansas City Plant (KCP), Kansas City, Missouri; the Y-12 Plant, Oak Ridge, Tennessee; and, Savannah River Site (SRS), Aiken, South Carolina.

DOE and DoD share the responsibility to identify and resolve issues connected with nuclear weapons research and production; prevent unauthorized use of nuclear weapons through positive control measures; determine the adequacy and effectiveness of physical security measures; and prepare for the President the Nuclear Weapons Stockpile Memorandum, the foundation for the NWSP.

Along with existing working relationships, there is a codified process involving a number of organizations that enhances DOE and DoD interaction. Foremost of these organizations is the Nuclear Weapons Council (NWC), empowered by U.S. Code Title 10, and made up of senior officials representing both the DOE and DoD. The NWC is responsible for coordinating and resolving nuclear weapons issues concerning development of stockpile options, programming and budget matters, weapon refurbishment design/performance/cost trade-off proposals, production, retirement, surety, and maintenance, as well as for providing broad guidance regarding priorities for nuclear weapons system research.

Organizationally, the NWC has one committee providing assistance for issue resolution, the NWC Standing and Safety Committee (NWCSSC). The NWCSSC is a joint DOE-DoD committee of senior officials that examines major issues and provides the NWC with recommendations for resolution. The NWCSSC enhances the deliberative decision-making process by creating a forum to provide additional senior-level attention to nuclear weapons issues. Among other activities,

DoD/DOE Project Officer Groups are responsible for all activities associated with the life cycle support of each weapon type.

the NWCSSC reviews, prioritizes and, where appropriate, more precisely defines high-level DoD nuclear weapons requirements for a number of key planning documents, including the annual Nuclear Weapons Stockpile Memorandum, the Joint DOE/DoD Requirements Planning Document, and the NNSA/DP Stockpile Stewardship Plan.

Specific input for stockpile stewardship activities is provided through a joint nuclear weapons Project Officers Group for each warhead type. The Project Officers Groups are working-level organizations chaired by the cognizant military service. They include representatives from both DoD and DOE and are responsible for the coordination of all activities associated with the life-cycle support of each warhead type. The Project Officer Group for each stockpiled weapon meets routinely to review the safety and reliability of stockpile weapons and to consider modifications or alterations for approval by the NWC.

Stockpile Stewardship Challenges: The Planning Basis

In the early 1990s, the United States halted production of new nuclear warheads and conducted its last nuclear test. Thus ended an era in which the United States maintained confidence in its nuclear weapons stockpile by continually replacing aging systems with new systems, and in which nuclear testing served as the ultimate arbiter of the safety and reliability of the Nation's nuclear weapons stockpile.

The requirements for the SSP emanate from changes brought about by the end of the Cold War and will be further shaped, as the program moves forward, by the global security environment. Because of the inability to predict the future, DOE's capabilities must be robust enough to deal with uncertainties.

In a flight test for the W87 Life Extension Program, an Air Force Mk21 ICBM reentry vehicle splashes down, carrying an instrumented mock W87. Tests like this one, using the latest technological advances in onboard diagnostics and telemetry, provide added confidence in the reliability of the refurbished system.

There are difficulties and challenges that are either known or are likely to occur that must be addressed. Included among these challenges are:

- ***Nuclear Testing Moratorium.*** The President's position is that the United States will continue the policy of not conducting nuclear tests. Confidence in the stockpile under the nuclear testing moratorium is based on understanding gained from 50 years of experience and more than 1,000 nuclear tests, including the results of approximately 150 nuclear tests of modern weapon types during the last 20 years of active testing.

  A goal of the SSP is to meet the challenge and manage the associated risks of maintaining the nuclear weapons stockpile without resumption of nuclear testing. An active program of surveillance, assessment, refurbishment, and continuing certification of capability is the paradigm for stewardship of

the stockpile. Its continued success depends on a highly integrated and interdependent program of experimentation, simulation, and modeling that is based, in part, on the understanding and the archived data developed under the nuclear test program. A variety of advanced engineering, high energy density physics, nuclear physics, and subcritical experiments and other material properties tests, integrated with advanced computations and modeling, enhance the nuclear weapons design and manufacturing community's ability to assess and assure the safety and reliability of the nuclear weapons stockpile. This approach, coupled with advanced surveillance and predictive capabilities for aging phenomena associated with nuclear weapons materials and components, and assessment of archived data, enables NNSA/DP to appraise the safety, security, and reliability of the stockpile.

In the event that changed geopolitical circumstances present new threats, a new type of problem with a nuclear weapon occurs, or an accumulation of uncertainties about the stockpile occurs which cannot be resolved, NNSA/DP continues to maintain the capability to conduct a nuclear test at the Nevada Test Site.

- ***Tritium Production.*** All United States nuclear weapons require tritium to function as designed. Tritium, a radioactive material, has not been produced by DOE since 1988. Because of its radioactive decay, the national inventory of tritium is dwindling at a rate of 5.5 percent per year. A replacement production capability for tritium is required. Later this year, irradiation of Tritium-Producing Burnable Absorber Rods (TPBARs) will begin in a Tennessee Valley Authority reactor. Following 18 months of irradiation, the TPBARs will be shipped to the Savannah River Site which will extract and process the gas and deliver it to support the stockpile by 2007.

- ***An aging cadre of stockpile stewards.*** There is an urgent need to recruit and train -- as well as to retain -- scientific, engineering, and technical personnel who will be the next generation of stockpile stewards. Key to this effort is developing the confidence in their own abilities with new tools for stewardship in the decade ahead.

  Many of the original generation of stockpile stewards -- scientists and engineers with weapons design, production, and test experience -- have already retired. The current workforce is aging and is older than the national average of scientific, engineering, and technical personnel engaged in other industry endeavors. Many more of these stockpile stewards will retire within the next decade. A new generation of weapons scientists and engineers must be trained, and their competence validated, before the current generation leaves the workforce. A recent analysis found that the average age of critically skilled nuclear weapons workers across the weapons complex is 48, and that 61 percent of all critically skilled workers will be eligible to retire before 2010. The data for laboratory personnel who have served as lead designers on actual nuclear tests are even more startling, with nearly all such persons being eligible to retire by 2004.

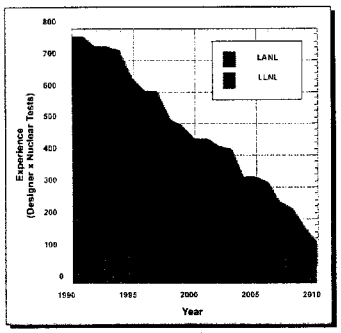
  The Commission on Maintaining United States Nuclear Weapons Expertise (Chiles Commission) presented Congress and the Secretary of Energy with 12 recommendations to address this challenge. DP acknowledged these recommendations and has developed a path forward and implementation plan for each.

The intern program is one tool that helps mentor and further the technical skills of the next generation of scientists and engineers needed by the SSP.

Knowledge preservation programs are underway that include video-recording interviews with senior designers, as well as mentoring new stockpile stewards. Senior designers talk about their experiences while reviewing archived nuclear weapons test data and showing future stockpile stewards how to interpret and extract useful, and often subtle, information, not thought to be needed when nuclear tests were conducted.

The marketplace for hiring new scientific, engineering, and technical talent is highly competitive. It has aptly been described as a "war for talent." The number of college students, especially U.S. citizens, in many of the scientific and engineering fields relevant to nuclear weapons, is shrinking, while the overall need in the economy for such graduates continues to grow.

- ***An aging, smaller, and less diverse stockpile.*** Nuclear warheads change over time (e.g., radioactive decay, embrittlement, and corrosion) and some of these changes may impact warhead safety and reliability. Furthermore, not all changes have reached current detection thresholds, but, nonetheless, may potentially impact safety and reliability. With the average age of the stockpile now about 19 years, new problems can be expected. In addition, the Nation's stockpile now has fewer total warheads and fewer warhead types than at any time since the 1950s. This means the nuclear deterrent could be potentially more susceptible to single-point failures. To meet this challenge, aggressive maintenance, surveillance, assessment and certification, and refurbishment activities are employed to ensure that potential problems are identified and corrected before safety or reliability is impaired.
- ***No requirements for new-design nuclear warhead production.*** Although we are maintaining the capability to design new warheads, there are no validated requirements from the DoD for new-design nuclear warhead production at this time. Without replacement new-design production activities, warheads will remain in the stockpile well beyond their original anticipated deployment period and beyond DOE's knowledge base of experience. It is inevitable that remanufacture of some stockpile components will be necessary to respond to age-related effects, as well as to improve safety or to meet changes in military characteristics.



The Aging Workforce

In the past, initial design and fabrication defects associated with early weapon production were often discovered as weapons were introduced into the stockpile and were still being manufactured. With a high-capacity production enterprise and nuclear testing, the nuclear weapons program of the past could more readily respond to such emerging problems. In today's environment where nuclear testing is not used and we have a manufacturing complex that is less robust than in the past, we must rely on a new suite of programs and capabilities to quickly react and fix such defects. To this end, demonstration-based assessments and advanced simulation techniques in manufacturing, concurrent design and production engineering, and preplanned product realization packages, lessons learned from Significant Finding Investigations, coupled with interlaboratory peer review will enable the SSP to minimize the occurrence of defects introduced into the stockpile by life extension refurbishments. With respect to nonnuclear components, a greater range of design options and even higher confidence in minimizing the occurrence of initial fabrication defects is possible because of the ability to accurately simulate and to test these components.

- ***An aging complex.*** The production complex of the Cold War is old and, in many cases, utilizes obsolete technology. For example, 70 percent of the facilities at the Y-12 Plant, 80 percent of the facilities at the KCP, 50 percent of the facilities at LANL, 40 percent of the facilities at the Pantex Plant, and 40 percent of the SRS tritium facilities are more than 40 years old. These facilities were not designed or constructed to meet today's stringent environmental, safety, and health standards. As they continue to age, their maintenance and operating costs rise. NNSA/DP is now faced with the realities of having to rely on old facilities, which is impacting our ability to meet mission requirements and attract and retain a quality workforce.

In addition to maintaining the programmatic and site infrastructure at the national laboratories and production plants, the SSP is continuing with a major initiative to "right-size" the manufacturing complex to better match changes in the workloads and budgets with maintenance of core capabilities and facilities. This right-sizing is being conducted consistent with the Final Programmatic Environmental Impact Statement for Stockpile Stewardship and Management, dated September 1996, which formally defined the architecture of the weapons complex for the future.

Confidence in the Nuclear Deterrent

The focus of the SSP is to maintain high confidence in the safety, security, and reliability of the U.S. nuclear weapons stockpile.

The Secretaries of Energy and Defense are required annually to report the safety, security, and reliability of the United States nuclear weapons stockpile to the President. Their report is based on an annual rigorous technical review of the stockpile by the Directors of the three nuclear weapons laboratories, the Commander of the United States Strategic Command, and the NWC. The Secretaries recently completed the sixth Annual Certification Process using the tools of the SSP.

Confidence is achieved through the capabilities and the expert judgment of people -- the stockpile stewards who maintain and assess the condition of the stockpile. Future assessments of the stockpile will rely on informed judgments by new SSP-trained experts. The judgment of these new experts will be facilitated by new program capabilities now under development. Until these capabilities are in place and validated, there is a

prudent, acceptable period of risk associated with the Nation's nuclear deterrent that is currently mitigated by: 1) personnel with nuclear test or weapon development experience still working on nuclear weapons and 2) the current high degree of safety, security, and reliability still in existence in the weapons in the stockpile.

Stockpile Stewardship Program Integration

The SSP relies on the integration of a number of essential elements to ensure, with high confidence, that its goals are met. Focused efforts in science and computing, applied science and engineering, and production readiness are carried out under the auspices of the SSP. These endeavors support related advances in research, growth in applied sciences, and infrastructure that strengthen the stewardship enterprise. The stockpile is maintained through scheduled, limited-life component exchanges, including replenishment of tritium gas. The stockpile is closely monitored through an extensive surveillance program involving laboratory testing of selected warhead components and flight testing of warheads that have had the explosives and special nuclear material replaced with instrument packages, which approximate the weight and moment of the removed items. The findings of the surveillance program are assessed for actual or potential impact on warhead safety, security, and reliability. Maintenance of specifications in these areas is assured by the rigorous assessment provided by the original warhead certification basis and healthy margins built into U.S. nuclear weapons. Design and manufacturing activities to refurbish weapons systems in the stockpile are now underway.

Assessment pervades all activities, from surveillance through the fabrication and qualification of replacement warhead components. Likewise, computational modeling and prediction are integral to every activity, from the assessments of age-related changes to the design and qualification of replacement components. All of these activities must be completed using procedures that protect the worker, public, and environment.

Stockpile Stewardship Program Elements

The goals of the SSP are achieved through the integration of stockpile support, surveillance, assessment, certification, design, and manufacturing processes. The need for these activities has remained constant; however, the integrating strategies have evolved as the program has matured. The accelerated and expanded use of strategic computing and simulation tools have been a fundamental innovation of this evolution. A formal integrated method, called the Phase 6.X Process, allows DOE, the military services, national laboratories, production plants, and the Nevada Test Site to evaluate, plan, and schedule the specific refurbishment actions to be conducted on each weapon system. In addition, a new program planning and budgeting framework, which ties directly to weapon refurbishment schedules is being implemented. This framework is comprised of four major program elements: 1) Directed Stockpile Work; 2) Campaigns; 3) Readiness in Technical Base and Facilities; and, 4) Secure Transportation Asset.

Directed Stockpile Work (DSW) encompasses a broad range of activities that support the safety, security, and reliability of nuclear weapons. These activities include: 1) research, development, and production associated with weapon maintenance; 2) surveillance, life extension, assessment and certification activities, baselining, dismantlements; and, 3) assessments of design, engineering, and production readiness in the nuclear weapons complex. DSW represents the programmatic foundation for both present weapon system activities and future weapon stockpile requirements, and determines the pace at which the overall program must proceed.

Campaigns are focused scientific and technical efforts to develop and maintain critical capabilities needed to enable continued certification of the stockpile for the long term. They are technically challenging, multifunction efforts that have definitive milestones, specific work plans, and specific deliverables. The Campaign approach was initiated as part of a new program planning and budgeting framework to facilitate integration of the SSP. Currently, there are sixteen Campaigns in the following areas:

- Science,
- Engineering,
- Inertial Confinement Fusion Ignition and High Yield,
- Advanced Simulation and Computing,
- Pit Manufacturing and Certification, and
- Readiness.

Readiness in Technical Base and Facilities (RTBF) includes the physical infrastructure and operational readiness required to perform both DSW and Campaign activities. No weapons work or other activities can take place unless the infrastructure is in place and ready. This means facilities that are environmentally compliant and appropriately equipped with modern safety and security measures. RTBF ensures that facilities are operational, safe, secure, compliant and that a defined level of readiness is sustained at DP facilities.

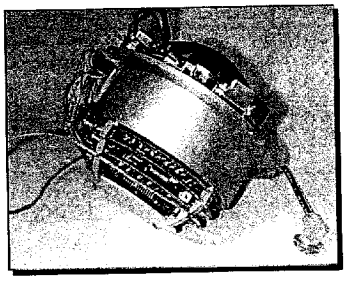
Secure Transportation Asset (STA) provides the equipment, personnel, and procedures to safely move national security shipments throughout the country. STA is also involved in supporting the environmental restoration of various decommisioned sites/activities.

These four program elements can all be linked to the physics and engineering associated with a nuclear detonation, the safety of nuclear weapons, the environments a nuclear weapon may encounter, and critical technologies and capabilities associated with sustaining the nuclear deterrent. Each of these program elements is essential for continuing the assessment and certification of the nuclear weapons stockpile.

Stockpile Stewardship Program Functions

The SSP provides the capabilities needed to implement NNSA's strategy for maintaining a credible nuclear deterrent. These elements are inextricably connected to the integrated program functions that sustain this deterrent.

- *Stockpile Maintenance (limited-life component exchanges, surveillance, rebuilds, and refurbishments):* continuing to meet the day-to-day manufacturing requirements for component replacement. For example, reservoirs containing tritium must be replaced periodically, and various other components are needed for reassembling warheads removed from the stockpile for routine surveillance and inspection.
- *Surveillance:* predicting and detecting potential and actual problems.
- *Assessment and Certification:* analyzing and evaluating warhead safety, security, and reliability and reporting the same, or lack thereof. These assessments are used to qualify and/or certify components, subassemblies, or weapons for use in the stockpile.
- *Advanced Simulation and Computing:* meeting weapons assessment and certification requirements without nuclear testing.
- *Design and Manufacturing:* designing, developing, producing, and qualifying the parts, materials, and processes for life extension activities.
- *Pit Production:* reestablishing the capability to manufacture and certify pits, which has not been available since 1989.



Main electronic subassembly of the new W76 Telemetry System.

- *Restoring Tritium Production:* reestablishing a reliable source of tritium gas to meet stockpile needs.
- *Restoring Facilities and Infrastructure:* improving the facilities and infrastructure of the nuclear weapons complex while ensuring that operations are conducted in a safe, secure, environmentally sound manner with procedures that protect employees and the general public.

Stockpile Maintenance

Stockpile maintenance ensures the operational readiness of the Nation's nuclear weapons stockpile through corrective maintenance, limited-life component exchanges, weapon component replacement, and development, engineering, and production activities to support weapon refurbishment. Weapons may need repair and corrective maintenance for a variety of reasons. Although great care is taken during the handling and maintenance of weapons, routine handling or force generation exercises can create wear and tear on components. Weapon repair is performed on an as-needed basis; frequency is difficult to predict. Repairs beyond the capacity of a field team are performed at the NNSA/DP Pantex Plant.

There is a continuous requirement for delivery of neutron generators, filled tritium reservoirs, gas generators, and other limited-life components. Essential to this task are the design, development, production, and fielding of these limited-life components. Additionally, weapons must be rebuilt following surveillance to return them whole to the stockpile, and to repair units damaged during normal field handling and maintenance activities.

Systems, subsystems, and components are selected for refurbishment for one or more of the following factors:

- DoD needs them or changing requirements necessitate it.
- Discovery that a subsystem or component will not meet functional requirements, with possible impact on surety, reliability, or performance, as observed from problems in the field, from the surveillance program, or new understanding from baselining.
- Inability to maintain stockpile levels because of unavailable technology or hardware.
- Projected problems derived from enhanced surveillance activities and design engineering judgment.

Weapon refurbishment includes three sequential activities:

1. Design, development, and testing of the necessary weapon system replacement components.
2. Qualification of replacement component designs, processes, and hardware, and requalification of components for reuse, as required.
3. Production and assembly of components into refurbished weapons.

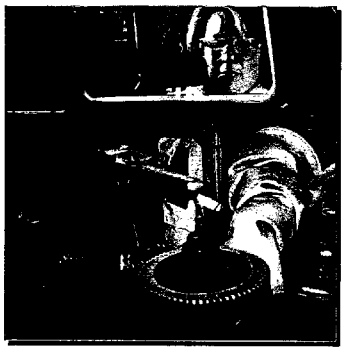
These activities incorporate advanced integrated design and manufacturing processes, affordable component acquisition practices from applicable

science and computing campaigns, applied science and engineering campaigns, and production readiness campaigns to optimize weapon refurbishment.

It is expected that some components, particularly nonnuclear components, will not be producible in their original designs because of changes in material, component availability, and facility capabilities. Therefore, production rebuilds for some weapon components will require significant redesign, development, and certification work.

Surveillance: Predicting and Detecting Problems

Stockpile surveillance has been a major element of the U.S. nuclear weapons program ever since the first weapons were put into service. Approximately 14,000 weapons have been examined and subjected to a variety of nonnuclear experiments and flight tests since 1958. As a result, all of the warhead types in the U.S. nuclear weapons stockpile have had repairs or retrofits.



A LANL scientist assists with rolling an enriched plutonium cookie on a laboratory-scale rolling mill during the historic casting of a "spiked" plutonium alloy to understand plutonium aging.

The stockpile is aging beyond our current experience base as we move into the 21st century. The DOE has never before had large numbers of 30 to 40 year-old warheads in the stockpile. Until recently, the average age of a stockpile warhead had always been less than 13 years. Today, the average age is 19 years. As a result, new types of aging-related changes and problems in these older warheads are anticipated.

Nuclear warheads, even while in storage, change over time. For example, radiation given off by radioactive material in the warhead can harm other components; corrosion occurs at interfaces; plastics and other organic materials change with age, exposure to heat, and radiation; and, organic materials may decompose over time.

To successfully maintain the aging stockpile, new surveillance methods and predictive capabilities are being developed so that the full range of problems that may arise in the stockpile can be detected and their potential effects on warhead safety and performance deduced. Some changes may have little or no effect, whereas others could make a major difference. These needs are addressed within the goals of the Engineering and Science Campaigns.

Enhanced Surveillance is one of the Engineering Campaigns and has a goal of developing the tools needed to predict or detect the precursors of aging-related defects before they jeopardize warhead safety or reliability. Predictive modeling and simulation are central to this activity. With sufficient lead time, any necessary redesign, refurbishment, or qualification can be accomplished efficiently and cost effectively, within the capabilities and capacity of the right-sized manufacturing complex. Enhanced Surveillance is developing the technologies and methods, as well as the fundamental understanding of materials properties and weapons science, to significantly improve detection and predictive capabilities.

Dynamic Materials Properties is one of the Science Campaigns and develops physics-based,

experimentally validated data and models of all stockpile materials, at a level of accuracy required by the primary and secondary certification campaigns, as well as the Engineering campaigns.

Assessment and Certification: Analyzing and Evaluating

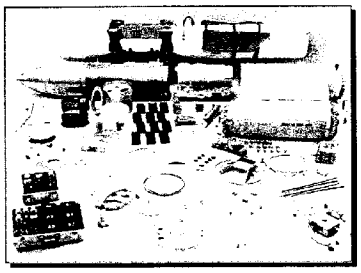
Data and test results must be analyzed, assessed, and evaluated before conclusions can be drawn as to the safety and reliability of stockpile warheads. A significant imperative of assessment and certification is to develop the necessary tools to accurately baseline the existing stockpile, while designers with nuclear-test and warhead design experience remain to mentor new designers.

The science and engineering of a nuclear weapon is extremely complex, requiring, in some cases, the integration of more than 6,000 components. There are many parameters and unknowns that influence the performance of nuclear warheads. Even when nuclear weapons testing was on-going, the weapons scientists and engineers were never able to conduct statistically significant numbers of nuclear tests of any particular warhead type. In addition, in many cases, testing constraints required extrapolations to evaluate full-warhead performance and safety characteristics.

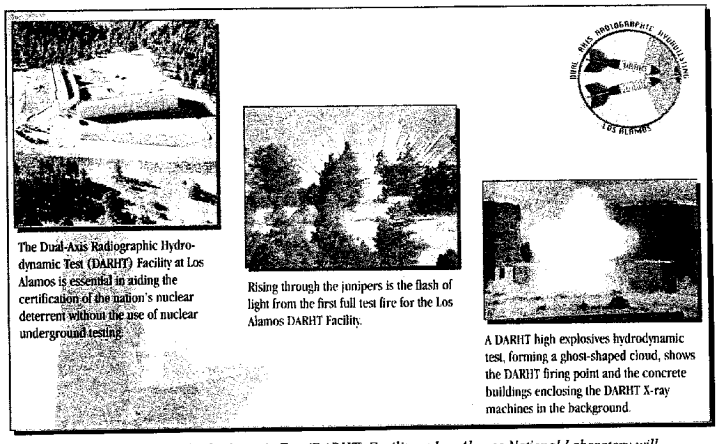
The key to accurate extrapolations, then and now, is the expert judgment of the weapon scientists and engineers. Confidence in the accuracy of the judgment of the weapon scientists and engineers and confidence in the safety and reliability of the U.S. nuclear weapons stockpile are more closely linked now than ever before. In the past, a weapon steward's judgment was developed and validated through nuclear testing and new warhead development. In the absence of nuclear testing, the SSP is honing and demonstrating the expert judgment of the next generation of stockpile stewards through the integrated management of computational simulation, applied scientific research, and nonnuclear experiments. The SSP looks to design experiments that test and expand the boundaries of our understanding and the capabilities of our people.

A variety of different experiments and tools provide data relevant to nuclear warhead performance. Some of these are older tools, designed to complement nuclear testing, that are not, in and of themselves, sufficient to provide complete information. A suite of enhanced capabilities and facilities to fill in existing knowledge gaps and provide enhanced data relevant to various stockpile concerns has been identified.

The enhanced capabilities include the Advanced Simulation and Computing Campaign (ASC), augmented computations, subcritical experiments, and advanced experimental facilities to provide high-resolution data on the stages of a nuclear explosion. The facilities include the Dual-Axis Radiographic Hydrodynamic Test (DARHT) Facility and the National Ignition Facility (NIF), both of which are currently under construction; as well as the Short Pulse Spallation Source enhancement to the Los Alamos Neutron Science Center, and the addition of a back-lighter laser to the Z Accelerator at SNL, which are both upgrades to existing facilities. The need for an even more advanced hydrotest facility, a microsystems research facility, and a refurbished pulsed power source is being evaluated.



The B83 Strategic Bomb is composed of over 6,000 individual parts.



The Dual-Axis Radiographic Hydrodynamic Test (DARHT) Facility at Los Alamos is essential in aiding the certification of the nation's nuclear deterrent without the use of nuclear underground testing.

Rising through the junipers is the flash of light from the first full test fire for the Los Alamos DARHT Facility.

A DARHT high explosives hydrodynamic test, forming a ghost-shaped cloud, shows the DARHT firing point and the concrete buildings enclosing the DARHT X-ray machines in the background.

The Dual-Axis Radiographic Hydrodynamic Test (DARHT) Facility at Los Alamos National Laboratory will examine the shape and size of an imploding pit model from two different directions with greatly improved resolution.

Inter-laboratory peer review is a key element of stockpile stewardship, as it minimizes the potential for institutional errors. Because assessment and certification of stockpile safety, security, and reliability rely heavily on expert judgment, it is essential that any assessment process be vetted and validated. Peer review, both formal and informal, takes place among all three national weapons laboratories. In addition, periodic independent reviews by outside experts, as well as strong Federal oversight, help provide confidence in the credibility of the laboratories' assessments and in the process by which the assessments are made.

Of particular concern is the challenge posed by unrecognized problems. DOE pursues rigorous research and computational and experimental processes, not only to validate and extend what is known and expected, but also to close gaps in our current understanding. The ability to fill in knowledge gaps is especially important in those areas where, in the past, nuclear testing would have been used to bound the margins of our concerns. The Science, Engineering, and Inertial Confinement Fusion Ignition and High Yield Campaigns will work to close those knowledge gaps.

Primary Certification is a Science Campaign and includes experimental activities that will develop and implement the ability to qualify and continue certification of rebuilt and aged primaries to within a stated yield without nuclear testing. Capabilities developed will directly support DSW activities for B61, W80, and W76 stockpile refurbishment planning and certification of newly manufactured W88 pits.

Secondary Certification and Nuclear Systems Margins is one of the Science Campaigns and includes experimental and computational activities to determine the minimum primary performance necessary to produce a militarily effective weapon. These activities will develop a validated, predictive computational capability for each system in the

stockpile, determine the primary radiation emission and energy flow, and determine the performance of nominal, aged, and rebuilt secondaries.

Nuclear Survivability is a Science Campaign and develops validated computational tools for certification, reevaluates nuclear weapon hostile environments, develops radiation-hardened technologies, and demonstrates certification technologies for W76 refurbishment planning.

Weapon System Engineering Certification is an Engineering Campaign to establish science-based engineering methods that will increase confidence in weapons systems through validated simulation models and high-fidelity experimental tests. Validated engineering computational models and a suite of tools are being developed to allow for science-based certification of B61, W80, and W76 refurbishment planning.

A physical chemist checks the processing of weapon components in a plasma chamber in Sandia's Plasma Processing Research Lab.

Advanced Radiography is a Science Campaign that supports development of technologies for three-dimensional imagery of imploding surrogate primaries, with sufficient time and space resolution to resolve uncertainties in primary performance.

Inertial Confinement Fusion Ignition & High Yield Campaign includes those activities needed to support commencement of ignition implosion in the laboratory and enhance experimental capabilities for stewardship. Material conditions that can be reached at the NIF, together with the diagnostics available, are expected to provide enhanced experimental capability in high density and fusion aspects for primary and secondary assessment, and dynamic measurements of weapons-relevant materials.

At present, the Nation's computational and scientific knowledge are inadequate to ascertain all of the performance and safety impacts from changes in the nuclear warhead physics packages due to aging, remanufacturing, or engineering and design alterations. Such changes are inevitable if the warheads in the stockpile are retained well into this century. For this reason, it is essential to have near-weapons conditions in laboratory experiments. For secondaries and for some aspects of primary performance, the NIF will be a principal laboratory experimental physics facility.

The NIF achieved "early light" in the first bundle of four laser beams within the beampath infrastructure in December 2002. First Light to the Target Chamber and initial experiments should be achieved in 2004.

Advanced Simulation and Computing

Computational modeling and prediction are integral to every activity within the SSP. The ***Advanced Simulation and Computing (ASC) Campaign*** provides leading-edge, high-end simulation capabilities needed to meet weapon assessment and certification requirements without

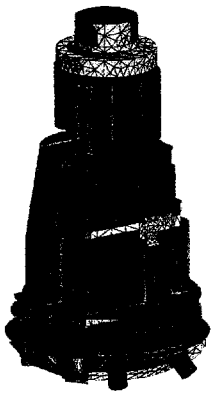
nuclear testing. To accomplish this, ASC integrates the resources of the national laboratories, computer manufacturers, and academia.

The national laboratories develop the application software and related science needed to address weapon safety and reliability. They are also developing improved tools and methodologies to utilize the unprecedented volume of data created by ASC's increased computational power. Even at this early stage in their development, advanced ASC simulation codes are providing extraordinary capabilities to support stockpile stewardship, allowing not only faster calculations, but also calculations and simulations that were previously impossible to perform.

The commercial computer manufacturers, with whom the ASC has contracts, have delivered to the national laboratories the technology and systems needed to operate at 1, 3, 10, and 30 teraOPS. NNSA has signed contracts for 60 and 100 teraOPS machines. This represents roughly twice the development rate of the rest of the computer industry.

This computational power is also being made available to our university community through the Academic Strategic Alliances Program. Five universities have received initial research awards to conduct unclassified projects similar in difficulty and complexity to those required for stockpile stewardship to provide another benchmark by which we can assess the accuracy of our work at the weapons laboratories.

Strategic computing and simulation provides weapon designers and analysts with computer center operations, physics-based and predictive model development, and software maintenance services necessary to support the current SSP activities. This includes upgrades to models and computing systems and the infusion of ASC-proven technologies into routine stockpile stewardship operations.



Computer simulations coupled with engineering analysis and environmental testing provide vital information about the design of nuclear weapon systems.

There is a need to demonstrate that the new tools are providing the correct results. NNSA will demonstrate that complex simulations used to meet national security applications are validated and verified as accurately modeling physical phenomena.

Design and Manufacturing: Refurbishing and Certifying

With an improved understanding of the effects of aging on warhead safety, security, and reliability, developed through the enhanced surveillance and assessment efforts, NNSA/DP is taking a proactive approach to refurbishment. The goal is to replace or fix components systematically, before aging-related changes jeopardize warhead safety or reliability.

Planned warhead refurbishments provide a framework for research and development activities and production planning. To retain confidence in warhead safety, security, and reliability, the SSP

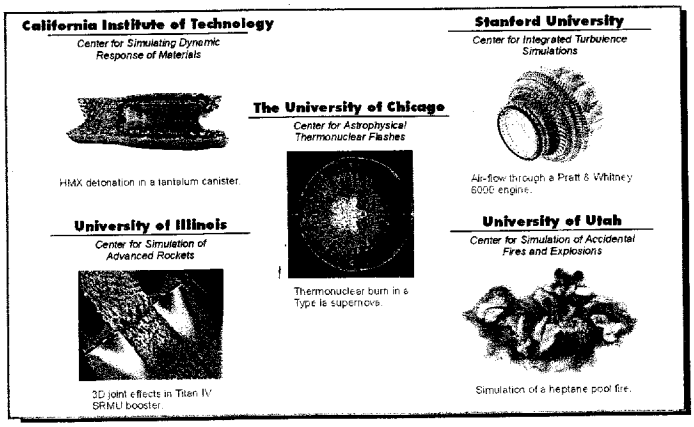
risk management strategy addresses three categories of potential refurbishment actions: 1) musts -- to correct known degradations; 2) shoulds -- to prevent foreseeable degradations; and, 3) coulds -- to enhance safety and/or reliability. A number of specific life extension options are being defined for each warhead type, allowing the DOE, DoD, the national laboratories, and production plants to anticipate and plan for future maintenance and refurbishment requirements.

Since the late 1980s, the weapons production complex has undergone dramatic changes. Some manufacturing processes and capabilities are no longer available, and a large number of experienced production personnel have either retired or are no longer in the program. Without the viability of manufacturing capabilities, the nuclear deterrent cannot be maintained. In concert with weapon life extension options, studies have been initiated to assess the ability of the weapons complex to manufacture potentially required components for the current stockpile. The Readiness and Engineering Campaigns are required to sustain the manufacturing base within the nuclear weapons complex.

The Readiness Campaigns are:

Stockpile Readiness will ensure future manufacturing capabilities (equipment, people, and processes) for production of secondaries. This includes the reestablishment of special processes/materials, replacement of sunset technologies, development of technical work force competencies, and the development of component qualification and acceptance techniques.

High Explosives Manufacturing and Weapon Assembly/Disassembly focuses on ensuring future manufacturing capabilities for high-explosive fabrication and for weapon assembly and disassembly. By 2008, the capability for the timely support of high-explosive activities will be developed by providing advanced technologies, improved facilities, and trained personnel for high-explosives component manufacturing; validating production re-qualification processes; and streamlining weapon assembly/disassembly operations.



Academic Strategic Alliance Program

Nonnuclear Readiness focuses on ensuring future manufacturing capabilities for nonnuclear components. By FY 2006, all identified production vulnerabilities will be brought to an acceptable level of risk and advanced technologies for the timely production of defect-free products will be developed at half the traditional cost.

Advanced Design and Production Technologies (ADAPT) will develop capabilities to deliver qualified refurbishment products on demand. ADAPT will develop modeling and simulation tools, improved manufacturing processes, and information management technologies to enable full-scale engineering development with minimal hardware prototyping and paperless processes for future weapon refurbishment activities.

Enhanced Surety is an Engineering Campaign recognizing that, in addition to ensuring the Nation's stockpile is safe, secure, and reliable, DOE/NNSA has an obligation to provide the most modern surety (i.e., safety, security, and use control) possible for nuclear weapons. Enhanced Surety includes efforts to develop improved surety options, such as a new level of use-control capabilities that may be considered for incorporation in scheduled stockpile refurbishments. Enhanced surety will develop options for the W76 and W80 weapon systems.

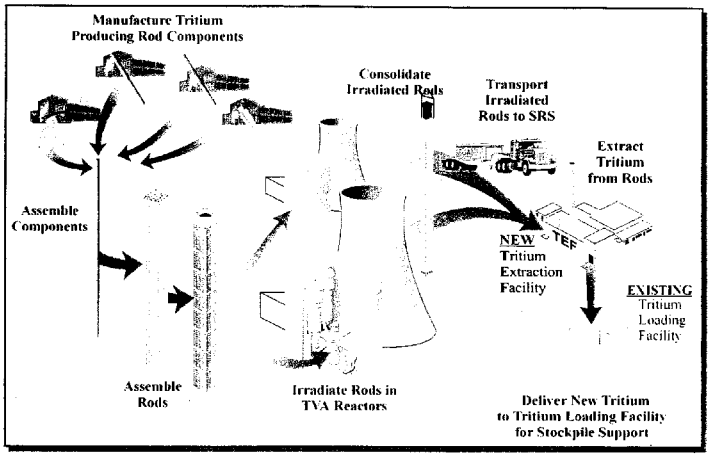
Pit Production

Pit Manufacturing and Certification Campaign is reconstituting pit manufacturing within the DOE/NNSA nuclear weapons production complex, including the reestablishment of the technical capability to manufacture and certify a limited number of war reserve pits at LANL. Later this year, LANL expects to produce a certifiable W88 pit and to certify a W88 pit for use in the Nation's nuclear deterrent by FY 2007. Certification of LANL pits without nuclear testing will further confirm that SSP can maintain high confidence in the safety, security, and reliability of the Nation's nuclear deterrent.

Restoring Tritium Production

The ***Readiness Campaigns*** include one devoted to tritium that provides a new tritium production system that will replace capabilities lost in 1988 with the shutdown of DOE's materials production reactors. The new tritium production system will produce tritium in nuclear power reactors owned and operated by the Tennessee Valley Authority (TVA), a Federal corporation, by irradiating DOE-designed, commercially manufactured Tritium-Producing Burnable Absorber Rods (TPBARs). The rods will contain an isotope of lithium that, upon absorbing a neutron, becomes tritium, a heavy isotope of hydrogen that has two neutrons.

Components for TPBARs will be fabricated by various commercial vendors. The components will be assembled into complete rods at a commercial facility in South Carolina. The assembled rods will be grouped into assemblies that can be inserted into various locations in reactors. This fall, the TVA will load the first batch of TPBARs into the Watts Bar reactor. The irradiation of TPBARs will occur during the course of the reactors' normal 18-month operating cycles and will not affect the plants' electrical-power generating capacity. After irradiation is complete, the rods will be removed from the reactors and transported by commercial means in special shipping casks to the new Tritium Extraction Facility being built at the SRS. The Tritium Extraction Facility will use remote-handling equipment to process the rods and extract gasses containing tritium from them. The gasses will be partially purified and sent to the existing Tritium Loading Facility. In addition to final purification of the new tritium, the Tritium Loading Facility reclaims and recycles tritium taken from retired and fielded nuclear weapons and replenishes reservoirs for fielded weapons with fresh tritium.



Cycle of tritium production utilizing commercial services with DOE extraction and recycling facilities and capabilities.

The first irradiation of production quantities of tritium-producing rods in a TVA reactor is scheduled to begin in early FY 2004.

Restoring Facilities and Infrastructure

Except for the newest experimental facilities, the nuclear weapons complex consists of production, testing, and laboratory facilities, which are very old and in need of intensive and ever escalating maintenance. During the previous decade, DOE devoted the bulk of a flat budget to establishing the scientific backbone for the SSP. Within the limited resources available, the priority was correctly assigned to funding the science program. Looking back, the result is the viable SSP. At the same time, maintenance needs of the facilities and infrastructure supporting the science-based program accrued to the point that has contributed to an extensive facilities' maintenance backlog. A 1999 internal program review of the SSP recommended that DOE develop a plan for long-term recapitalization of facilities in the nuclear weapons complex.

Numerous panels and studies, both internal and external to the NNSA have identified significant issues associated with the condition of nuclear facilities. The Nuclear Posture Review discussed the need to revitalize the nuclear weapons complex as the third leg of the "New Triad". The Facilities and Infrastructure Recapitalization Program was established specifically to address these concerns and assure that the NNSA continues to meet its major performance objectives of ensuring the vitality and readiness of the national security enterprise.

The Facilities and Infrastructure Recapitalization Program mission is to restore, rebuild, and revitalize the physical infrastructure of the nuclear weapons complex. The program focuses on repair and infrastructure projects, separate and distinct

from base maintenance and infrastructure that will significantly increase the operational efficiency and effectiveness of NNSA's sites. The Facilities and Infrastructure Recapitalization Program will focus on the physical complex that houses the SSP through implementation of three subprograms: Recapitalization, Facility Disposition, and Infrastructure Planning. *Recapitalization* (capital renewal and sustainability) funds specific projects with an emphasis on deferred maintenance reduction to arrest the physical deterioration of the nuclear weapons complex and ensure the long-term viability of current facilities and infrastructure to meet future workload requirements – this is the primary objective of the program. *Disposition* accomplishes the decontamination, dismantlement, removal and disposal of facilities that have already been deactivated and are no longer useful to the SSP. *Planning* supports the preparation required for next year Recapitalization projects, to include baselining and readiness to obligate funds.

Restoring Confidence in Project Management

To aid in the successful execution of construction projects and other program work, DP has undertaken a project management improvement initiative. During FY 2000 and early FY 2001, NNSA/DP has:

- Developed and implemented new DOE Order 413.3-compliant project management policies and procedures.
- Established a partnering agreement and membership in professional project management organizations.
- Created a website to provide a complete and central source for project management information.
- Sponsored project management workshops for DP personnel on creating a competent project management organization.

This multiyear initiative encompasses the recommendations of the National Research Council, General Accounting Office, Defense Nuclear Facilities Safety Board, Inspector General, and other external review groups regarding DOE/NNSA project management. It also incorporates the results of an extensive benchmarking effort to determine the best practices being employed by both public and private organizations.

The initiative will produce a project management competent organization that can efficiently and effectively deliver the new facilities.

Integrated Safety Management

Integrated Safety Management (ISM) is DOE/NNSA's safety management system to ensure all work is performed safely, protecting the worker, the public, and the environment. The objective of ISM is to incorporate safety into management and work practices at all sites and levels, addressing all types of work and all types of hazards. DOE/NNSA Policy and Acquisition Regulations mandate inclusion of ISM requirements in NNSA management and operating contracts. NNSA has implemented ISM at all our facilities and is now working on continuous improvement.

Integrated Safeguards and Security Management

In March 2001, the NNSA Administrator directed the implementation of Integrated Safeguards and Security Management (ISSM). This ISSM implementation will integrate safeguards and security into management and work practices at all levels so missions are accomplished securely. It is designed so that each individual will be involved in safeguards and security requirements and clear lines of responsibility and authority are established which delineate line management as being directly responsible for the protection of NNSA assets. The

NNSA Safeguards and Security Program protects personnel, warheads, special nuclear material, and sensitive and classified information of the Stockpile Stewardship Program.

full implementation of ISSM is a vital part of our ongoing effort.

An integral part of the ISSM concept is the ongoing review of past safeguards and security policies. This review is designed to identify policy improvements and determine how policy can most effectively be implemented within NNSA. Each individual has been encouraged to participate in this process so that we can build on current safeguards and security practices to help us work more securely.

Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile

The "Panel to Assess the Reliability, Safety, and Security of the United States Nuclear Stockpile," also known as the Foster Panel, submitted its report to Congress on March 15, 2002. The report discussed areas where, in the Panel's opinion, the weapons program will need to be transformed to meet the challenge of retaining high confidence in the nuclear weapons stockpile. These areas include:

- Strengthening both the DoD and DOE stockpile surveillance, assessment, and certification programs.
- Articulating and funding a balanced, forward-looking weapons program that meets the requirements for weapon refurbishments, explores advanced concepts, and maintains leading-edge capabilities in weapons-relevant science and technology.
- Ensuring the President has the option to conduct a nuclear test in a timely manner if one is essential to address a critical stockpile problem.
- Continuing the Secretary of Energy's support of the NNSA by further reduction of DOE staff functions that are redundant with NNSA functions.

The report further states that the NNSA must lead in transforming the weapons program by creating

a resource plan that explains how it will address the challenges of stockpile stewardship, and in establishing the management capable of executing the plan. The NNSA is addressing the Foster Panel recommendations in the Future-Years Nuclear Security Program (FYNSP), the NNSA reorganization, and the Stockpile Stewardship Program program plans.

Stockpile Stewardship Program Accomplishments

The SSP is working and is responsible for a number of significant accomplishments:

- Completed the seventh Annual Certification Process for the stockpile.
- Sustained production and maintenance activities to ensure all DoD operational needs were met. This included improving the surveillance program, production of more than 10,000 parts to support the maintenance program, ongoing refurbishment of W87 intercontinental ballistic missile (ICBM) warheads and B61-11 bombs, modification of neutron generators for W76 submarine launched ballistic missile (SLBM) warheads, and successful dismantling of the planned number of retired W79 and W56 nuclear weapons.
- Implemented a new joint NNSA/DoD planning process for refurbishment of the nuclear weapons stockpile, called the Phase 6.X Process. The process was used to obtain NWC approval to proceed with refurbishment activities for W76 SLBM warheads, W80 cruise missile warheads, and B61 bombs.
- Conducted the Advanced Simulation and Computing Campaign, which has delivered the world's most capable supercomputers to all three weapons laboratories. Initial operations produced the first ever three-dimensional simulations of nuclear weapons primary and secondary detonations and of expected hostile environments. Additional supercomputing capabilities are being acquired.
- Conducted a total of 19 subcritical experiments at the Nevada Test Site, providing an improved understanding of key aspects of the physics and aging properties of plutonium.

The Pantex Plant Sealed Insert Repackaging Team reached the 5,000 pit milestone in July. The team repackaged the 5,000th plutonium pit into a Sealed Insert Container. Plutonium pits are nuclear components that are removed from weapons and stored at the plant. The repackaging operation inserts the pits into sealed containers more suitable for safe, long-term storage.

Subcritical experiments also support maintenance of test readiness, consistent with Presidential direction.

- Conducted inertial confinement fusion and high-energy-density physics experiments using laser and pulsed power facilities. Evaluated advanced direct drive laser fusion concepts on Omega and Nike and provided cryogenic equation of state data for deuterium on Omega. Completed coupled transfer/hydrodynamics experiments and demonstrated high temperature drive and supersonic transition on the Z pulsed power machine.
- Completed the refurbishment of more than 50% of the W87 inventory for the U.S. Air Force.
- Manufactured initial W88 development pits at LANL.
- Reestablished neutron generator production at SNL and met First Production Unit date for W76 neutron generator.
- Established and are executing performance-based contracts for three production plants and two laboratories: Pantex Plant, KCP, Y-12 Plant, LANL, and LLNL.
- Fielded improved SafeGuard Transporters (SGTs).
- Delivered a 30 teraOPS computer system for LANL.
- Conducted a detailed assessment of the nuclear weapons complex's Facilities and Infrastructure.
- Obtained Nuclear Regulatory Commission license amendment for production of tritium in the Tennessee Valley Authority's Watts Bar and Sequoyah nuclear power plants.
- Contracted for a 40 teraOPS computer system for SNL and a 100 teraOPS computer system for LLNL.

Stockpile Stewardship Program - Looking Ahead

The goal of NNSA/DP is to have in place by 2010 all of the following capabilities that are necessary to provide continuing high confidence in the safety, security, and reliability of the Nation's nuclear weapons stockpile:

- New tritium in the inventory and a reliable tritium production source of sufficient capacity to support the nuclear weapons stockpile.
- A reliable pit manufacturing capacity sufficient to meet near-term stockpile requirements.
- Enhanced surveillance and experimentally validated computational capabilities sufficient to predict the timely onset and effects of aging on nuclear weapon safety, security, and reliability.
- Improved understanding of nuclear weapons' response to normal and abnormal environments.
- Scientific, engineering, technical, computing, and simulation expertise required for stockpile assessment.
- Modern, more efficient infrastructure capable of meeting all program requirements and operated in a safe and environmentally sound manner.
- Assured replication or replacement options for weapon components in the stockpile.
- Integrated, agile, and rapidly expandable design and production systems to implement stockpile refurbishment in a timely manner.
- The ability to respond to specific contingencies, such as a decision to resume nuclear testing, design and produce new weapons, expand tritium supply, or counter nuclear incidents.

- Having in place a new generation of fully trained, competent stockpile stewards.
- Ability to experimentally test predictions of nuclear burn behavior through NIF and related facilities.
- Achieve 100 teraOPS computer capability coupled with an integrated high-fidelity burn code.

Stockpile Stewardship Program FY 2003 Budget

The FY 2003 NNSA Budget Request for SSP activities totals $5.8 billion, representing an increase of $305 million over the FY 2002 enacted appropriation, which includes $25 million supplemental appropriation for the Secure Transportation Asset. The NNSA FY 2003 Budget Request supports the recommendations from the NPR, develops a stockpile surveillance engineering base, refurbishes and extends the lives of selected warheads, and maintains the science and technology base needed to support nuclear weapons. The Budget Request also protects the operational readiness of the nuclear weapons stockpile through surveillance, experiments, and simulations for individual weapons and weapon systems, and investment in advanced scientific and manufacturing for the future.

The President's FY 2003 Budget Request for SSP was developed on two primary resource drivers. The first is the strategic reviews of national security-related activities conducted this past year. NNSA actively participated in the President's Strategic Review of deterrence and missile defense policy and was a key participant in the NPR which lays out the direction for this Nation's nuclear forces over the next five to ten years. These reviews reaffirmed NNSA's stockpile refurbishments and the need for a robust, responsive research and development and industrial base of which the nuclear weapons enterprise is a key element. The NNSA laboratories are on the cutting edge of technology and have a vital national security role to play in combating terrorism. The second driver is the President's Management Initiatives on the human capital management and competitive sourcing initiatives which serve to focus our activities, particularly in the NNSA restructuring of the Headquarters and field offices and in the Federal Program Direction budget. Recruitment, retention, and skill mix are critical to NNSA's success in the future and are key to our plans for re-engineering the workforce.

Conclusion

The SSP continues on a steady course and has greatly benefited from strong Administration and Congressional support, as well as effective integrated program planning, budgeting, and implementation. The 1,700 Federal and 24,000 contractor personnel in the nuclear weapons program are working as a team and achieving significant technical accomplishments. We are executing detailed, integrated program implementation plans that depend on strong partnerships among the national laboratories, the production plants, the Nevada Test Site, and U.S. industry. Furthermore, formal procedures and review processes are in place to ensure continuing confidence in the stockpile.

While the SSP has enjoyed a number of successes, we believe that the greatest challenges lie ahead, and we are preparing to meet the future through our current efforts. Building on the SSP's major accomplishments, and with the continued implementation of the overall program strategy, we are confident in our ability to maintain the safety, security, and reliability of the stockpile with concern for the environment, employees, and the general public. We are committed to this program and the President's overall goal of reducing global nuclear danger.

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Acronyms

Acronyms and Abbreviations

ACM
Advanced Cruise Missile

ADAPT
Advanced Design and Production Technologies

ALCM
Air-launched cruise missile

ASC
Advanced Simulation and Computing Campaign

C2
Command and Control

DARHT
Dual-Axis Radiographic Hydrodynamic Test Facility

DoD
Department of Defense

DOE
Department of Energy

DP
Office of Defense Programs

DSW
Directed Stockpile Work

ESC
Enhanced Surveillance Campaign

F&I
Facilities and Infrastructure

FY
Fiscal Year

FYNSP
Future-Years Nuclear Security Program

ICBM
intercontinental ballistic missile

ISM
Integrated Safety Management

ISSM
Integrated Safeguards and Security Management

KCP
Kansas City Plant

LANL
Los Alamos National Laboratory

LLNL
Lawrence Livermore National Laboratory

NIF
National Ignition Facility

NNSA
National Nuclear Security Administration

NPR
Nuclear Posture Review

NTS
Nevada Test Site

NWC
Nuclear Weapons Council

NWCSSC
Nuclear Weapons Council Standing and Safety Committee

NWSP
Nuclear Weapons Stockpile Plan

QDR
Quadrennial Defense Review

R&D
Research and Development

RTBF
Readiness in Technical Base and Facilities

SGTs
Safeguard Transporters

SLBM
submarine-launched ballistic missile

SNL
Sandia National Laboratories

SRS
Savannah River Site

SSP
Stockpile Stewardship Program

START
Strategic Arms Reduction Treaty

teraOPS
trillion floating point operations per second

TLAM-N
Tomahawk Land Attack Missile - Nuclear

TPBARs
Tritium-Producing Burnable Absorber Rods

TVA
Tennessee Valley Authority

UGT
underground nuclear test

U.S.
United States

Y-12 Plant
Y-12 National Security Complex

General Gordon Receives Gold Award

Secretary of Energy Spencer Abraham awarded former NNSA Administrator Gen. John Gordon the Secretary's Gold Award, in recognition of his outstanding effort to establish and lead the National Nuclear Security Administration.

Gordon left NNSA in early July to join the staff of the National Security Council as the Deputy Assistant to the President, National Director and Deputy National Security Advisor for Combating Terrorism.

At a reception for General Gordon, Secretary Abraham said, "NNSA could not have had a better person to handle the difficult work of getting a new agency started from scratch. We are going to miss John, but he has left us with a strong plan to follow that will allow NNSA to fully realize the goals laid out by Congress when it established NNSA."

Prepared by:

Office of the Deputy Administrator for Defense Programs
Program Integration Office
Strategic Planning and Analysis
U.S. Department of Energy
National Nuclear Security Administration
1000 Independence Avenue, SW
Washington, D.C. 20585

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Chairman WARNER. May I suggest that in the course of that preparation, you work with my staff so they can completely flush out the parameters of the record that this committee will need so we might have an initial draft and make comments on it and then send it back to you for additional work on it?

Secretary BODMAN. We would be happy to do that, sir.

With respect to my initial views of the subject, I can say that I am aware that very serious consideration has been given over the past several years to this matter, that there have continued to be a series of reports that have been issued that first called for a substantial reduction in the size of the stockpile, which I think is very encouraging news. That is based on a sense, I presume—I have not done the work myself yet, but I presume a sense of confidence that

we have the capability of increasingly understanding the physics involved in these devices and have the capability of upgrading and providing replacements when necessary for particular components that are parts of the devices. It is inherent in the science program that is part of NNSA's budget that will enable us to expand our understanding, the advanced computation programs that are part of the budget that will add to it, as well as the NIF program, which is really the core of it, that is, to be able in a laboratory to start to replicate the physical processes that are occurring inside a nuclear weapon at detonation, but be able to do it in a fashion that is benign and that takes place, as I said, in a laboratory. These are very high risk endeavors from a technical standpoint and are ones which I look forward to learning much more about as I get into the work over the weeks and months ahead.

Chairman WARNER. As a part of that study, I am sure you will consult with our laboratories, which I view as a great national treasure of this Nation. I recall so well that this committee convened a meeting of the heads of those laboratories to ascertain from them their professional judgment with regard to where we are in that program. It may well be that our committee will do that again this year. So give us, as a part of the response to my question, their views.

Also, I would like to have you look internationally at those nations which have acknowledged the possession of nuclear weapons and their programs to determine the safety of their stockpiles. It is interesting to compare what we are doing in this country versus the other nations that possess these weapons.

Now, as a part of our 2004 statute, we, Congress, required the DOE to achieve and maintain thereafter a test readiness posture of not more than 18 months. In other words, DOE would be able to resume underground nuclear testing within 18 months of a presidential decision to have the necessity for such a test, and that would be a very significant step for a President to take. DOE is to achieve this readiness no later than October 1, 2006.

My first question is give us a report on where you believe that program is to date, and is the funding requested for the fiscal year 2006 budget sufficient to achieve that readiness posture and on-line program, as required by Congress?

Secretary BODMAN. We continue to be committed to that requirement of the law, sir, and the budget that has been proposed by the President is consistent with that program.

Chairman WARNER. Do you know where we are? Do you think you are on the curve to achieve the October 1, 2006 deadline?

Secretary BODMAN. I am informed that we are, sir. I have to say that with respect to schedules of this Department, I have been somewhat disappointed in finding that from time to time we seem to miss some of the schedules. So I will want to take another look at the exact schedule, but I can tell you that I am informed that we are on track to meet that deadline.

Chairman WARNER. All right. That is sufficient for this morning's hearing. Thank you.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman. Again, let me welcome the Secretary and also recognize, as you have, Mr.

Chairman, that with 2 weeks on the job, this is a process of maybe outlining questions and issues rather than coming to definitive conclusions. I think the chairman's advice is excellent about working with the staff here. I would assume that is both the majority and minority.

Chairman WARNER. Absolutely.

Senator REED. I think in that line, it might be a good opportunity to ask some very fundamental questions. We have had a Cold War stockpile that over the last 12 years has been maintained without testing. There are issues about the reliability of the stockpile. There are issues about replacing existing warheads with new warheads. There is a whole series of questions. I think it might be the opportunity now to look at some fundamental issues about the role of nuclear weapons and deterrence, the capabilities that our nuclear weapons need today rather than in a Cold War context. What about the use of precision conventional weapons as a somehow complementary replacement for some of our nuclear weapons, basic issues about how many we need, why do we need them, our employment policies. These are a series of questions which I hope you will look at very closely. I believe General Cartwright at Strategic Command (STRATCOM) is looking at these issues.

One sense I have, though, is that a lot of the thinking about nuclear weapons is fragmented between the DOE, DOD, STRATCOM, and Congress. I think, as the chairman suggested, a unified effort to look seriously at all these issues would be absolutely critical as we go forward, and this seems to me the appropriate time. So I would ask that you would involve your colleagues in the DOD and also involve Congress, Mr. Secretary.

Secretary BODMAN. I would be pleased to do that. I have already spoken to Secretary Rumsfeld about that, and he is fully supportive of making certain that we look jointly at this effort. So I think I can say that without reservation.

Senator REED. Thank you, Mr. Secretary.

Mr. Secretary, let me turn to a couple specific questions, if I may, and if it is something that you would like to respond to in writing later, that might be appropriate.

The DOE NNSA budget contains $9 million in 2005 for the reliable replacement warhead (RRW) program. Could you comment upon what you intend to do with those resources?

Secretary BODMAN. I can take that, sir. The RRW—this is the reliable replacement warhead.

Senator REED. Yes.

Secretary BODMAN. That program is the continuation of the understanding of the science involved and first understanding the state of our weapons. We have a very challenging technical problem. We have devices that by definition are changing. They change with time as they continue to undergo the radiation process. Sometimes that causes physical changes in the materials that make up the devices. That is particularly true in the case of plutonium and the so-called pits. Even though plutonium has a very long half-life, it is a material that, since it is an alpha-emitter, eventually ends up emitting helium, producing helium, and you get little pockets of helium that change the crystallography, change the physical properties of the material. So this whole effort is geared to under-

standing those changes and to be sure that when I sign the document, along with Secretary Rumsfeld, that we can be certain that we have devices that work. That is really all that is involved in it. So it is a matter of maintaining what we have and not, I think as some have suggested, creating something new. It is a matter of maintaining what we have.

Senator REED. Certainly that suggestion has been there, and I am glad that you could respond to that directly, Mr. Secretary.

Let me turn now to the issue that you alluded to. That is the RNEP. The Air Force has a $4.5 million budget line request for RNEP. I wonder, was this coordinated with the DOE or will it be coordinated with it?

Secretary BODMAN. Sir, I cannot speak to what the Air Force has. So the answer is I think not. I simply do not know. I cannot speak to that. I can speak to DOE's proposal both for 2006 and an anticipated expansion of the amount in 2007. I can speak to that if you wish. I cannot speak to what the Air Force program is. I simply do not know.

Senator REED. I would be pleased if you could respond to DOE's responsibilities for RNEP at this point.

Secretary BODMAN. I think there are two aspects to it, as least as I see it as a newcomer. One is the fact that this is meant to be a study. It does not involve nuclear materials, and it involves understanding the physics of having a projectile hit the earth and to determine just how deep the device goes and what happens to the internal structure. Can it retain sufficient structure that a nuclear device that might be inside that projectile or a non-nuclear device could be protected until it reaches some depth in the ground? So it is strictly, if you will, a study.

I am finding, if I may say, test has a connotation that I am still learning to grapple with, meaning that utilizes nuclear materials. This is not a test in that sense. It is a study, hence something that I think of as a physical study as to how deep this material could go and what would happen internally.

I should add that we have been asked by the DOD—my predecessor was asked by Secretary Rumsfeld—to pursue this program. They are a very important customer and one that we try to work with effectively. So we have done so at their request, having looked at it ourselves and determining our capability of undertaking this kind of study. So it is, I think, a reasonably simple and straightforward matter.

Senator REED. Thank you, Mr. Secretary.

Chairman WARNER. The question that my distinguished colleague asked is an important one. If I might suggest at this point in the record you would include the Secretary's justification for asking your Department to proceed with the RNEP program. He presumably established to the satisfaction of your predecessor, since it is in the budget now, the military requirement for the RNEP program.

Secretary BODMAN. Absolutely, sir.

[The information referred to follows:]

The Department of Defense's (DOD) support for the Robust Earth Penetrator Phase 6.2/2A Cost and Feasibility Study is well-documented. Two significant items documenting the DOD position are: (1) January 18, 2002, Memorandum from the

Nuclear Weapons Council Staff Director to the Deputy Administrator for Defense Programs, National Nuclear Security Administration, Subject: Robust Nuclear Earth Penetrator Program Entry into Phase 6.2, Feasibility Study and Option Downselect, and Phase 6.2A, Design Definition and Cost Study; and (2) January 10, 2005, memorandum from the Secretary of Defense to the Secretary of Energy, Subject: Funding for Nuclear Programs in the Fiscal Year 2006 Budget. Copies of documents are attached.

THE SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

JAN 10 2005

FOR THE SECRETARY OF ENERGY

SUBJECT: Funding for Nuclear Programs in the FY 2006 Budget

- Our staffs have spoken about funding the Robust Nuclear Earth Penetrator (RNEP) study to support its completion by April 2007.
  - I think we should request funds in FY06 and FY07 to complete the study.
- Securing funds from Congress in FY 2006 demonstrates that both Departments are in clear support.
- You can count on my support for your efforts to revitalize the nuclear weapons infrastructure and to complete the RNEP study.
- Let me know how I can assist you in this regard.

cc: Director, Office of Management and Budget

Control to NNSA
for Program Determination.
Date: 1/14/05
Info copies: NNSA

DEPARTMENT OF DEFENSE
AND
DEPARTMENT OF ENERGY

NUCLEAR WEAPONS COUNCIL
WASHINGTON, DC 20301-3050

JAN 18 2002

MEMORANDUM FOR DEPUTY ADMINISTRATOR FOR DEFENSE PROGRAMS, NATIONAL NUCLEAR SECURITY ADMINISTRATION

SUBJECT: Robust Nuclear Earth Penetrator Program Entry into Phase 6.2, Feasibility Study and Option Downselect, and Phase 6.2A, Design Definition and Cost Study

REFERENCE: (a) AF/XON and NNSA briefing, November 28, 2001, Nuclear Weapons Council (NWC) Briefing to Initiate 6.2/6.2A Robust Nuclear Earth Penetrator Program (RNEP) Efforts
(b) Hard and Deeply Buried Target (HDBT) Capstone Requirement Document, January 12, 2001

In response to the request from the Director for Nuclear and Counterproliferation, (AF/XON) US Air Force, included in reference (a), the Nuclear Weapons Council (NWC) requests the National Nuclear Security Administration (NNSA) join the Department of Defense (DoD) in a Phase 6.2, Feasibility Study and Option Downselect, and Phase 6.2A, Design Definition and Cost, for a Robust Nuclear Earth Penetrator (RNEP) as the potential nuclear option to be considered for Hard and Deeply Buried Targets. Specifically, the recommendation to include two systems in the RNEP Phase 6.2/6.2A, at a reduced cost (i.e., Plan 2) is approved. This approval is based on the requirement presented in reference (b), the recommendation of the NWC Standing and Safety Committee (NWCSSC) and on the presentation made to the NWC by representatives of the Air Force and the National Nuclear Security Administration (NNSA) on November 28, 2001. The RNEP Study is to be conducted jointly with the DoD in accordance with the NWC Procedural Guideline for the Phase 6.X Process, dated April 19, 2000.

A separate memorandum is being sent to the Director of Nuclear and Counterproliferation, United States Air Force, requesting that they join the NNSA in the effort. As there is no RNEP Project Officer's Group, DoD and NNSA are to form a joint DoD/NNSA Study Group, chaired by Nuclear and Counterproliferation Directorate (AF/XON), United States Air Force, to begin their work in April 2002 and complete it within three years or sooner. The Study Group is also encouraged to explore options to accelerate the delivery of this capability to FY 2007 and report back to the Council with the results as soon as possible. The effort would recommend a specific weapon for possible further development in Phase 6.3, Development Engineering. Subject to NWC approval after completion of Phase 6.2/6.2A, and after downselection to a specific weapon has been completed, the appropriate Project Officers Group would assume responsibility to manage the transition of this effort into Phase 6.3.

I request that the Air Force and NNSA provide annual briefings to the NWCSSC on program status, including costs, schedules, and risk mitigation.

The excellent efforts provided by the NNSA staff and the National Laboratories to assess concepts that would meet this critical capability are evident in the briefings presented to the NWCSSC and NWC. Please relay my appreciation for the excellent work done to date.

Dale Klein
Staff Director

cc:
Chairman and Members, Nuclear Weapons Council
Members, Nuclear Weapons Council Standing and Safety Committee

Chairman WARNER. Thank you very much.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

Secretary Bodman, congratulations and welcome.

Secretary BODMAN. Thank you, sir.

Senator CORNYN. I think it is an interesting contrast that here we are having this public hearing on C-SPAN and perhaps broadcast around the world about our nuclear weapons program and capability when we have nations like Iran and North Korea prohibiting the International Atomic Energy Agency (IAEA) from inspecting their sites in a way that would hopefully keep the world more peaceful and all of us safer. That really leads me to some of the criticism—and some of it is not so much expressed but implied—that tries to establish some kind of moral parity between the United States development and maintenance of a nuclear weapons capability and the development of a nuclear weapons capability by nations that are not open and do reject international organizations like the IAEA that are designed to monitor weapons and to, hopefully, keep the world a safer place. So I personally reject any sort of moral equivalence or parity between the United States' position and the nations like Iran and North Korea, which certainly do not comply with the international norms in this area.

But let me use that as a segue perhaps to talk about the RNEP. I have been concerned, as others have, about the need for a more flexible arsenal to meet the new threats from proliferation of nuclear and other weapons of mass destruction to countries such as Iran and North Korea. Perhaps they have learned what Iraq learned when the Osirak facility was bombed by the Israelis back in 1981, and so they have gone underground. To me the need for weapons, and for the research in particular—that you alluded to earlier, into the feasibility of weapons to destroy deeply buried targets is increasingly urgent because hostile nations are building the most important facilities down to 1,000 feet underground.

Some may argue that funding a study to see if the heavy load, deep-penetrating nuclear weapon can be made is necessary. But I would like to know, if you can tell us today, what has been accomplished to date on the RNEP and how much is left to do to determine the feasibility of the concept, as well as the feasibility of converting the B–61 series bombs to an RNEP-type bomb.

Secretary BODMAN. I would be happy to give you a comment on that. I would retreat to my previous comment. I have only been here a couple of weeks, so I have not really gotten into all the details of it.

My understanding is the RNEP program, which was zeroed out in 2005 in the omnibus bill, has called for the unwinding of that program, and we are currently doing that. So the original work that was done did not involve any physical studies. It involved design work and getting ready to do the work eventually required, but we have not done any physical work to my knowledge. So it is strictly initial efforts, if you will, to get ready to do the study, not having taken even any preliminary data.

Senator CORNYN. I for one—and I know I am not alone—think that that is an important study that needs to continue in order to protect our Nation against emerging and chronic threats.

Secretary BODMAN. If I could interrupt, sir, just if I may. That is clearly Secretary Rumsfeld's view, which is why the request was made so that there is a strong feeling of those responsible for the defense of our Nation that this is important. It was in our responding to that the reason we were affirmative in our response to that because of the perceived importance of it.

Senator CORNYN. I think most Americans would be shocked to learn that we currently do not have the certified capability to produce nuclear weapons. In particular, the modern pit facility (MPF) is what I am alluding to here. Are we the only nuclear power in the world that does not have the current nuclear weapon production capabilities?

Secretary BODMAN. I believe we are, sir.

Senator CORNYN. For example, Russia has current production capabilities.

Secretary BODMAN. I believe they do, sir.

Senator CORNYN. China.

Secretary BODMAN. I believe they do, sir.

Senator CORNYN. North Korea.

Secretary BODMAN. I cannot speak to that. I cannot speak to that in this forum.

Senator CORNYN. Certainly. I understand. That is a concern in Iran and, of course, we know India and others have nuclear capability. But it seems ironic to me that the United States of America has no current nuclear weapon production capabilities.

Why will it take some 15 years to get an MPF up and running in the United States?

Secretary BODMAN. First of all, we will have the capability of manufacturing small numbers of pits, one, two a year at Los Alamos. So that has been worked on over the past several years. So we will have, if you will, on a laboratory scale the capability of starting that recovery process.

Part of the difficulty, in terms of working with plutonium, is getting the understanding and support of Congress and the like-mindedness of Congress and the administration that this is something that needs to be done.

As to why it takes as long to prepare and do the work for the production of these devices, I cannot really speak to that. I do not know. I have not looked at it in any depth. I would be happy to

do that and get back to you. It is a fair question. I have that same question about a variety of things, and it seems to be, in part, the issue of just how long it takes to create a new process for producing the same devices that we have had before, on the one hand, and also agreeing to what the scale of it should be.

Questions have been raised, how many devices do we need to be able to make, and the appropriate answer seems to be 125 provided that the lifetime of the current pits that we have available is at least 60 years. That 60 years seems to be on the up side. There is a band between 45 and 60 years. That seems to be the current estimate. So you can understand if they look in the last 60 years, we could get away with being able to produce 100-plus a year. If the lifetime is less than that, then we are going to need to be able to replicate and increase the production in order to maintain our stockpile.

Senator CORNYN. Mr. Chairman, may I ask for your indulgence for one other question?

Chairman WARNER. Yes, indeed. Go ahead.

Senator CORNYN. Mr. Secretary, Pantex, located in Amarillo, Texas, is proud of our role in the stockpile stewardship program. But I want to ask you—and perhaps this is just another issue to put on your list, recognizing that you have just been in office 2 weeks, but this has to do with maintenance of our nuclear weapons facilities to make sure they receive the proper funding and facilities to carry out their important mission.

This committee has long been concerned about the condition of the nuclear weapons complex, specifically nuclear weapons production plants. Apparently that goes back at least 4 years, but let me give you just two examples that seem shocking to me.

One is at the Pantex plant in Amarillo, the contractor had to cover nuclear weapons with plastic bags when it rained because 6-foot tumbleweeds had grown out of the production building roofs, causing leaks and flooding. Believe it or not, it actually does rain occasionally in that part of the State, and when it does, it rains a lot. But obviously that is a concern. When you are talking about putting plastic bags on nuclear weapons just to keep them dry, it raises important questions.

At the Y–12 National Security Complex in Tennessee, 4 years ago workers wore hard hats because concrete from the floor above was falling down on them and there was no money to fix the floor.

I know that we have a program in place, the Facility and Infrastructure Recapitalization Program, that is designed to deal with this aging infrastructure and to deal with these kinds of problems. But the proposed funding in the President's budget has actually been reduced some over last year. I just want to ask you, first of all, if you are aware of this problem, and if you would care to make any response generally. I would just like to put that on your radar screen for a longer-term conversation.

Secretary BODMAN. Thank you, sir. First, I would say that I am aware of it. I am aware of the program. We believe that we will be able to meet our commitments and the schedule that was set out in terms of the repair and revitalization of these facilities.

I can tell you that having now spent time in three Departments of this Government, I started out at Commerce, and then I went

to Treasury, and I am now here at Energy, frankly, I found the same sorts of things in each Department. Apparently it is much easier to get interest and commitment both of the administration and Congress, I am not trying to blame anybody, for new things as opposed to maintaining old things. So that is a bit of a challenge I think as a general statement in the Government. Therefore, that is consistent with your observations.

I am very much committed. I am an engineer at heart, and I like to think that the physical surroundings that people work in are very important, including the safety of our employees. I will work very hard to see to it that we honor the commitments that have been made to you.

Senator CORNYN. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Cornyn. I recognize that many of the important facilities of this Department are in your State of Texas, and it is fortunate that you have taken this interest to pursue these questions.

Mr. Secretary, we will go into a second round here. Each of us has a few more questions.

One of the biggest challenges of the EM program is emptying the large tanks of highly radioactive waste that exist at nuclear defense sites in South Carolina, Washington, and Idaho. Last year Congress granted DOE the authority to go out and dispose in place small amounts of residue that will remain at the bottom of the tanks after they are emptied. This authority applies only to the South Carolina and Idaho tanks. What are DOE's plans to use this new authority, and have you determined how it will complete the cleanup of the tanks at Hanford in Washington State?

Now, this may be one of the questions you want to take for the record. It is fairly detailed. We have quite a few more detailed questions. So give us your best.

Secretary BODMAN. I would give you a short answer to that and then will give you a more complete answer for the record.

This is one of those areas, sir, where I have been concerned that we have not been as timely as we would have wished to have been in doing the legal implementation work to convert the legislation, which was passed I believe last October, and to get all of the specific rules and regulations put in place so that we can implement it. That legislation grants the Secretary of Energy certain authorities, and we want to be certain that, given the litigious nature of this situation, that we are very careful.

So I asked my colleagues to develop a new and more aggressive approach to this so that we can get on with it. I have reason to believe over the next couple of weeks I will be getting from them their proposal, and I will expect to get back to you, sir, and this committee and particularly to the legislators representing the affected States just where and how and how rapidly we are going to be able to do what we need to do. We do have commitments and I intend to do my very best to honor them.

[The information referred to follows:]

We have already made progress in implementing the authority granted to the Department in the legislation. We have drafted the first of several waste determinations planned for the Savannah River Site this fiscal year. That draft waste deter-

mination, prepared for the salt waste processing operation at Savannah River, was submitted to the U.S. Nuclear Regulatory Commission for consultation, as required by the legislation, on February 28, 2005. Preparations are also underway to provide the draft salt-waste determination for public review.

The Department anticipates preparing additional waste determinations for Savannah River for stabilized residual wastes in Tanks 18, 19, and the I–F Evaporator in the F Area Tank Farm. The Department also expects to prepare a separate waste determination for the stabilized residual waste in the underground storage tanks at the Idaho National Laboratory. We are in the process of developing a detailed schedule laying out all of the steps necessary to bring the waste determinations to completion, as well as a rigorous timeline for doing so.

As you mentioned, the authority granted in the legislation extends only to wastes resulting from reprocessing to be disposed on site at Department of Energy sites in South Carolina and Idaho, and does not cover the Hanford site in the State of Washington. The Department has not decided how to proceed at Hanford.

Chairman WARNER. I thank you.

After the attacks on this country on September 11, 2001, the Secretary of Energy increased the security requirements across the nuclear weapons complex. Security requirements for the DOE are known as the design basis threat (DBT). Most of the details surrounding the program are classified, so we will have to have a classified annex, which we will ask you to provide.

However, last year your predecessor, Secretary Abraham—may I say at this juncture I think he discharged his responsibilities quite well in the Department. Those of us in the Senate who were privileged to serve with him were delighted to see the President select him and give him this opportunity. I am sure that you have had an opportunity to consult with him.

Secretary BODMAN. I have, sir, and I agree with your assessment of the quality of his and Deputy Secretary McSlarrow who also did an outstanding job.

Chairman WARNER. Oh, yes, a very valued member of our professional staff, Kyle McSlarrow. They were a great team.

Last year, the Secretary testified before this committee that the DOE nuclear weapons sites would be compliant with the new DBT by the end of fiscal year 2006. Is the DOE budget in your opinion sufficient to achieve this goal, and is the DOE exploring the use of technology to meet the enhanced security requirements, or is DOE relying primarily on additional security personnel?

Secretary BODMAN. First, sir, just if I may, I believe it is 2008 and not 2006.

Chairman WARNER. We will check that.

Secretary BODMAN. If you could check the facts. My understanding is that we are geared up and working toward the accomplishment of all of this by the end of fiscal year 2008. The 2006 budget calls for the completion of the work that was called for in the design basis threat assessment that was made in 2003. There is a new one that has been developed in 2004 that calls for even further upgrades. But I wanted to make the point that the 2006 budget, given the timing of all of this, is consistent with what we had in 2003.

But we are very much committed to the use of technology. Again, I have not had the classified briefing myself to get into all the details of this, but it seems that it calls for, if one were to rely strictly on human beings, the costs would quickly become prohibitive. So increasingly, we will be using what we call technology which calls for remote sensing of the presence of somebody who is trying to ap-

proach a facility, controlling gates and access remotely. That sort of thing is being looked at as an approach to be able to improve security and not have a parallel growth in the number of people.

Chairman WARNER. Thank you.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

I want to return briefly to the RNEP. In fact, I think the chairman's advice is excellent about really pinning down whether there is a requirement, a military requirement, what has been discussed from the DOD, DOE. It is my understanding that there is a search on for means to defeat the deeply buried targets, including an array of techniques that are intelligent, precision-guided munitions, and also adapting a nuclear device to be an RNEP. But I do not believe yet there is a military requirement for an RNEP.

Having said that, it appears that both DOE and DOD are moving forward to try to develop those requirements. Having said that also, in your budget last year, in your 5-year plan, you included money for over 5 years for the RNEP. This year the budget looks like $14 million in fiscal year 2007, but no monies after that.

Secretary BODMAN. That is right, sir.

Senator REED. Are we trying to move this process through without fully disclosing where we are going?

Secretary BODMAN. Oh, no, sir. We are trying to be responsive to the wishes of Congress, and strictly this is a matter of carrying out a study in order to determine how deep a projectile could go and what the impact internally on the projectile is. It is strictly that. We would then have to come back to consult with Congress before we would go to anything further than that. I think of it as a physics study. It is as simple as that. So, no, this is merely a matter of trying to respond to what we perceive to be the wishes of this Congress.

Senator REED. Again, I think the advice of the chairman is well taken. It should be at this juncture to clarify what is a requirement, what is not a requirement, what is a study of the physics of a phenomenon versus how one uses it in a military fashion. I think it would be useful to clarify.

Let me turn to a question——

Chairman WARNER. If I might, Senator Reed. I did ask that question, and I just wanted to see what the DOD had given this Department. But we will have adequate opportunity in our committee to go into detailed analysis with other witnesses from the Department as we do our oversight.

Senator REED. Thank you, Mr. Chairman.

Again, a question that was raised by Senator Cornyn, that is the MPF, and his basic question was, why do we not have one? It does not appear, from my understanding, that in the 5-year budget there are funds for the MPF. Is that accurate?

Secretary BODMAN. I cannot speak to the 5-year budget with respect to the MPF. I can tell you that there is a desire, a strong desire, based on the need to be able to continue to positively ascertain the state of our stockpile to be able to produce replacement pits. These devices physically change in dramatic ways, as I have already alluded to, over time. We are just unclear as to exactly what that means. This is an area of physics and material science that

is not well understood, and so we are trying to look at the range of possibilities that could occur in the future, on the one hand, and make judgments as to what will be required for us to continue to come to you and tell you that what we have today is adequate.

Senator REED. I understand the technical difficulty of trying to do that, but when it comes down to constructing a facility like a pit facility, there are so many intermediary steps from environmental impact statements to design which has a long lead time.

Secretary BODMAN. Yes.

Senator REED. The longer we do not put in adequate funds over the 5-year budget, then we will be further and further behind to find those funds. I think your assistant has a clarification.

Secretary BODMAN. I am told we do have the 5-year budget that shows a total of $125 million over a 5-year period, and that goes from $7.6 to $18, $27, $34, $38 million gearing up over the next 5 years.

Senator REED. Again, you might take this question for the record, and we can look also at the budget. But is that for the construction of the facility or Environmental Impact Statement (EIS) or for development plans? We will look at that.

Secretary BODMAN. It is all of the above, I believe, sir.

Senator REED. Thank you, Mr. Secretary.

Let me turn to another issue which is another facilities issue, and that is the NIF, which is a critical part of the framework to maintain the stockpile. The NIF is something that, once again, will require significant resources and significant commitment. I would ask if you are in a position today to commit to the carrying through on the construction and development of the NIF.

Secretary BODMAN. I am, sir. Again, I would add that I have only been here 2 weeks, and I would ask for your understanding. I hope to get there before long and to be able to understand what it is exactly that they are attempting to do and why it will work. I am told by those who are very qualified, the NNSA people, that this approach makes sense and that it is something that we are comfortable with in terms of schedule. I can say that to you, but I will also look into it personally.

[The information referred to follows:]

The National Ignition Facility (NIF) at Lawrence Livermore National Laboratory continues to be an essential component of the Stockpile Stewardship Program. Consistent with the strong views of Congress, we are continuing towards full commissioning of all 192 beams and focus on the 2010 ignition goal. To do this, however, we have had to accept additional risks and reduce some other inertial confinement fusion work at other sites. The fiscal year 2006 request of $460.4 million for the Inertial Confinement Fusion and High Yield Campaign, a 14-percent reduction from fiscal year 2005, reflects those reductions. Inertial fusion ignition is one of the greatest technical challenges ever pursued by the Department. The demonstration of ignition at NIF will allow the Stockpile Stewardship Program to address weapon performance issues related to thermonuclear burn.

Senator REED. Thank you, Mr. Secretary. You are absolutely right. You have arrived on the scene with great expertise and great diligence and commitment to do this job, but some of these projects have been languishing for years being put forward in the budget and being taken back in the budget. So I appreciate your commitment to look at these projects and get back to us. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Reed. Senator Reed, thank you for the amount of time that you devote to the particular issues of our committee and its oversight of the nuclear program. We do not always agree but you are very careful in your preparation.

Mr. Secretary, I want to wrap up with a few questions here. Again, you may wish to deal with them for the record, but I think in open session it is important to reflect this committee's interest.

The fiscal year 2006 budget request proposes a reduction in funding for the defense environmental management program of approximately a half billion. The program is at about $6 billion, down from $6.5 billion. Do you know why the Department proposes to reduce that funding level?

Secretary BODMAN. No, sir, I do not. I will be happy to get back to you, sir.

[The information referred to follows:]

The fiscal year 2006 request for the Environmental Management (EM) program is lower than the fiscal year 2005 appropriation. Starting in fiscal year 2003 the Department requested near-term increases in appropriations in order to accelerate cleanup. The fiscal year 2005 budget stated that "The fiscal year 2005 budget request represents the peak year of our investment strategy to accelerate cleanup and risk reduction." (Department of Energy Fiscal Year 2005 Congressional Budget Request Environmental Management, Volume 5, page 9).

The Department sought and received increases for its EM cleanup budgets in fiscal years 2003, 2004, and 2005. The purpose of those increases was to accelerate risk reduction as well as to reduce the ongoing mortgage, or carrying costs. In fiscal year 2002, the budget for the EM program was $6.306 billion; in fiscal year 2006, the request for the EM cleanup program is $6.505 billion. The additional funding provided to the cleanup program in fiscal years 2003, 2004, and 2005 were investments, which amounted to more than $1.4 billion, that have allowed the Department to complete key urgent risk reduction work activities, lower infrastructure costs, consolidate security areas, and pull out-year work forward.

Chairman WARNER. All right, and how you would allocate among the various sites these reductions.

Now, the fissile material disposition program is intended to dispose of surface weapons grade fissile materials in both the United States and Russia. Delays in the Russian program due to an inability to agree on liability issues for U.S. contractors has caused the United States to delay construction of the U.S. mixed-oxide (MOX) fuel fabrication facility in South Carolina in order to maintain parallelism in the program. This impasse on liability has gone on for some 2 years. What are the prospects for a near-term resolution of this liability issue? If it is not resolved this year, what will be the impact on this program?

We are fortunate to have the distinguished Senator from South Carolina as a member of this committee. He was not able to be with us this morning, but I ask that on his behalf.

Secretary BODMAN. First, this is a matter of, in my judgment, great consequence. We, the United States Government, have proposed a potential change in the contractual language that was forwarded to our Russian colleagues within the last couple of weeks. I met last Friday with my counterpart in Europe, and encouraged their hard look at this proposal. There is a negotiation that is scheduled to occur Thursday and Friday of this week in Moscow to discuss this matter.

On the one hand, I would like to tell you that there is room for optimism. Indeed, there is. There seems to be some change in the relationship. On the other hand, I find it very hard to forecast exactly what will happen in our relations with our Russian friends. This matter is a matter of great consequence I know particularly to Senator Graham. I have met personally with Senator Graham to discuss the matter, and all I can tell you is that we are doing our very best to bring this to a positive conclusion.

It is very important that these go in parallel in our judgment, that both in Russia and the United States that we be able to undertake the conversion of these materials to downgrade them such that they would be useful in commercial utility processes, and we are working very hard to try to accomplish that.

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

Senator Talent.

Senator TALENT. Thank you, Mr. Chairman. Mr. Chairman, I am sorry I was late. I missed a lot of the hearing. I have a couple of technical questions relating to some activities in Missouri. I think what I will do is just submit them for the record and get a response from you or maybe give you a call personally.

I appreciate your being here and welcome your testimony before the committee. Thanks for the opportunity, Mr. Chairman.

Secretary BODMAN. Thank you, Senator.

Chairman WARNER. I thank you.

Last year the Department announced a new initiative to provide employment opportunities for Iraqi scientists, technicians, and engineers who may have been involved in various programs in Iraq under the Saddam Hussein administration. This initiative was intended to support reconstruction efforts in Iraq and to prevent the proliferation of weapons of mass destruction knowledge and expertise and that it might benefit those who wished to do harm to this country or other countries and to prevent the further proliferation of this technology.

Can you update the committee on the status and progress of the program?

Secretary BODMAN. Yes, sir. It is really in two parts.

First, in so much of Iraq, the infrastructure of the country had really been decimated over the last 25 or 30 years. We have been working with the officials in Iraq to develop and improve the nature of their national laboratories, if you will, their answer to Los Alamos, that they would have a technical endeavor at the government level that could perform scientific work that would help contribute to the rebirth of their economy. That continues apace. We have been working on that.

In the rest of the world, particularly in Russia and the former Soviet states, there it is a bit of the reverse. We have been working with them and continue to work with them in creating opportunities and to attract the interests of their technical community, if you will, away from government and into the private sector so that they can take advantage of, hopefully, commercial opportunities. That seems to be taking hold. That seems to be doing well. So I can give you more details, if you would like that, for the record, but that as a general statement is how we are progressing.

Chairman WARNER. Do we as a Nation intend to establish a similar program in Libya?

Secretary BODMAN. I cannot really speak to that, sir.

Chairman WARNER. Would you provide that for the record?

Secretary BODMAN. I would be happy to give you that for the record, sure.

[The information referred to follows:]

The Department of Energy is currently working with the State Department to find ways to redirect Libyan scientists who were involved in weapons of mass destruction work to peaceful pursuits. We have established technical relationships with the weapons of mass destruction scientific community in Libya and have participated jointly with the State Department in three redirection scientific workshops.

Chairman WARNER. I think there are persons there who have certain knowledge and it would be well advised to see if there is not some parallelism in our objectives——

Secretary BODMAN. There may well be.

Chairman WARNER.—to prevent international proliferation of this knowledge.

Senator Reed, if you have concluded——

Senator REED. Yes, sir, I have.

Chairman WARNER. Senator Talent.

Senator TALENT. Yes.

Chairman WARNER. Mr. Secretary, we are fortunate as a Nation to have someone of your broad background and expertise take on this important challenge. I note from our conversations and also from the record that you were trained in science. You took your basic degrees in chemistry. You have graduate work at the Massachusetts Institute of Technology (MIT). You did a lot of teaching at MIT. Throughout your private sector career, you put to work the knowledge that you have of the sciences. A great deal of that knowledge relates to what your responsibilities are today, and we are fortunate as a Nation to have you take on this public service, together with your family. Thank you, sir.

Secretary BODMAN. Thank you. I appreciate it.

Chairman WARNER. The record will remain open for questions for the next 48 hours.

The hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

MODERN PIT FACILITY AND PLUTONIUM AGING

1. Senator WARNER. Secretary Bodman, the Modern Pit Facility (MPF) would provide the United States the capability to manufacture plutonium pits for our nuclear weapons stockpile. The United States is the only nuclear nation without this capability. Attempts to determine the production rate for a new pit production facility have been complicated by the fact that there is uncertainty regarding the exact lifetime of plutonium pits in a nuclear warhead. Has the Department of Energy (DOE) initiated the study that Congress required in the National Defense Authorization Act for Fiscal Year 2005, which will examine the current state of knowledge regarding the aging of plutonium pits used in nuclear weapons?

Secretary BODMAN. Yes, the National Nuclear Security Administration (NNSA) effort to understand the complexities of pit aging has been underway for several years through enhanced surveillance. This is entirely consistent with and precedes the direction from Congress in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, which calls for "a study to assess the efforts of the NNSA to understand the aging of plutonium in nuclear weapons."

We have been examining the oldest existing pit materials and implementing the necessary experimental and modeling capabilities to predict pit lifetimes. Stockpile pits are now approximately 15 to 35 years old and are reaching ages beyond our previous experience. To reduce the uncertainty in pit lifetime prediction, we have been proceeding with a program of accelerated pit aging to obtain critical data beyond the current age of existing pits. NNSA prepared plutonium accelerated aging alloys in fiscal year 2002 and fiscal year 2003. These alloys are effectively aging at 16 to 17 times their natural rate. By the end of fiscal year 2006, NNSA will update the estimate of minimum pit lifetimes based on evaluation of alloys that have reached a 60-year equivalent age. These efforts will give us greater confidence in pit lifetime estimates.

2. Senator WARNER. Secretary Bodman, how will DOE integrate the results of this study into the design and planning for the MPF?

Secretary BODMAN. Information from studies on plutonium aging and pit lifetimes is essential for the DOE to manage the risk associated with design and planning for a MPF. However, in addition to pit lifetimes other risk factors include the numbers and types of weapons in the future stockpile and start date for full capacity production at an MPF. Today, our risk management planning has identified the need for a minimum production rate of 125 pits per year at MPF with full production starting in 2021 to ensure that weapons in the stockpile will not exceed associated pit lifetimes. This is based on a number of factors, most notably the President's reduced 2012 stockpile with an assumed 60-year lifetime for existing pits, which is the upper end of the 45–60 year estimate from the DOE weapon laboratories. Between now and the start of construction, the DOE has scheduled five major secretarial decisions that will reaffirm the need, timing, and production capacity for an MPF. Any new information on plutonium aging that could substantially change the current range of pit lifetime estimates needs to be available prior to the final major secretarial decision. It is essential that NNSA continue planning for an MPF without interruption because of the long-lead time required for design and construction and the uncertainty in scientific predictions of pit lifetimes. Also, among the declared nuclear weapon states, the United States is the only nation without a production capability to manufacture plutonium pits for the nuclear arsenal.

ENERGY EMPLOYEE OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT (EEOICPA)

3. Senator WARNER. Secretary Bodman, in the National Defense Authorization Act for Fiscal Year 2005, Congress amended the Energy Employee Occupational Illness Compensation Program and transferred the bulk of the administration of this program from DOE to the Department of Labor (DOL). DOE continues to have the responsibility to assist former workers in reconstructing their employment records so that they may understand the hazards to which they were exposed at defense nuclear sites. What is the status of the transfer of this program from DOE to the DOL?

Secretary BODMAN. The National Defense Authorization Act for Fiscal Year 2005 repealed EEOICPA Subtitle D, which had been administered by DOE, and created a new Subtitle E program to be administered by the U.S. DOL. DOE has successfully transferred more than 25,000 case files to DOL, and they are now in DOL's control. Under the initial EEOICPA statute enacted in 2000, and the recent amendment, DOE retains responsibility for providing both individual employment, medical and exposure records within DOE's control, as well as facility information and data to DOL and to the National Institutes of Occupational Safety and Health (NIOSH) in the Department of Health and Human Services. The records from DOE support DOL and NIOSH work on claims under both EEOICPA Subtitles B and E. We will continue to work with DOL and NIOSH to ensure they have the records on individuals and facilities necessary to process these claims.

4. Senator WARNER. Secretary Bodman, what steps has DOE taken to improve its responsiveness to former workers in reconstructing their exposure histories?

Secretary BODMAN. Over the past several months, DOE has worked closely with DOL, NIOSH and its contractors to assure prompt responses to their information requests. Each request for information is sent to the DOE field promptly and is fulfilled as quickly as possible. We oversee the DOE field site activities and monitor closely the promptness and completeness of replies to the agencies that make the requests, namely DOL and NIOSH. We would be happy to provide to you copies of the timeliness report NIOSH distributes to DOL and DOE on these activities. We are also actively managing the expenditures at DOE field sites to assure efficiency in the process of records search and retrieval. I have asked the Assistant Secretary

for Environment, Safety and Health to continue to closely monitor the status of these requests to assure that they are promptly answered.

HEALTH AND PENSION BENEFITS

5. Secretary Bodman, as the first major EM sites prepare to close in 2006, there are many challenges associated with the health and pension benefits of the work force. What is DOE doing to ensure there is a continuity of services to the workforce after closure?

Secretary BODMAN. The Department has been evaluating strategies to address how post closure benefits will be administered and funded. I have asked for a review on this issue and will make a policy decision on how best to address this issue. However, let me assure you that there will be a continuity of services to the workers after closure.

6. Senator WARNER. Secretary Bodman, how is DOE addressing concerns that workers at Rocky Flats (Colorado), Fernald (Ohio), and Mound (Ohio) may be penalized in their pension due to an accelerated closure schedule?

Secretary BODMAN. The Department does not anticipate a closure date for the Mound, Ohio, site prior to the original target completion date and, as such, no loss of pension or welfare benefits are anticipated. The Fernald, Ohio, site is projected to close a few months in advance of the original target completion date. The Department has previously approved a series of benefits for employees at Fernald intended to mitigate the impact of early closure. The Fernald Atomic Trades and Labor Council (FAT&LC) collective bargaining agreement provides employees with severance plus a $1,000 transition benefit for individuals involuntarily separated or laid off for medical reasons. Guards are entitled to 1 week of severance pay per year of service if they are involuntarily separated or laid off for medical reasons, as well as a $2,000 transition benefit. Employees who are eligible for early or normal retirement benefits are also eligible for retiree medical benefits. Fernald also offers career outplacement service and educational assistance in the amount of $5,000 for a life-time benefit that must be used within a 2-year period for training and education.

The Department has previously approved a series of benefits for employees at Rocky Flats intended to mitigate the impact of early closure and, in fact, to provide employees with additional financial incentives to work toward early closure.

All individuals (steelworkers, guards, and salaried employees) who have been employed at Rocky Flats for at least 4 years prior to closure are already entitled to another year of credit toward vesting for eligibility for pensions and reduction of the early retirement reduction factors as the result of negotiated collective bargaining agreements. The contractor pension plans at Rocky Flats have also been amended to allow participants to receive early retirement with retiree medical benefits if their age and length of service total 70. The guards at Rocky Flats are entitled to full and unreduced benefits under the "Rule of 70" and pay only a minimal amount monthly for retiree medical benefits. Guards and salaried employees are entitled to portable service credits, allowing them to apply service performed after site closure for companies affiliated with their parent company CH2MHill (and, in the case of guards, Wackenhut-affiliated companies), for certain contractors at other DOE sites and for DOE itself. The purpose of this additional benefit determines vesting and reduces early retirement reduction factors under their Rocky Flats contractor pension plans. The steelworkers' collective bargaining agreement increased the multiplier for calculating pension payments and allowed employees eligible for early retirement to delay commencement of their annuities until they were older in order to increase those payments, while nonetheless immediately beginning to get retiree medical coverage. In addition, employees at Rocky Flats (steelworkers, guards, and salaried employees) are eligible for severance at the rate of 1 week per year of service (up to 16–20 weeks) and are assured access to outplacement services and some reimbursement for educational expenses. For individuals covered by the steelworkers' collective bargaining agreement, the amount of that severance was increased by a flat $2,000; effective October 1, 2004; an "enhanced layoff allowance" of $5,000 was added; and an "enhanced schedule incentive" of up to $3,000 was added for employees laid off after October 1, 2002, if the site closes by December 15, 2005.

QUESTION SUBMITTED BY SENATOR DANIEL K. AKAKA

SKILLED WORKFORCE AT WEAPONS FACILITIES

7. Senator AKAKA. Secretary Bodman, the NNSA is faced with a shortage of scientists and engineers, according to a February 2005 Government Accountability Office (GAO) report. Approximately 37 percent of the scientists and engineers that manage the eight contractor-operated NNSA weapons facilities, which store the Nation's nuclear weapons, are at or near retirement age. These facilities are critical to national security, yet NNSA has limited control over their personnel since the sites are managed by private contractors. While one contractor may employ effective recruiting and retention policies, those policies could be lost if NNSA switched contractors. What is NNSA doing to ensure that there is a skilled, experienced workforce at weapons facilities to maintain the Nation's nuclear weapons and prevent them from falling into the wrong hands?

Secretary BODMAN. NNSA carefully monitors the recruitment, development and retention of the workforce employed by its management and operating (M&O) contractors. Each of our eight M&O contractors utilizes workforce-planning processes aimed at ensuring that potential critical skill vacancies are identified far enough in advance to allow for appropriate worker succession that maintains full mission capability. With appropriate management attention and resources, we believe we can effectively maintain our critically skilled contractor workforces. The GAO report acknowledged that our contractors' efforts have been generally effective.

When a new M&O contractor takes over management of one of our sites, they normally replace only the senior management staff and other key personnel. Maintenance of critical skills is an important consideration in NNSA solicitations, and the successor contractor often retains the managers who are most familiar with the site's workforce planning process. Nevertheless, NNSA maintains our own continuing oversight of this crucial function through the contract transition.

In addition to ongoing operational awareness of contractor workforce planning by NNSA in the field, we also collect high-level metrics from each site on a semi-annual schedule to inform senior NNSA managers on the current and projected status of our critical skills situation and trends throughout the weapons complex.

NNSA's skilled, knowledgeable, and dedicated Federal and M&O contractor workforces, complemented by an effective safeguards and security program and protective force at each site, ensure that the weapons, weapons components, and materials at our sites will not fall into the wrong hands.

[Whereupon, at 10:45 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

THURSDAY, FEBRUARY 17, 2005

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

MILITARY POSTURE

The committee met, pursuant to notice, at 9:35 a.m. in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Inhofe, Sessions, Collins, Ensign, Talent, Chambliss, Graham, Dole, Thune, Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Bayh, and Clinton.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Ambrose R. Hock, professional staff member; Gregory T. Kiley, professional staff member; Thomas L. MacKenzie, professional staff member; Elaine A. McCusker, professional staff member; Lucian L. Niemeyer, professional staff member; Stanley R. O'Connor, Jr., professional staff member; Paula J. Philbin, professional staff member; Lynn F. Rusten, professional staff member; Robert M. Soofer, professional staff member; Scott W. Stucky, general counsel; Diana G. Tabler, professional staff member; and Richard F. Walsh, counsel.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Daniel J. Cox, Jr., professional staff member; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Gerald J. Leeling, minority counsel; Peter K. Levine, minority counsel; Michael J. McCord, professional staff member; and William G.P. Monahan, minority counsel.

Staff assistants present: Alison E. Brill, Bridget E. Ward, and Nicholas W. West.

Committee members' assistants present: Cord Sterling, assistant to Senator Warner; Christopher J. Paul, assistant to Senator McCain; John A. Bonsell, assistant to Senator Inhofe; Chris Arnold, assistant to Senator Roberts; Arch Galloway II, assistant to Senator Sessions; Mackenzie M. Eaglen, assistant to Senator Collins; D'Arcy Grisier, assistant to Senator Ensign; Lindsey R. Neas, as-

sistant to Senator Talent; Clyde A. Taylor IV, assistant to Senator Chambliss; Meredith Moseley, assistant to Senator Graham; Christine O. Hill, assistant to Senator Dole; Russell J. Thomasson, assistant to Senator Cornyn; Bob Taylor, assistant to Senator Thune; Sharon L. Waxman, Mieke Y. Eoyang, and Jarret A. Wright, assistants to Senator Kennedy; Terrence E. Sauvain, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Richard Kessler, assistant to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; Todd Rosenblum, assistant to Senator Bayh; and Andrew Shapiro, assistant to Senator Clinton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, everyone. The committee welcomes our distinguished guests, Secretary Rumsfeld, joined by General Myers and Secretary Jonas.

The chair will make a very brief opening set of remarks in the hope that we can get to our questions early on and remain on a schedule which I think provides adequate time, Mr. Secretary, for all members of this committee to have the opportunity to share their views with you and solicit your views.

We meet today to receive the annual testimony of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the posture of the United States Armed Forces and President Bush's defense budget request for fiscal year 2006 and the outyear programs. Secretary Rumsfeld and General Myers, I welcome you back before the committee and I personally commend you once again for the outstanding leadership you both continue to provide as a team to our Nation, and indeed the free world, in the cause of liberty as you lead the men and women and their families of our proud Armed Forces.

We meet today as the Iraqi people have begun to work on forming a government in the aftermath of very successful elections, in defiance of terrorists and of dire predictions of failures. Iraqis have spoken for freedom and democracy, but their voice would not have been heard without the service and the sacrifice of the men and women of the Armed Forces and their partners in the coalition.

The forces of our coalition partners and the Iraqi security forces worked together magnificently as a team. We extend our thanks to those who serve and our thoughts and our prayers are with the families and friends of those who have been lost or wounded defending liberty around the world.

We have come a long way in the 3½ years since September 11, 2001. Over the past several years our Armed Forces in Afghanistan and Iraq have helped to liberate oppressed peoples, eliminated sanctuaries for terrorists, and brought the hopes of freedom and democracy to troubled regions. Historic elections in both these countries are promising signs of progress in the global struggle against tyranny and terrorism.

This is a time of hope for Iraq and Afghanistan, but difficult work lies ahead in these lands and on the future battlefields of the war on terror. The manpower demands of ongoing stabilization op-

erations, along with the requirements to build more agile, deployable forces for the future, will continue to place considerable stress on the men and women and their families of our Armed Forces.

With these competing demands in mind, we consider this year's budget. Mr. Secretary, you have just returned from visiting our forces in Iraq. Over the past few months, several members of this committee have been there, including myself and Senator Levin. Senator McCain leaves shortly. Senator Clinton I know also plans to visit Iraq. I think our committee has done ably in trying to visit the areas of responsibility (AORs) where our troops are deployed all over the world.

The key to success in Iraq and the withdrawal of the U.S. troops is the training, equipping, and mentoring of Iraqi security forces to a level of proficiency and dependability that they can begin assuming principal responsibility for defending their sovereignty and freedom. We look forward to your assessment of our operations in Iraq and also your reports on the continuing progress in Afghanistan as well as elsewhere in the world, and likewise your views of the North Atlantic Treaty Organization (NATO) members and the prospects of NATO taking up a greater part of the burden of this necessity to train Iraqi and Afghan forces.

I will place the balance of my opening statement in the record.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

The committee meets today to receive the annual testimony of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the posture of the U.S. Armed Forces and President Bush's defense budget request for fiscal year 2006 and the future years defense program (FYDP).

Secretary Rumsfeld and Chairman Myers, I welcome you back before the committee and commend you, once again, for the outstanding leadership you both continue to provide, as a team, to our Nation, and to our men and women in uniform and their families.

We meet today as the Iraqi people have begun the work of forming a government in the aftermath of very successful elections—in defiance of terrorists and of dire predictions of failure. Iraqis have spoken for freedom and democracy, but their voice would not have been heard without the service and sacrifice of the United States Armed Forces, our coalition partners, and the Iraqi security forces. We extend our thanks to those who serve, and our thoughts and prayers are with the families and friends of those who have been lost or wounded, defending liberty around the world.

We have come a long way in the 3½ years since September 11, 2001. Over the past several years, our Armed Forces in Afghanistan and Iraq have helped to liberate oppressed peoples, eliminated sanctuaries for terrorists, and brought the hope of freedom and democracy to troubled regions. The historic elections in both of these countries are promising signs of progress in the global struggle against tyranny and terrorism.

This is a time of hope for Iraq and Afghanistan, but difficult work lies ahead in these lands and on the future battlefields of the war on terror. The manpower demands of ongoing stabilization operations, along with the requirements to build more agile, deployable forces for the future will continue to place considerable stress on the men and women of our Armed Forces and their families. With these competing demands in mind, we consider this year's budget request.

Mr. Secretary, you have just returned from visiting our troops in Iraq. Over the past several months, most members of this committee have traveled to the region and have gained valuable insights into the unique challenges associated with fighting an insurgency and helping to rebuild a nation shattered by 30 years of tyranny and mismanagement. The key to success in Iraq—and the withdrawal of U.S. troops—is the training, equipping, and mentoring of Iraqi security forces to a level of proficiency and dependability that they can begin assuming principal responsibility for defending their sovereignty and freedom. We look forward to your assess-

ment of our operations in Iraq, and also your insights from recent meetings with NATO members about prospects for additional contributions and participation in forging a secure, democratic future for Iraq and Afghanistan.

The budget request delivered to Congress on February 7 for the Department of Defense (DOD) is for $419.3 billion, an increase of $19.2 billion over the fiscal year 2005 level. This represents the fifth consecutive year of growth in the defense budget. In addition—in keeping with longstanding tradition the President, this week, submitted a supplemental budget request of almost $82 billion to fund—principally—the costs of ongoing military operations. I commend the President for his continuing commitment to improving our defense capabilities and providing our forces with the resources and capabilities they need to successfully fulfill their missions.

As I pointed out during last week's hearing with the service chiefs, the President's budget request arrives this year at a time of much uncertainty. Over the course of this next year, the first Quadrennial Defense Review (QDR) fully focused on post-September 11 threats will be conducted; a change in our longstanding global posture is underway; and a Base Realignment and Closure (BRAC) round is about to start. We must take into consideration the potential ramifications of these steps as we review the budget request in the coming weeks and months.

I want to be supportive of the President's budget request, but it is important that we fully assess the risks associated with proposed changes to major acquisition programs and to our force posture. Significant changes were made in the closing weeks of last year to meet a budget target that was lower than the Department had requested. The administration weighed the options and rendered its judgment. Now, it is time for Congress—as a co-equal branch of government—to render its judgment and fulfill its constitutional responsibility to "provide for the common defense," "to raise and support Armies," and "to provide and maintain a Navy."

Amongst many concerns, the area of shipbuilding is particularly troubling. The budget request scales back the number of ships built in 2006 by two, from the previously-planned six to four. In the hearing before this committee on February 10, the Chief of Naval Operations (CNO) stated that the reduced purchase of ships was budget-driven, not threat-based. He added that, given the current rate of ship purchases and production, the Navy could be faced with a decreasing fleet of ships, eventually dropping below 250 major combatant ships. This is a grave concern to this Senator. We welcome your views on how we can work together to solve this and other problems.

I thank you both for your distinguished service and look forward to your testimony.

Chairman WARNER. Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman, and I join you first in welcoming our witnesses. Our military personnel are risking their lives in serving America's interests around the world every day. All of us commend the men and women of the Armed Forces, both active and Reserve, for the work that they are doing with bravery and dedication on behalf of our Nation. They have our full support and we will continue to provide our men and women in uniform with everything that they need to ensure that they prevail. That is true regardless of positions that we take on various policy questions with which we grapple.

Our troops are doing all that we ask of them and more. Our collective responsibility is to give them the training and the tools and the personnel to do the things that we ask them to do. Our forces are stretched very thin and we should not be asking them to perform tasks that could and should be done in whole or in part by the people of Iraq and Afghanistan and by other countries.

It is our job here in the Senate, just as it is Secretary Rumsfeld and General Myers' job, to do our best to address our national security needs and the needs of our troops, both here and now and in the long-term to prepare for the challenges ahead. At the same

time our forces are engaged in combat, we must continue the task of transforming our forces for the future.

We have before us both a fiscal year 2005 supplemental, submitted this week to address the here and now issues in Iraq and Afghanistan, and a budget request for fiscal year 2006, submitted last week, that must address those longer-term issues. Part of our collective challenge is not to lose sight of those long-term issues despite the considerable time and attention that we all must devote to the situation on the ground in Iraq and Afghanistan.

Responsible budgeting means making choices and setting priorities. This budget request fails that test because it does not include funds for things that we know will have to be paid for. There are programs that we all know that the DOD needs and will have to be funded in 2006 that are not in this budget request, such as the cost of the extra 30,000 Army personnel and the 3,000 Marine Corps personnel that Congress authorized last year. Yet there are no funds in this 2006 budget to pay for that. Instead, it is left for the 2006 supplemental, which represents a $2.5 billion gap.

Last week I asked General Schoomaker why the Army's 2006 budget did not fund the personnel level of 512,000 that the Army actually plans to have, instead of the 482,000 that are funded in the budget request. He stated that he was given the option of funding those extra people in his core budget or in a 2006 supplemental and that he chose the supplemental so he would not have to displace other programs.

Anyone can understand why the Army selected the option that it did, but that is not responsible budgeting by the administration.

The budget is similarly deficient with respect to the cost of continuing the Army's conversion to a force based on modular brigades. This modularity program is requested in the supplemental for 2005, but it is not in the Army's 2006 budget request. In that request there is a gap, a blank, for this program. That gap represents nearly $5 billion of missing funds for 2006, the amount that the Army expects to spend each year from 2005 through 2011.

The Secretary's prepared testimony this morning states that the DOD intends to fund the Army's ongoing modular brigade conversion program in 2006 primarily through another supplemental and does not fund it in the base budget until 2007.

Well, that is a known expense, surely as known as hundreds of other items that are in the budget request for 2006, and yet it is omitted. That is not responsible budgeting.

Finally, this budget request further understates the true cost of our defense program because it does not include any funds for the 2006 cost of ongoing operations in Iraq and Afghanistan. Although obviously the exact costs for the operations in fiscal year 2006 are not presently known, we have been spending significant sums, about $5 billion a month, in Iraq and Afghanistan for some time now, and we know these costs are going to continue past September 30 into the fiscal year 2006. Those costs should be planned on now. Responsible budgeting requires no less.

Taken together, just those three major omissions mean that this budget understates likely defense costs for 2006 by over $60 billion and hides the true size of the deficit. It is my hope that Congress will adopt a more accurate budget during our deliberations this

year, in particular by recognizing now when we set our fiscal priorities in a budget resolution the real cost of our national defense.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin.

Mr. Secretary, would you indulge me while the committee, a quorum being present, passes on nominations for your Department?

Senator LEVIN. That is the easiest question you are going to get this morning, by the way, Mr. Secretary. [Laughter]

Chairman WARNER. I am hopeful that this coming year we can work with you, Mr. Secretary, to put together that team that will carry forward the structure that you and the President desire for the DOD. You have my commitment to work expeditiously and very fairly and objectively on these nominations.

[Whereupon, at 9:46 a.m., the hearing was recessed and the committee proceeded to other business, then reconvened at 9:51 a.m. the same day.]

Chairman WARNER. Mr. Secretary, we welcome you, the Chairman, and Secretary Jonas.

STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE

Secretary RUMSFELD. Thank you, Mr. Chairman, members of the committee. Good morning. In addition to the Chairman, General Dick Myers, and the Comptroller and Under Secretary, Tina Jonas, we also have Dr. David Chu here in the event that questions are appropriate for him.

Somewhere in the world as we speak, young men and women wearing our country's uniform are engaged in the hard work of history. Their families are concerned about their safety and making the best of their loved ones' absence. Somewhere a soldier, a sailor, an airman, or a marine is wounded and determined to get back to duty. Here in our country, hundreds of thousands of dedicated military and civilian personnel are devoting long hours to America's defense. I know that they are comforted and encouraged by the outpouring of support they receive from the American people and from many of you as you have met with them and with the wounded in military hospitals and bases. Their dedication is inspiring and we thank them for their valor and for their sacrifice.

Before discussing dollars and programs and weapons, I would like to provide some context to the tasks ahead for our country. Consider what has taken place since we met here in early 2001. Two newly free nations, Afghanistan and Iraq, now reside in two of the world's most violent regions. Afghans and Iraqis have held historic elections to choose moderate Muslim leadership. Extremists are under pressure worldwide, their false promises slowly being exposed as another cruel lie of history.

America's national security apparatus is seeing historic changes. NATO is undergoing reforms in both organization and mission, expanding its size, deploying forces outside of its traditional European boundaries, and some 60 nations are freshly engaged in an unprecedented multinational effort to halt the proliferation of the world's most dangerous weapons.

These issues will no doubt require the focus of U.S. security policies in the years to come. They have and will continue to affect the DOD's pace and direction. When President Bush took office, the country was still savoring our victory in the Cold War, the culmination of a long struggle that occupied generations of Americans and leaders of both political parties. There was little appetite to consider the new lethal threats that lingered on as irritants while the country tackled other challenges. The President understood that we were entering an era of the unexpected and the unpredictable and was concerned that our country was not sufficiently prepared.

We have confronted and are seeking to meet many challenges, including the challenge of having to move military forces rapidly around the globe, the urgency of functioning as a truly joint force as opposed to simply keeping the various military services out of each other's way through deconfliction, the need to recognize that we are engaged in a war and yet still functioning under peacetime constraints, regulations, and requirements, against an enemy that is unconstrained by laws or bureaucracies, the need to adjust to a world where the threat is not from one superpower, but from rogue regimes and extremist cells that can work together, share information, and proliferate lethal capabilities.

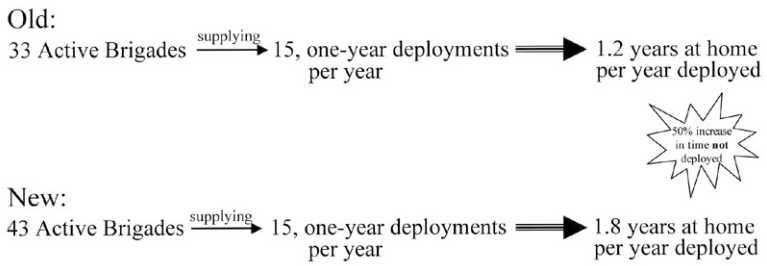
The questions many of us wrestled with back then to deal with these challenges are still relevant today. For example: Are the armed services properly organized to deal with the uncertainties we face? We realized that the military services' Cold War arrangements were ill-suited for the new warfare of the future. So we set about making U.S. forces more agile and more expeditionary. It is the shape of forces, not the size, that is the impetus for making needed changes.

We are making a major commitment to modernizing the Army, adding $35 billion over the next 7 years, in addition to $13 billion in the Army's baseline budget. The Army will increase its deployable combat power significantly, expanding from 35 active duty maneuver brigades to 43 more powerful modular brigade combat teams. These teams can deploy quickly to trouble spots, but will have enough firepower, armor, and logistics support to sustain operations over time.

The chart you see to my right shows that at 33 active brigades the deployment period at home after a year's deployment abroad and redeployment back home lasts 1.2 years. As we go to 43 active brigades, it moves up to 1.8 years at home per year deployed, a 50-percent increase, which is from the standpoint of stress on the force extremely important.

[The chart referred to follows:]

Army Modularity



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I mention that because, as Senator Levin mentioned, there was a tough set of questions as to where the dollars should be; should they be in the regular budget, or should they be in the supplemental. To the extent we had delayed doing this and put them into a regular budget over a period of years, we would have delayed achieving the 43 brigades, we would have delayed achieving the modularity and the flexibility that that combat power offers, but we also would have put additional stress on the force because we would have not been able to achieve the 50 percent increase in time not deployed.

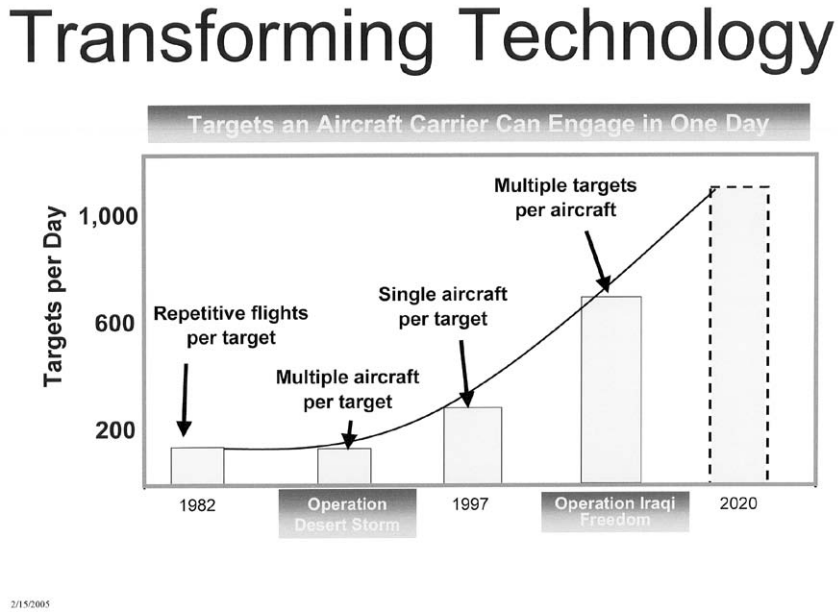
The Navy is also changing. Our country's potential foes currently have fleets with regional, not international, reach. The new challenge is to be able to project concentrated naval power more quickly to confront unexpected threats. The Navy is developing the joint seabasing concept that will allow expeditionary strike forces to project power quickly from floating platforms without being dependent on land bases. I know that Admiral Clark was here recently and discussed this with the committee.

We also asked, how do we deal with the inevitability of surprise? While we cannot be certain who might attack our country, we can reasonably predict how they might attack: through terrorism, cyber attacks, weapons of mass destruction (WMDs), and other asymmetric approaches. We asked, how ought we reassess our plans, operations, and force structure in light of the technological advances of the last decade? Technological advances and better organization have allowed the military to generate considerably more combat capability with the same or in some cases fewer numbers of weapons platforms. Let me describe a few examples.

Where once the Air Force and Navy planned in terms of sorties per target, they now assign targets per sortie. As the chart indicates to my right, in 1982 and even during Operation Desert Storm

we were down around 175 targets per day, and it took multiple aircraft to achieve a target. In Operation Iraqi Freedom (OIF), targets per day has gone up to 650. So it has gone up some three-plus times. As late as 1997, the aircraft from an aircraft carrier, as I say, could engage those targets, and the changes are dramatic.

[The chart referred to follows:]



Here is an example from the Navy. In the past the Navy maintained a rigid deployment schedule. Ships would deploy for 6 months, overlapping with the ships they relieved, transiting long distances where neither ship was yet on station unless they changed on station and the other ship had a long transit time back, and upon arriving home they would become relatively useless. They would go into repair and people would take leave and training and equipment and readiness plummeted into what became known as the bathtub, with many if not most battle groups unavailable for missions.

The Navy's new Fleet Response Plan has the capability to surge five or six carrier strike groups in 30 days, with the ability to deploy an additional one or two in 90 days. That is a dramatic difference from the three plus two that existed during the earlier period, as Admiral Clark testified before the committee.

We also asked, with the Cold War over, are our forces positioned in the smartest way to deal with the multiple new challenges? The post-Cold War environment suggested the need to conduct an audit, in a sense, of where U.S. forces were stationed across the globe. There seemed to be better ways of deterring aggression overseas than stationing heavy divisions in fixed defensive positions. We have advanced the common sense, but then novel, notion that

our troops should be where they are needed, where they are wanted, and where they would be most useable.

In consultation with Congress and our friends and allies abroad, the Department is making overdue changes to U.S. global basing, moving away from obsolete Cold War garrisons and placing emphasis on the ability to surge quickly to trouble spots wherever needed.

Finally we asked, are there changes needed in the way the Pentagon operates? Four years ago acquisition policies were 200 pages long on the average; today they are 34 pages. The Department has adopted an evolutionary approach to acquisition, seeking to deliver technology as it is available rather than waiting for the entire systems to be complete. This spiral development approach has allowed us, for example, to more rapidly field robots capable of detonating roadside bombs in Iraq.

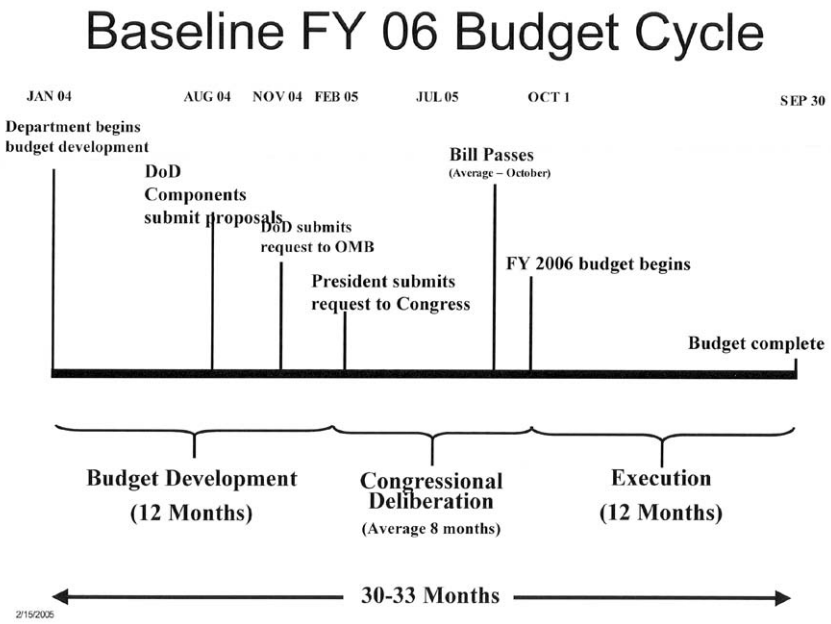
Inefficiency is always unfortunate, but in the DOD of course it can be deadly. An idea ignored may be the next threat overlooked. A person performing a redundant task is a person not contributing to our Nation's defense, and a dollar wasted is a dollar not invested in the warfighter.

The demands on this Department could not be met effectively until bureaucracy was pushed and encouraged and moved into the 21st century. The changes I have outlined and many others were getting underway somewhat before September 11. The military's skillful campaigns might have been somewhat longer and less successful had our country not already begun to adopt needed reforms in previous time. Because we had begun to consider changes to the global posture, we had a head start in contemplating new forward operating sites in territories closer to extremist centers of operation.

With many of these tasks now well underway, President Bush continues to set an ambitious course to prepare for the challenging times ahead. The United States' overriding priority will be to continue prosecuting the war and to attack its ideological underpinnings.

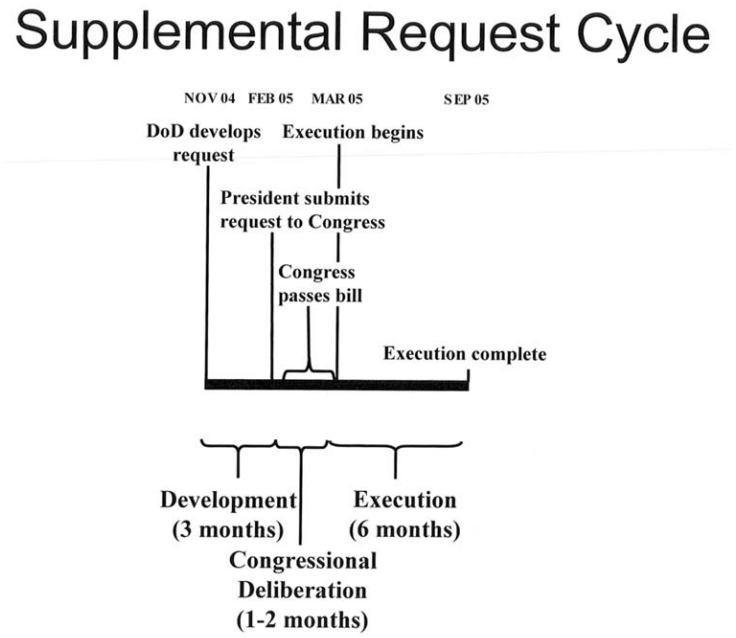
I have been asked why war costs are included in the supplemental rather than in the annual defense budget. Let me explain the process and the problem. The annual budget process takes up to 12 months for the DOD to plan and clear through the Office of Management and Budget (OMB) a budget. We started last month to prepare the budget that will be submitted to OMB in December. It stays in OMB for a month or 2 and then goes to the President for consideration. In February it comes up to Congress. Then it takes 8 or 9 more months in Congress for the process to pass it, and then it takes 12 months to execute it. That is a total of 2½ years, in a fast-moving world where things are changing.

[The chart referred to follows:]



The reality is, as Congress has recognized, that there are appropriate uses for a supplemental, and the supplemental period of course is much shorter. It could be plus or minus 10 months if one thinks of the time to develop it and then the time to submit it and get it approved and then to execute it.

[The chart referred to follows:]



In war, circumstances on the ground can change quickly. What was not urgent at one point may prove to be urgent later as the enemy's strategies shift and new challenges arise. So a supplemental allows for somewhat more accurate estimates of costs and, importantly, quicker access to needed funds.

After more than 3 years of conflict, two realities of this war seem clear. First, this struggle cannot be won by military means alone. The DOD must continue to work with other government agencies to successfully employ all instruments of national power. While the DOD has sent soldiers to distant battlefields, the Department of Treasury has uncovered financial support lines, the Department of State has helped cultivate new alliances, the Department of Justice has apprehended suspects within our borders, and the Department of Homeland Security has helped protect ports and our borders.

We can no longer think in terms of neat clear walls between departments or agencies, or even committees of jurisdiction in Congress. The tasks ahead are too complex for us to remain wedded to old divisions.

A second central reality is that the United States cannot win the global struggle against extremism alone. It will take cooperation among a great many nations to stop weapons proliferation, for example. It takes a great many nations working together to locate and dismantle global extremist cells. It takes a great many nations to gather and share the intelligence that is crucial to stopping future attacks. Our friends and allies are increasingly aware that the danger confronting America is at their doorstep as well, as has been underscored by attacks in many cities across the globe.

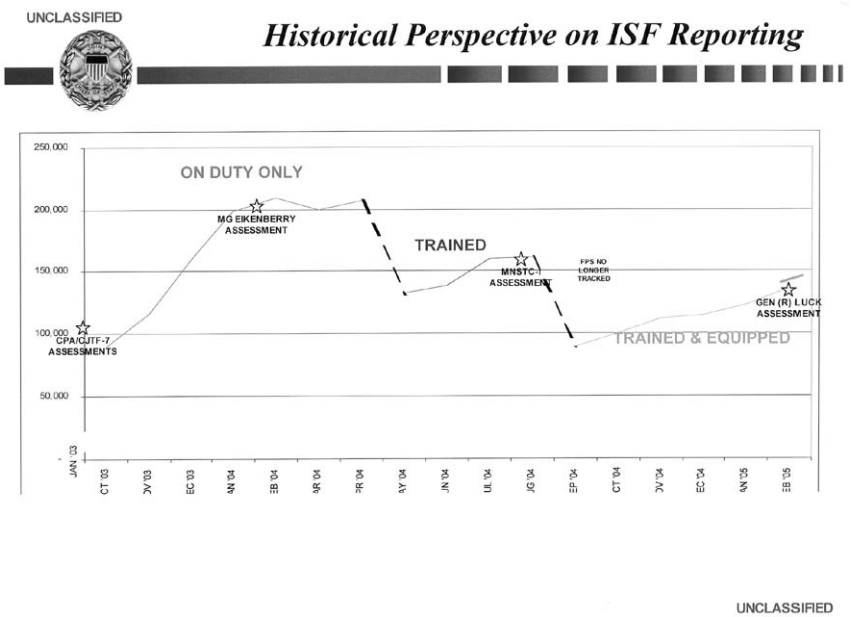
So we encourage Congress to support a global peace operations initiative, to be managed by the State Department, that will help other, less developed countries train to send peacekeeping forces to potential crisis spots. We ask Congress to allow the United States to offer somewhat more assistance to allies battling insurgents who need more help training and equipping their own forces.

There is no more vivid example of this than the Iraqi security forces. They demonstrated considerable valor during the operations to liberate Fallujah and in providing security for Iraq's successful recent elections. When talking about the Iraqi security forces, some seem to want to focus on numbers, so let us talk about numbers briefly.

When we began, the visibility we had into this situation was modest. We started with zero and ended up developing various types of Iraqi security forces with the Iraqis. We did not have good information on their training or on their equipment, and we included all that were currently managed by the departments of interior or defense of Iraq. But at a certain moment in 2004 we developed better visibility and began to count only those that had been trained properly according to some schedule.

They then transferred out about 74,000 of these forces out of the Ministry of Interior, and we subtracted them from the numbers. Then we got visibility into the equipment as more equipment came in. We now, in the green to the far right, show only those forces that are managed by those two ministries that have been trained and equipped, and it comes to about 136,000, not counting that 74,000 in the site protection.

[The chart referred to follows:]



But beyond the numbers, it seems to me the capability is what really is important. Capability is a function partly of numbers to be sure, but it is also of training, equipment, leadership, mobility, sustainability, access to intelligence, and experience. One cannot expect that Iraqi security forces coming out of their training pipeline are going to be battle-hardened veterans like the fine men and women of the U.S. military. They are not, and they need time on the job.

But those who continue to unfairly denigrate Iraqi security forces I think should be reminded that they would not have lost some 1,392 killed in action, Iraqi security forces, since May 2003 if they had been hiding or hunkering down in their barracks. They have been out doing things. They vary in capability, to be sure. They vary in what their purpose is. A policeman is not trained as a special operations person or a border patrol person or a regular army person.

First a word about the future. Success would be determined not only by the battles we fight, but by the military capabilities we leave to our successors and future generations. Weapons platforms today are more lethal and precise, but still not flexible enough. Force deployments are faster, but not fast enough. The Pentagon bureaucracy is more efficient, but far from efficient enough.

In constructing a comprehensive strategy for the future, we sought to answer these difficult questions: What must the forces be capable of doing in the next 5, 10, or 20 years? What must be done to move us urgently in the directions that will best protect our people? What lessons have we learned during the 3-plus years of warfare that can lead us to better calibrate and refine our strategies against enemies who in fact have brains just as we do and adjust constantly to the adjustments we make to their behavior?

Stress on the force has been mentioned. We know, for example, there are strains on the forces and particularly on the ground forces. By the end of September, the size of the Army's strength is planned to have increased by more than 29,000 soldiers from troop levels of 4 years ago. That does not include activated National Guard or Reserve Forces.

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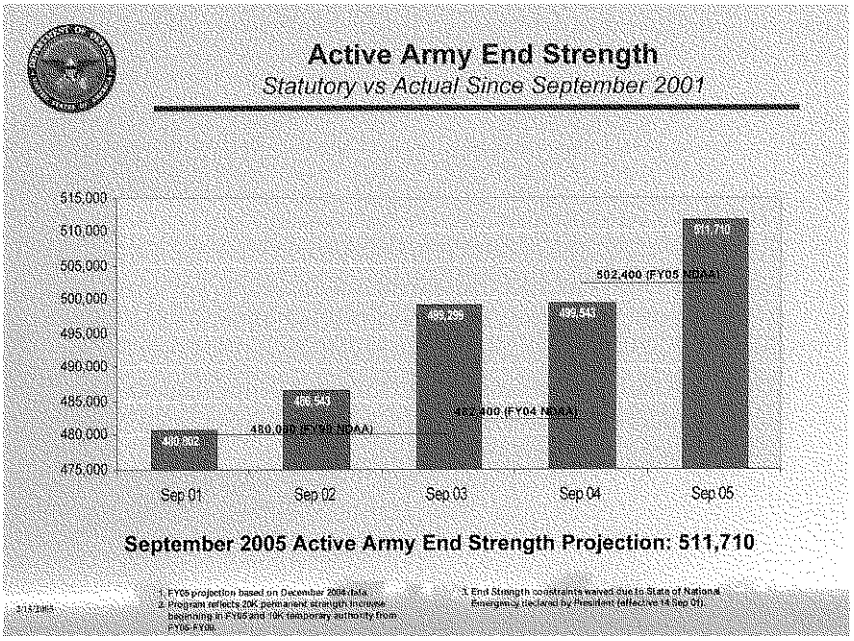
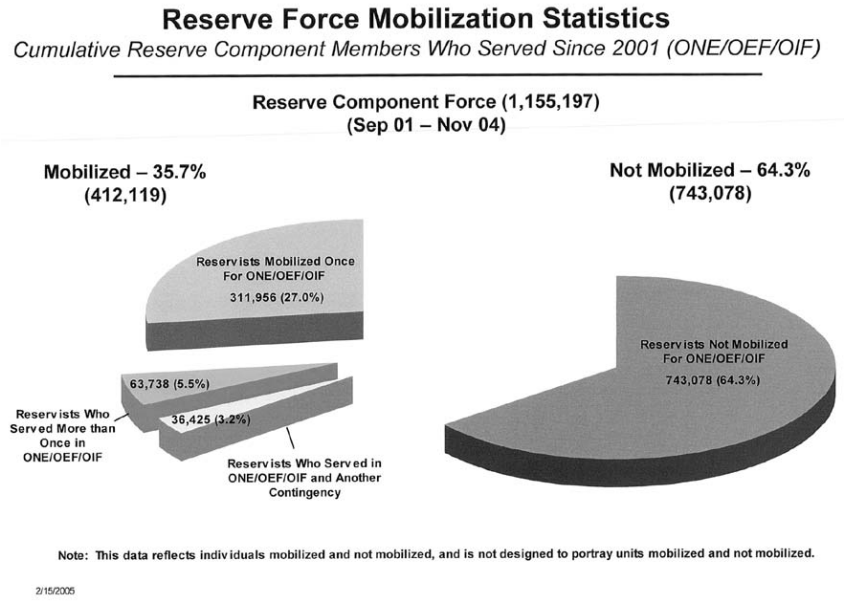


In fact, let me show you how the ground forces compared to where they were in 2001. The bars show the actual strength of the forces excluding Reserve and Guard. The black lines show what the statutory end strength is. Now, obviously with the emergency powers we have all the flexibility we need to increase forces to levels higher than the statutory end strength because Congress has authorized that.

Additionally, ground forces are transitioning from being a garrison force to an expeditionary force, from being fundamentally a peacetime army preparing for a major conventional conflict to an army dealing with dispersed and dangerous thinking enemies who operate in small cells, free of democratic constraints and large bureaucracies.

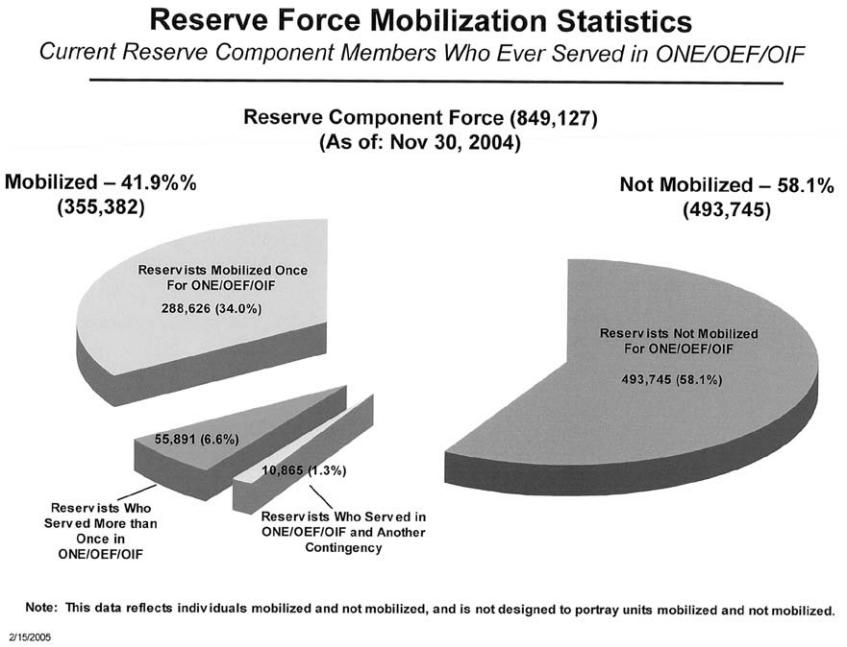
In this conflict we have used Reserve components at a much higher level than in the past decade. The chart on the easel at the moment shows on the right the reservists that have not been mobilized. This data reflects individuals that have been mobilized or not mobilized. It is not designed to portray units. It is the best data we have, but obviously, while some Reserve and Guard have been used to a greater extent, as you can see on the left, a large fraction of the total Guard and Reserve have not yet been mobilized since September 11, 2001.

[The chart referred to follows:]



The next chart shows the Reserve Force mobilization statistics and again it is something in excess of 50 percent.

[The chart referred to follows:]



The Army is enlarging considerably its pool of deployable soldiers and units. It is doing that so that individual reservists and guardsmen in particularly high-demand specialties will need to be mobilized less often and for shorter periods and with more notice and predictability. For example, the Army is reducing the number of artillery and air defense units and adding military police (MPs), transportation, and Special Forces units, whose skills have been increasingly needed during the global war on terrorism. Other innovations are underway that will also contribute to force capability.

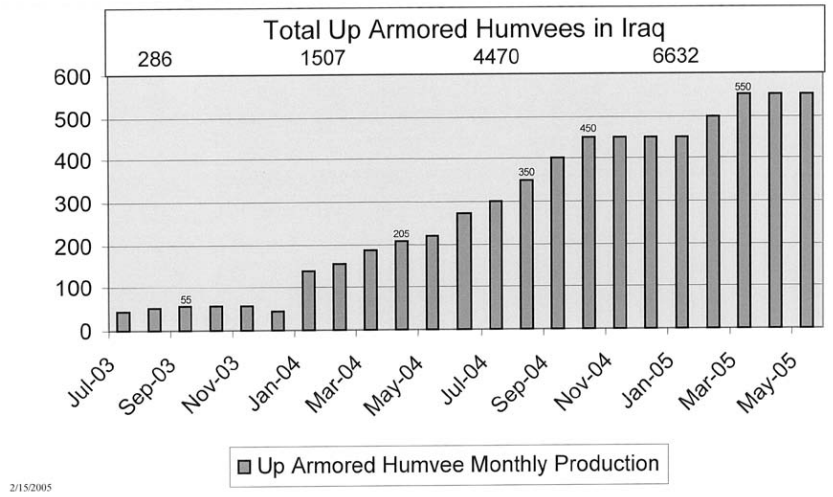
In addition to increasing the size of the force, in addition to the Guard and Reserve that have been activated, and in addition to the rebalancing within the Guard, Reserve, and the active Force to get the skill sets we need, there are tens of thousands of positions that were previously held by uniformed military personnel, mostly administrative and facility-related, that are being converted to civilian and contractor duties, thereby freeing up additional tens of thousands of military personnel for military responsibilities and an increased useable military end strength without an increase in the statutory end strength.

In addition, because of the substantial and long overdue changes in global force posture, some 70,000 troops and 100,000 family members and civilian employees will be leaving overseas bases and returning to the United States, where they and their families will have shorter overseas deployments and considerably less disruption in their life.

Force protection. We asked what lessons have been learned about the enemy and its tactics. Our enemies have brains. They watch our actions. They change their tactics constantly, as do we. The current threats posed by insurgents are roadside bombs and rockets targeting coalition troops in Iraq. The military has made it a very high priority to accelerate production of body armor and uparmored high mobility multipurpose wheeled vehicles (HMMWVs). Let me show you what this means on the chart on armored HMMWV production rates.

[The chart referred to follows:]

Up Armored Humvee Production Rates



As you can see there, the Army stepped up production early on uparmored HMMWVs by more than 1,000 percent since mid-2003, when forces began to face the improvised explosive device (IED) threat in Iraq. They went from a rate of 35 per month in May 2003, I am told, to 450 a month by December 2004, and are targeted for next month to be at a rate of 550 a month.

I am told by General Casey that as of this week, with very few exceptions, U.S. military vehicles in Iraq with U.S. troops in them outside of protected areas of a compound, they will all have appropriate armor. As I say, there are one or two or three exceptions.

In addition, since March 2003 the military has produced in excess of 400,000 sets of body armor. That is up from 1,200 sets produced per month to over 25,000 produced per month, as the chart indicates.

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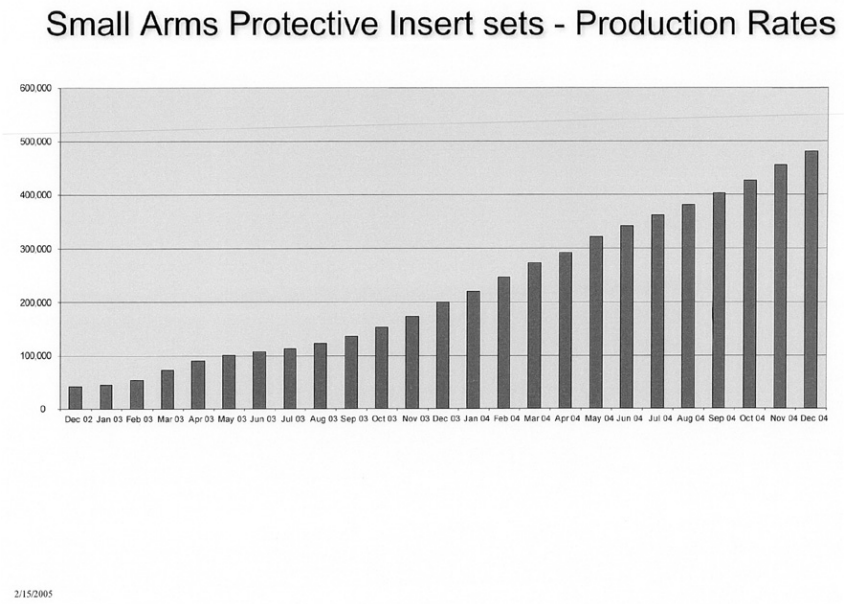


The Department recognizes the critical importance of safeguarding the troops in the field, so the military has made force protection institutionalized across the Services as part of their core capabilities.

Another challenge the Department faces is attracting and retaining high caliber people to serve in key positions. For decades the Department has lived with personnel practices that would be unacceptable in a business. With the support of Congress and other Federal agencies, the Department is now instituting a new personnel system approved by Congress that is designed to provide greater flexibility in hiring assignments and promotions, allowing managers to put the right people in the right positions where they are needed. About 60,000 DOD employees, the first spiral wave of over 300,000, will transition into this system as early as July of this year.

As I mentioned earlier, over the coming years, with the support of Congress, heavy Cold War garrisons will be replaced by logistical and training facilities that can be accessed quickly and without extensive negotiation or legal constraints.

The new global security environment drives the approach to our domestic force posture as well. The Department continues to maintain more military bases and facilities than are needed, consuming and diverting valuable personnel and resources. BRAC will allow the Department to reconfigure its current infrastructure to one that maximizes warfighting capability and efficiency, and it could provide substantial savings now, money that could be used to improve the quality of life of men and women in uniform, force protection, and investments in weapons systems.

Mr. Chairman, these are some of the reforms we plan to implement over the coming years with the help of the committee and Congress. I know there will be a resistance to some of these reforms. It is always difficult to depart from the known and the comfortable. Abraham Lincoln once compared reorganizing the Union Army during the Civil War to bailing out the Potomac with a teaspoon. I hope and trust that what we are proposing and what we must accomplish will not prove to be that difficult, although I know it will be tough.

But consider the challenges our country faces, not only to reorganize the Army, which is an enormous task, but to better organize all of the military services, plus to transform the sizable DOD bureaucracy and to fight wars at the same time. This is not a conventional conflict or conflicts, for which the U.S. military had organized, trained, equipped for decades, but unconventional wars against asymmetric threats from enemies that hide in the shadows.

The task is daunting. Despite the dauntingness of the task, I think we will and can get the job done. Our country seems to always find a way to get the job done. The United States has today without question the finest fighting force on the face of the Earth. The young men and women who are serving our country are doing an absolutely superb job. Our country is deeply in their debt. All of us visit them and we know that they understand the importance of what they are doing and the value that history will assign to their accomplishments.

Thank you very much, Mr. Chairman.

[The prepared statement of Secretary Rumsfeld follows:]

PREPARED STATEMENT BY HON. DONALD H. RUMSFELD

I. INTRODUCTION

Mr. Chairman, members of the committee: Good morning.

Somewhere in the world, as we speak, young men and women, wearing our country's uniform, are engaged in the hard work of history. Their families are concerned about their safety and making the best of their loved ones' absence. Somewhere, a soldier, sailor, airman, or marine is wounded, and determined to get back to duty. Here in our country, hundreds of thousands of dedicated military and civilian personnel are devoting long hours to America's defense.

I know that they are comforted and encouraged by the outpouring of support they receive from the American people and many of you, as you have met with the wounded in military hospitals. Their dedication is inspiring. We thank them for their valor and their sacrifice.

However, before discussing dollars, programs, and weapons, I would like to provide some context for the tasks ahead for our country.

Consider what has taken place since we met here in early 2001:

- Two newly free nations—Afghanistan and Iraq—now reside in two of the world's most violent regions;
- Afghans and Iraqis have held historic elections to choose moderate Muslim leadership;
- Extremists are under pressure worldwide, their false promises slowly being exposed as another cruel lie of history;
- America's national security apparatus is seeing historic changes;
- The North Atlantic Treaty Organization (NATO) is undergoing reforms in both organization and mission, expanding in size and deploying forces outside of its traditional European boundaries; and
- Some 60 nations are freshly engaged in an unprecedented multinational effort to halt the proliferation of the world's most dangerous weapons.

These issues will no doubt require the focus of U.S. security policies for the years ahead. They have and will continue to affect the Department of Defense's (DOD) pace and direction.

When President Bush took office, the country was still savoring victory in the Cold War—the culmination of a long struggle that occupied generations of Americans and leaders of both parties. There was little appetite to consider the new, lethal threats that lingered on as irritants while the country tackled other challenges. The President understood that we were entering an era of the unexpected and the unpredictable—and was concerned that our country was not sufficiently prepared.

In altering this mindset, we confronted, and are seeking to meet, many challenges, including:

- The challenge of having to move military forces rapidly around the globe;
- The urgency of functioning as a truly joint force, as opposed to simply keeping the various military services out of each others way;
- The need to recognize we are engaged in a war and yet still functioning under peacetime constraints, regulations, and requirements, against an enemy unconstrained by laws or bureaucracies; and
- The need to adjust to a world where the threat is not from one superpower, but from rogue regimes and extremist cells that can work together, share information and proliferate lethal capabilities.

The questions many of us wrestled with back then to deal with these challenges are still relevant today. For example:

- Were the armed services properly organized to deal with the uncertainties we face?

We realized that the military services' cold war arrangements were ill-suited for the new warfare of the future.

So we set about making U.S. forces more agile and expeditionary. When a Department official says "agile" some people seem to think it means making the military "smaller." It does not. It is the shape of the forces, not the size, that is the impetus for making needed changes.

- We also asked: how do we deal with the inevitability of surprise?

While we cannot be certain who might attack our people, we can reasonably predict how they might attack—through terrorism, cyber attack, weapons of mass destruction, and other asymmetric approaches.

- We asked: how ought we to reassess our plans, operations and force structure in light of the technological advances of the past decade?

Technological advances have allowed the military to generate considerably more combat capability with the same or, in some cases, fewer numbers of weapon platforms.

As late as 1997, the aircraft from a carrier could engage about 200 targets per day. In Operation Iraqi Freedom, this capability rose to over 600. A B–2 bomber can now be configured to attack as many as 80 different aim points with 80 precision munitions on one sortie.

- We also asked: with the Cold War over, are our forces positioned in the smartest way to deal with the multiple new challenges?

The post-Cold War environment suggested the need to conduct an audit, in a sense, of where U.S. forces were stationed across the globe. There seemed to be better ways of deterring aggression overseas than stationing heavy divisions in fixed defensive positions.

I advanced the common sense notion that our troops should be where they are needed, where they are wanted, and where they would be most usable.

In consultation with Congress and our friends and allies abroad, the Department is making long overdue changes to U.S. global basing, moving away from obsolete Cold War garrisons and placing emphasis on the ability to surge quickly to trouble spots across the globe.

- Finally, we asked: are there changes needed in the ways the Pentagon operates?

Four years ago, acquisition policies were 200 pages long on average. Today they are 34 pages. The Department has adopted an evolutionary approach to acquisitions, seeking to deliver technology as it is available, rather than waiting for entire systems to be complete.

This "spiral development" approach has allowed us, for example, to rapidly field robots to detonate roadside bombs in Iraq.

Regional command staffs spent years formulating detailed contingency plans that were mostly obsolete by the time they were finished. We now regularly review and update war plans, as well as the assumptions on which they are based, as circumstances and capabilities change.

Inefficiency is always unfortunate, but in the DOD, it can be deadly. An idea ignored may be the next threat overlooked. A person performing a redundant task is not contributing to our defense. A dollar wasted is a dollar not invested in the warfighter.

The demands on this Department could not be met effectively until the bureaucracy was pushed, encouraged, and sometimes dragged into the 21st century.

The changes I have outlined, and many others, were getting underway before September 11, 2001.

The military's skillful campaigns might have been longer and less successful had our country not already begun to adopt needed reforms. Because we had begun to consider changes to U.S. global posture, we had a head start in contemplating new forward operating sites in territories closer to extremists' centers of operation.

With many of these tasks now well underway, President Bush continues to set an ambitious course to prepare for the challenging times ahead. The United States' overriding priority will be to continue prosecuting the war and to attack its ideological underpinnings.

After more than 3 years of conflict, two central realities of this war are clear.

The first is that this struggle cannot be won by military means alone. The DOD must continue to work with other government agencies to successfully employ all instruments of national power.

While the DOD has sent soldiers to distant battlefields, the Department of the Treasury has uncovered financial support lines, the Department of State has helped cultivate new alliances, the Department of Justice has apprehended suspects within our boundaries, and the Department of Homeland Security has helped protect our ports and borders.

We can no longer think in terms of neat, clear walls between departments and agencies, or even committees of jurisdiction in Congress. The tasks ahead are far too complex to remain wedded to old divisions.

A second central reality of this new era is that the United States cannot win a global struggle alone. It will take cooperation among a great many nations to stop weapons proliferation.

It will take a great many nations working together to locate and dismantle global extremist cells. It takes a great many nations to gather and share the intelligence crucial to stopping future attacks.

Our friends and allies are increasingly aware that the danger confronting America is at their doorstep as well, as underscored by attacks in Madrid, Bali, Beslan, Casablanca, Riyadh, Istanbul, and elsewhere.

This Department encourages Congress to support a Global Peace Operations Initiative, to be managed by the State Department, that will help other, less developed countries train to send peacekeeping forces to potential crisis spots. We ask Congress to allow the United States to offer more incentives and capabilities to friends and allies battling insurgents and who need help training and equipping their own forces.

Our success will be determined not only by the battles we fight, but by the military capability we leave to our successors and future generations.

Today, weapon platforms are more lethal and precise, but not yet flexible enough; force deployments are faster, but not yet fast enough; the Pentagon bureaucracy is more efficient, but not yet efficient enough.

In constructing a comprehensive strategy for the future, we sought to answer these difficult questions:

- What must our forces be capable of doing in the next 5, 10, or 20 years?
- What must be done to move us urgently in the directions that will best protect our people?
- What lessons must we have learned during the past 3-plus years of warfare that can lead us to calibrate and refine our strategies against our enemies who have brains as well?

The President's fiscal year 2006 DOD budget is discussed in more detail in subsequent chapters of this testimony. At $419.3 billion, it represents a 4.8-percent increase from last year, and a 41-percent increase overall from fiscal year 2001. Defense spending represents 16.5 percent of total Federal spending, and 3.3 percent of gross domestic product. But more important than the raw numbers are the choices we have made and the priorities the President has set to fulfill his oath to protect this and future generations of Americans.

II. SUPPORTING THE GLOBAL WAR ON TERROR—STRENGTHENING CAPABILITIES, ADVANCING LEGISLATIVE AUTHORITIES

Ours was a dangerous world in the years leading up to September 11, even though it might have seemed otherwise.

Consider the world as it was on September 10, 2001. Terrorists trained and plotted in Afghanistan while America's sworn enemy in Iraq sought ways to expand his power and regularly fired at U.S. aircraft patrolling in the Northern and Southern No Fly Zones. The next day, on that bright September morning, 19 men killed over 3,000 people in the Pentagon, Lower Manhattan, and Pennsylvania.

The extremists continue to plot to attack again. They are, at this moment, recalibrating and reorganizing, and so are we. This thinking enemy continues to adapt to new circumstances. So must we refocus our efforts to defeat a network dispersed across the world and which lacks a fixed territory to defend. The future of this conflict is not predictable, so additional funds will have to be requested as required.

President's Strategy

The President's strategy has been to create and lead an international effort to deny terrorists the resources and support they need to operate and survive. Since, ultimately, what they need to survive is the support of those who they can indoctrinate, this is an ideological battle as well.

The strategy has three main components that require the support and coordination of all agencies of government and all aspects of national power:

First, defending the homeland: which has led to the creation of the U.S. Department of Homeland Security, the National Counterterrorism Center, the military's Northern Command, and this Department's homeland defense division.

Second, attacking and disrupting terrorist networks: With the help of allies and partners the U.S. has had considerable success in Afghanistan, Iraq, the Horn of Africa, Northwest Pakistan, and elsewhere. Some three-quarters of known al Qaeda leaders have been captured or killed;

Third, countering ideological support for terrorism: This war has required not only the vigorous pursuit of known terrorists, but finding ways to stop extremists from gaining recruits and adherents. It is this ideological component, I suggest, that is the essential ingredient for victory.

This is not the task of any one department or country. We must all begin to develop new approaches. We must increasingly think of this budget as but one component of a multi-faceted strategy—combined with the resources allocated to other departments of the U.S. Government, plus the private sector. The old, rigid divisions between war and diplomacy, conflict and reconstruction—the departmental roles that go with them and the division between public and private—no longer serve us well.

The Goldwater-Nichols legislation crafted by this committee transformed the U.S. Armed Forces. I believe our entire Federal Government needs a similarly transformative cultural, if not institutional shift. In this complex struggle, the President must have the flexibility to choose which instrument of national power is best suited for a given situation.

Partner Capacity

As we deal with these new challenges, we must consider that most of our enemies are present in countries with whom we are not at war. Indeed, extremists have infiltrated our own borders and those of our closest allies.

Extremists are foes of moderation and political freedom. Fighting for such qualities is what binds many nations of varying ethnicities, religions and histories together in this struggle.

So we must lend support to those governments who need it in their efforts against extremists in their own countries—particularly to counter the enemy's sources of ideological support. This is not a matter of foreign aid as it has been commonly understood.

Indeed, one thing we have learned since September 11 and our operations in Afghanistan, Iraq, and elsewhere, is that in most cases, the capacities of our partners and allies are every bit as important as our own military forces. As is the ability—and proclivity—of our partners to curb the spread and appeal of that poisonous ideology in their education systems, news media and religious and political institutions.

Iraq

Nowhere is this more critical than in the heart of the Middle East. In Iraq, a regime that attacked its neighbors, and used chemical weapons on its own people, is today on a new moderate course.

The Iraqi people have just taken part in historic elections. Those who say Iraqis don't support the effort for democracy need to consider what has just taken place: Some 8.5 million people—Sunnis, Shiias, Kurds, and other groups—have braved threats and violent intimidation to vote for slates of candidates to lead their country. Iraqis bravely and patiently stood in line even though they knew that the penalty for the simple act of voting might well be their life.

The elections should remove doubt about what is really happening in Iraq. The campaign of violence and intimidation can no longer pretend to be a nationalistic resistance to foreign occupation.

Quite the contrary, now the government the terrorists seek to undermine and overthrow is not foreign or even a provisional government appointed by the United Nations. Rather, it is an Iraqi government, elected by the Iraqi people, to serve the Iraqi people. Iraq is on the path to democracy. We will not abandon them to the dark forces that seek to turn them back to a world of terrorism, violence, and beheadings.

Afghanistan

In Afghanistan, the world saw 8 million newly liberated people—over 40 percent of them women—overcome threats and violence and intimidation to elect a moderate Muslim leader who is now a partner in the global war against extremism.

As the challenges in Afghanistan and Iraq continue, extremists continue to plot and attack. They are, at this moment, recalibrating and reorganizing to undermine what the liberated people in those countries have already achieved.

Iraq Security Forces

The President's goal for Iraq is to empower the Iraqi people to take the fight to the extremists, and to help Iraqi security forces take control of their own security needs.

Indeed, with a new Iraqi government in place and a new phase of our partnership about to begin, Congress and the American people should expect that our coalition will change. Some countries will have completed their missions and others will take on new responsibilities in terms of training and equipping Iraqi forces.

The performance of Iraqi security forces has been improving steadily—but the capabilities being created through this training and equipping process, while improving at a good clip, can be further accelerated.

There have been many unreported cases where Iraqi security forces have performed well—for example in the liberation of Fallujah, in direct combat in Najaf and in counterterrorism operations in Mosul. Thousands continue to volunteer to join the Iraqi military despite constant threats and assassinations.

At several stages we have re-assessed the performance and progress of their efforts.

We have gone from no trained and equipped Iraqi security personnel in 2003 (police, border officers, military forces, etc.) to about 136,000 today. There are an additional 74,000 site protection forces that are on duty but not considered part of the 136,000, since they do not report to the Ministers of Defense or Interior.

But capability is every bit as important as numbers. Capability is a function partly of numbers, partly of training, partly of equipment, but also of leadership and experience.

No one should expect that Iraqi security forces are going to come out of their training pipelines and be battle-hardened veterans like the fine men and women of the U.S. military. Most have not yet had much combat experience, but they are improving daily.

Coalitions and Alliances

As it stands some 28 countries have troops in Iraq, with 36 working together to stabilize and reconstruct Afghanistan.

But being an ally in this global effort means much more than having boots on the ground in a particular country. Some 90 countries work with the United States to break up terrorist plots, reduce terrorist funding and capture or kill terrorist leaders and operatives.

Moving forward, our alliances must be capable, sustainable, and affordable.

NATO, which helped keep the peace for nearly a half-century, is adjusting to the challenges of this new century. The alliance is shedding redundant headquarters and creating a new Rapid Response Force. Significantly, NATO forces have deployed outside traditional geographic boundaries to help to take responsibility for stabilization operations in Afghanistan and a training and equipping mission in Iraq. However, restrictions or "caveats" on the participation of a number of member nations in particular missions and locations continues to be a serious challenge, which we are working to overcome.

In addition, we are building upon relatively new or maturing relationships with countries such as India, Pakistan, Uzbekistan, Kazakhstan, Georgia, and Yemen. Growing military to military training and initiatives with India over the past few years reflects the transformation of our bilateral relationship since President Bush took office. Pakistan has taken the fight to the extremists who had taken refuge in their previously ungoverned Northwest Province.

To enable us to assist our partners in battling extremists within their borders, the fiscal year 2006 budget requests key legislative authorities to:

- Provide up to $750 million to build partner nation security capacity: This assistance will be directed to military or security forces in Iraq, Afghanistan and other friendly nations to improve their ability to fight in the global war on terror and to meet common threats. This proposal would expand authority provided in the National Defense Authorization Act (NDAA) for Fiscal Year 2005.
- Provide funds through the Commander's Emergency Response Program to enable military commanders engaged in foreign contingency operations to respond immediately to urgent humanitarian or reconstruction needs.
- Provide Logistical Support, including airlift and sealift, to foreign forces supporting operations in Iraq and Afghanistan and other operations to combat terrorism. This proposal would make permanent the authority that was previously approved and used to enable our coalition partners help reduce cost to the United States and reduce stress on U.S. forces.

Special Operations Forces (SOF)

The President's budget takes into account the many successful improvements in the Special Operations Command (SOCOM). This command has been given the power to plan and conduct operations, where previously it had only supported other commands.

We have come a long way from the time when, as Army Chief of Staff General Peter Schoomaker once said, the Special Forces were like "A sports car nobody wanted to drive for fear of denting the fender."

The number of these highly-trained SOCOM active personnel has increased from:

- 28,700 in 2001 to 33,100 in fiscal year 2005,
- They will grow by another 1,200 troops and 200 civilians in fiscal year 2006, including 4 additional SEAL platoons.

The fiscal year 2006 budget of $4.1 billion for Special Operations (plus $50 million for programs to boost SOF retention) is up from $2.4 billion in fiscal year 2001.

Supplemental Appropriations

Thanks to your support, the Department continues to fund operations in Afghanistan, Iraq, and other theaters in the global war on terror through supplemental appropriations.

The fiscal year 2005 DOD Appropriations Act provided $25 billion for war-related costs.

The President's fiscal year 2005 Supplemental Appropriations request for an additional $82 billion, with $75 billion for the DOD, has been sent to Congress to cover incremental costs of operations in the global war on terror.

Force Protection

The supplementals cover an array of investments in force protection.

Our forces must have the equipment they need, and the Services are working hard to ensure they get it. For example, since our forces first began to face the improvised explosive device threat in the summer of 2003, the Army has ramped up production of armored High Mobility Multipurpose Wheeled Vehicles (HMMWVs) by over 1,000 percent, from 35 per month to 450. In April that rate will rise to 550 per month. According to Army Chief of Staff General Schoomaker, there were some 500 tactical wheeled vehicles with armor in the Army inventory when operations in Iraq began. Now, there are about 26,000.

To date, the Department is on track to meet the Central Command's requests during the current fiscal year of 8,275 up-armored HMMWVs in March 2005.

In addition, since March 2003, the military has produced in excess of 400,000 sets of body armor—up from 1,200 sets per month to over 25,000 per month.

I am told that by this week, with minor exceptions, U.S. military vehicles in Iraq carrying American troops outside of protected areas will have an appropriate level of armor to protect against the most likely threats. Note that not every vehicle requires armor at all times, such as those confined to military bases.

Further, U.S. forces are finding and destroying bomb-making production facilities, developing technical counter-measures which either reveal improvised explosive de-

vices (IEDs) or disable them, and changing their tactics to minimize the effectiveness of such bombs—including the fielding of 50 robots and a technology developed in a matter of weeks to counter cell-phone activation of these bombs.

U.S. forces are now discovering and destroying more that one third of IEDs before they can detonate. We have every reason to believe that this will improve.

III. ENSURING WELL BEING OF TROOPS:—PERSONNEL & READINESS

We have made significant investments in pay, bonuses, recruiting, and retention programs to ensure that we continue to have the capable forces our Nation needs.

The fiscal year 2006 budget includes a pay raise request of 3.1 percent for the military. It is important to close the gap between mid-grade noncommissioned officers (NCOs) and private sector pay for comparable talent.

Army Strength

The past few years have brought stress on our forces. The ground forces, in particular, have faced a transition from being largely a garrison force to an expeditionary force—from being fundamentally a peacetime army preparing for a major conventional conflict to an army in active combat against dispersed and dangerous enemies.

The Army is expanding to 511,800 soldiers by September 30, 2005, nearly 30,000 troops more than its end strength 4 years ago. The increases are being budgeted in the supplemental requests.

Even with these increased troop levels ground forces are stressed. That has produced many calls for increases in so-called "permanent standby end strength"—the force strength required by law. But consider this: The U.S. Army has over 1 million troops total in its active and Reserve components. About 150,000 soldiers are currently deployed in Iraq, Afghanistan, and other overseas theaters of the global war on terror.

The problem is less the number of soldiers in the Army and more that the Army was poorly organized and has been unable to draw on all forces it has for missions abroad. One of many ways the Army is rectifying this situation is by creating additional combat units and manning them with a combination of new recruits and existing soldiers drawn from other parts of the Army. In short, the Army has been aggressively improving its tooth-to-tail ratio, as it must.

Military to Civilian Conversion

To increase the pool of usable and deployable troops, thousands of positions currently held by uniformed military—mostly administrative or facilities related—are being converted to civilian positions, with tens of thousands more to follow in the immediate future.

In fiscal year 2004, the Department converted over 7,600 military billets to DOD civilian or contractor performance. The Department currently has plans to convert over 16,000 additional billets in fiscal year 2005 and some 6,400 billets in fiscal year 2006. This means the number of troops available for the operational military will have increased by a cumulative 23,600 by October 1 of this year.

Families Stability—Unit Cohesion

Under the Army's new home basing plan, soldiers will remain with units for up to 7 years, instead of rotating every 2 to 3 years, or in the case of Korea, every year.

Changes to the U.S. global posture over the next few years will bring 70,000 troops and 100,000 family members and civilian employees back to American soil. With shorter deployments overseas and longer assignments at home bases, military families will experience considerably less disruption in their lives, substantial savings from fewer permanent changes of station, and greater stability due to less time in transit and transition.

As explained by the Army Chief of Staff, on any given day the Army has 63,000 in the active Force that were in motion—either in transit, just arrived, preparing to leave a post or in a training school. In turning to the home basing system and reducing our troops presence in Korea, the Army will significantly reduce the numbers of permanent changes of station. This means that thousands more troops will be available to deployable units. With all of these important steps underway, it would be a serious and expensive mistake to arbitrarily increase our statute end strength before we can achieve these efficiencies and determine our actual needs. For the present, we have all of the flexibility we need to manage the force under the emergency authority provided by Congress. I urge you not to impose additional costs on the Department by increasing the Army's statutory end strength until we can measure the effects from the above efficiencies.

Stress on Reserve Component

Due to decisions made decades ago, much of the logistical and administrative support essential to going to war was in the Army's Reserve components. That has meant that, as we have seen, every significant military operation has required extensive mobilization of reservists and guardsmen. That imbalance is now being corrected.

Since September 11, some 418,000 members—or 36 percent—of the military's Reserve component, have served in the war on terrorism. It is worth noting that in the past 15 years, approximately 4 percent of the Reserve component have been mobilized more than once.

In the Army:

- There are a total of 205,000 troops authorized for the Army Reserve—of those 47,000 are currently mobilized or deployed;
- There are 350,000 troops authorized for the Army National Guard—of those 113,000 are currently on active duty.

Despite the increased demands placed on the ground forces, most Army reservists and guardsmen—some 55 percent—have not been mobilized at all since September 11, while others in heavily needed skills face certain activation, and if they volunteer, repeated deployments.

For example, in the Army, we have called up:

- 68 percent of enlisted motor transport operators;
- 65 percent of enlisted law enforcement forces;
- 65 percent of enlisted construction equipment operators;
- 62 percent of enlisted general combat engineering forces; and
- 66 percent of civil affairs officers;

One of the Army's many responses to relieve this stress is to enlarge the pool of usable and deployable soldiers and units, so that individual reservists and guardsmen in those high demand specialties can be mobilized less often, for shorter periods of time and with more notice and predictability. The Army is working to restructure its force to more effectively meet high demands on certain skills. For example, the Army is reducing artillery and air defense units and adding military police (MPs), transportation, and Special Forces units. Specifically, the Army is retraining relatively under-used artillerymen to form 18 provisional MP companies. Overall, the Department's "rebalancing" has affected about 30,000 military billets from fiscal year 2003 to fiscal year 2004, with another 20,000 to be converted by October 1, 2005, and an additional 50,000, mostly Army, planned over the next 6 fiscal years.

To take better care of Army reservists and to encourage them to continue their military service, the Department is moving forward to implement recent health benefit enhancements, which offers coverage 90 days prior to activation and 180 days after mobilization. We will also launch, by April 2005, the premium based TRICARE Reserve Select program, offering coverage to reservists and their families who have participated in contingency operations since September 11 and who commit to continued service in the Selected Reserve.

The use of the Reserve component of the Army has been a source of some commentary and criticism. The discussions go to the heart of what it means to volunteer for military service in general, and what it means to volunteer for the Reserves in particular.

The taxpayers spend billions of dollars every year on training, pay and benefits in the Reserve components for the purpose of having the Reserves available for mobilization in the case of war or for some other State or national emergency. That is why they have volunteered to serve.

Current Departmental policy, which is consistent with the sense of Congress, is that no reservist may be involuntarily called-up for more than 24 cumulative months, under the current legal authority, for current operations.

The objective of the important and transformational reforms described earlier is to limit involuntary Reserve mobilization to reasonable and sustainable rates, ideally no more than 1 year of involuntary mobilized duty in any 6 years of Guard or Reserve service. This goal has not yet been reached.

Air Force

The U.S. Air Force's active requested end strength is 357,400, approximately 2,300 fewer then last year.

Navy

The fiscal year 2006 budget supports an active end strength of 352,700 for the Navy—13,200 fewer than the fiscal year 2005 level.

Marine Corps

Under Emergency Authority, the Marines have temporarily increased strength by nearly 3,000 above their base of 175,000 though a combination of supplemental appropriations and military to civilian conversions. Additional conversions in fiscal year 2006 of 2,394 slots will place more marines in deployable status and reduce stress on individual units and marines.

The Corps is transferring marines and units with high-demand specialties like explosive ordnance disposal, civil affairs, psychological operations, and aviation support and communications from the Reserve to the active component.

Approximately 10,300 Marine reservists are currently on active duty. In fiscal year 2006 the Marine Corps Reserve will create new units including:

- One Intel support battalion;
- One Security/Antiterrorism battalion; and
- Two light armored recon companies.

Recruiting and Retention

The fiscal year 2006 budget requests $2.6 billion for recruiting and retention. It is notable and encouraging that all active Services continue to meet or exceed their recruiting targets, despite the known sacrifices of military service.

We are concerned about the Reserve component's ability to meet its recruiting and retention targets. Achieving these goals has proven difficult because more people are joining and staying in the active Army, which competes for the same pool of talent. The Department is watching and tracking this closely, and has initiated a range of programs and incentives—including bonuses and the hiring of new recruiters—to support recruiting and retention in the Army Guard and Reserves.

It is also encouraging that most of the Army divisions that have experienced the dangers of combat in Iraq and Afghanistan actually have had higher than average reenlistment rates. It says a great deal about these very special and courageous young men and women.

For example:

- The 1st Infantry Division, located in Samarra and Fallujah, is at 134 percent of target;
- The 4th Infantry Division, that tracked down Saddam Hussein and pulled him from his spider hole, is at 127 percent of target;
- The 10th Mountain Division, that fought Taliban and al Qaeda in Operation Anaconda and elsewhere in Afghanistan, is at 120 percent.

Housing

The fiscal year 2006 budget keeps the Department on track to eliminate all inadequate military family housing units by fiscal year 2007. This budget also continues the Department's extensive use of privatization to improve military housing and get maximum benefit from its housing budget. By the end of fiscal year 2005, privatization will have produced nearly 142,000 high-quality family housing units since this initiative began. This is an impressive accomplishment. By the end of fiscal year 2006, the total should exceed 172,000 units. Privatization has been a most successful program of great benefit to the quality of life of our forces. They well deserve it.

Supporting Injured Troops

The American people's support for our troops, and in particular injured troops, has been heartwarming. Walter Reed Army Medical Center, for example, has been deluged with gifts for recovering troops. Many of those troops return to duty after recovering from their wounds, but for some the convalescence period is much longer and much more difficult. It is over the long term, where often attention from the media has waned, that the Department has paid and needs to pay special attention.

That is why we are standing up a Severely Injured Family Assistance Center to complement the military services' efforts to reach out to their gravely wounded and give them longer-term support, wherever they live. The $21.5 million is included in the fiscal year 2005 supplemental request.

IV. TRANSFORMING MILITARY CAPABILITIES

In the past the Department's budget process for procurement has too often resembled a "shopping list" for traditional bureaucratic, economic, and political constituencies, rather than a rational strategy to meet real and likely threats. Instead of assessing actual capabilities, many tended to measure military strength simply by counting the number of pieces of hardware or numbers of troops. In the 21st century we must measure capability as well as quantity.

To reflect new realities, on occasion we have made difficult and controversial choices, such as the cancellations of the Crusader Artillery and Comanche Helicopter programs, freeing up tens of billions of dollars for other operations and programs. These were state-of-the-art weapons systems that nonetheless were designed to defeat a conventional mechanized force that either no longer existed or remained a tenuous threat. Tight budgets, like war, concentrate the mind, force one to rethink priorities, and to make necessary changes that otherwise would be considered too controversial.

Army

The Army is expanding and restructuring to provide more combat power by reconfiguring its forces to be more agile, flexible, responsive and by providing more of them. The new "modular" Brigade Combat Teams can deploy quickly to trouble spots, but, unlike today's light, airborne, or air assault units, will have greater firepower, armor, and administrative and logistics support "built in" to operate over a sustained period of time. This builds on what has traditionally been one of the U.S. military's greatest strengths compared to other armed forces—moving resources, authority and decisionmaking down to the lowest possible level.

In the next 2 years, the Army will increase its deployable combat power significantly by expanding from 33 maneuver brigades in fiscal year 2003 to 43 modular Brigade Combat Teams by the end of fiscal year 2007, with a possible later expansion to 48. The Army National Guard will begin converting its force structure in fiscal year 2005, and will convert into 34 Brigade Combat Teams by fiscal year 2010.

The Department has made a major commitment to restructuring the Army—adding $35 billion over 7 years, which is in addition to the $13 billion in the Army baseline budget. Costs include procurement of equipment plus added facilities and infrastructure. In fiscal year 2005 and fiscal year 2006, the Department proposes to fund Army restructuring primarily through supplemental appropriations, and then in the baseline Army budget beginning in fiscal year 2007.

The Army's Future Combat System (FCS) program anticipates a family of advanced, networked air and ground systems—for both combat and support, both manned and unmanned. Of the 18 new systems that the Army is planning, 10 are to be unmanned and should allow the Army to "shoot first" with less risk to U.S. forces. The budget includes $3.4 billion for FCS in fiscal year 2006.

Marine Corps

The Corps is working towards the creation of additional units, including:

- Two infantry battalions;
- Three light armored recon companies.

Air Force

At the core of the Air Force's restructuring and modernization are 10 Air and Space Expeditionary Forces, which can rapidly provide a full range of capabilities—from humanitarian relief to full-scale warfighting—to U.S. combatant commands across the globe.

The fiscal year 2006 budget supports the acquisition of advanced aircraft to increase U.S. capabilities and replace aging systems, including:

- F–22 Raptor: $4.3 billion for 25 of this next-generation aircraft, designed to penetrate enemy air-space, achieve first look and first kill capability against multiple targets, and conduct ground attacks. Under current plans, the Air Force is scheduled to buy 179 F–22s by fiscal year 2008.

  The Raptor was originally designed to penetrate Soviet radar without detection and shoot down Soviet jets. The F–22 is a critical component for ensuring American air supremacy well into the 21st century. The issue is not whether to build the Raptor, as was the case with some other weapons systems; but rather how many will be needed to meet realistic and likely future threats to U.S. air dominance. The Department will be addressing that issue in the Quadrennial Defense Review.
- Joint Strike Fighter (JSF): $5.0 billion for this multi-purpose strike fighter for the Air Force, Marine Corps, Navy, and also for several U.S. allies who are contributing some $4 billion to the design phase. The JSF will replace several existing aircraft: Air Force F–16s, Marine Corps AV–8Bs, and Navy and Marine F/A–18 C and Ds. The Department currently plans to procure 2,443 aircraft.

  As a highly capable, multi-purpose aircraft that can support many variants from a common platform produced in conjunction with our closest allies, the JSF, still in the early stages, could become a model for future weapons development.

• F/A–18 E/F Hornet: $2.9 billion to build 38 of these multi-mission aircraft for the U.S. Navy and Marine Corps, which has improved range, payload, and survivability compared to earlier models.
• C–17: $3.7 billion to continue fielding 15 of these cargo workhorses, including $227.5 million to protect the option of procuring additional aircraft. The Department will decide soon, based on the impending results of our Mobility Capabilities Study, whether to buy more than the 180 aircraft currently funded.
• Tanker replacement: The Department is awaiting the results of the comprehensive Mobility Capabilities Study. If recommendations call for tanker replacements of some sort, the Department would initiate a competitive acquisition process to replace its KC–135 aircraft.
• C–130J: The fiscal year 2006 budget currently proposes to end production of the Air Force's C–130J at 53, rather than the 168 originally projected. At $66.5 million, this aircraft has become increasingly expensive to build and to maintain, especially given the ability to modernize existing C–130s. However, as additional information has come forward, the Department is still considering whether to complete the multi-year buy.

Unmanned Systems: $1.7 billion overall, including $900 million for the purchase of five Global Hawks and nine Predators.

Navy

The U.S. Navy must no longer prepare to keep sea lanes open against a 700-ship Soviet fleet. Nor must they track Soviet ballistic missiles submarines off America's shores capable of launching a nuclear attack at a moment's notice. Potential foes today have fleets with regional, not international, reach. The new challenge is to project concentrated naval power more quickly to confront unexpected threats.

The Navy continues to develop the joint sea basing concept that will allow expeditionary strike forces to project power quickly from floating littorals without relying on land bases.

The Navy will increasingly "rotate crews, not ships." With this approach, already used on specialized vessels today, ships can remain overseas 18 to 24 months; crews are rotated in and out conserving the significant time that has historically been wasted in transoceanic travel. This represents a significant transformational increase in capability. In addition, the Navy has greatly reduced the time spent preparing for and recovering from deployments.

The fiscal year 2006 budget contains $6.2 billion—and $73.5 billion over the next 6 fiscal years—in new construction (and $9.4 billion in fiscal year 2006 shipbuilding overall) to continue the Navy's transformation and its shift to a new generation of warships. The Navy has been able to reduce its shipbuilding investments because of its success in transforming to a new class of ships, which have greater capabilities, but are less manpower-intensive.

The SSGN submarine, also funded in this year's budget, is a classic example of mating new technology to a conventional platform in an innovative way to meet current and future threats. Four of the Navy's 20-plus year old Trident ballistic missile submarines are being adapted to carry Special Forces commandoes and be capable of launching both cruise missiles and unmanned aerial vehicles. An *Ohio*-class SSGN will be put to sea and prepare to conduct operations this calendar year.

Over the next 6 fiscal years, the Navy is scheduled to buy and build 49 new ships. The Navy has concluded that procuring ships with increased capability should be a higher-priority than continuing production of older models.

Key programs include:

• CVN–21 Aircraft Carrier: $565 million for this ship that will have a new electrical system, a larger flight deck, and a smaller crew (by at least 500) than the aircraft carriers it will replace. Construction is schedule to start in fiscal year 2008.

The fiscal year 2006 budget calls for the retiring of an aircraft carrier without a scheduled replacement. The tremendous advances in carrier capability that have been achieved in recent years should be noted. Carriers today, for example, can now engage up to 10 times as many targets per day as older models. The Navy now talks of "targets per sortie" rather than "sorties per target," as was the case as late as Operation Desert Storm in 1991.

In addition, with the impressive and transformational new Fleet Response Plan, the Navy maintains the capability to surge five or six carrier strike groups in 30 days, with the ability to deploy two more in 90 days—a significant improvement over previous capabilities.

- DD(X): $716 million for advance procurement of this multi-mission destroyer. It should be noted that it will have a crew of only 150 (versus about 380 for the latest destroyer model) and provide precision and high-volume fires, at sea and in support of forces ashore. The lead ship is scheduled to be funded in fiscal year 2007, and another four funded through fiscal year 2011.
- Littoral Combat Ship: $613 million to support construction of a ship envisioned as a fast, agile, stealthy, relatively small and more affordable surface combatant capable of operating in shallow water close to shore. Plans include 21 ships over fiscal year 2006–2011.
- *Virginia* Class Submarines: $2.4 billion for one attack submarine in fiscal year 2006. Procurement is schedule to remain at one ship per year through fiscal year 2011.

Missile Defense

The budget for missile defense is $1 billion less than projected in last year's budget. It slows the Kinetic Energy Interceptor program by 1 year, and slows the fielding of ground-based interceptors in Europe. The program's core elements are unaffected and on track. By the end of fiscal year 2006 up to 21 ground-based interceptors are proposed to be deployed.

A fiscal year 2006 request of $7.8 billion for the Missile Defense Agency (and $1 billion for related programs) supports the development of an integrated system by maintaining a strenuous test program, while moving ahead to field additional interceptors and sea-based X-band radar. A forward-based radar should be ready for deployment in Japan, one of several allies with whom we have built missile defense partnerships.

The missile defense program remains an important priority, particularly as regimes in places such as Iran and North Korea continue to develop ballistic missiles of increasingly greater range in conjunction with their nuclear programs.

Chemical Biological Defense

The fiscal year 2006 budget includes $1.6 billion to develop and field capabilities to enable U.S. forces to survive, fight, and win when facing chemical or biological threats. Reflecting the importance of this threat, the budget proposal added $220 million to the Program for fiscal year 2006 and $2.1 billion for fiscal year 2006 through fiscal year 2011.

Intelligence and Communications

The fiscal year 2006 budget includes billions of dollars for advanced intelligence and communications systems such the Transformational Satellite Communications ($836 million), Advanced Extremely High Frequency Satellite Communication System ($1.2 billion), and other key programs such as Space Based Radar, Space Based Infrared System High, Joint Tactical Radio System, and Aerial Common Sensor aircraft.

V. TRANSFORMING DOD MANAGEMENT

Perhaps most important, more than any particular line item or program, is that the culture of the Department and the uniformed military is changing from one of risk avoidance to a climate that rewards achievement and innovation.

National Security Personnel System (NSPS)

In consultation with Congress, the Department is revamping human resources policies from the industrial era and beginning to implement the new NSPS will expedite and improve flexibility in the hiring and assignment of civilian employees—making it easier to recognize outstanding performance with rewards and merit-based promotions. While some continue to oppose the idea of rewarding performance, we are convinced it will significantly improve the Department's performance.

About 60,000 DOD employees, the first spiral in a wave of over 300,000, shall transition into the NSPS system as early as July 2005. The NSPS will provide the Department with flexibilities and make it easier to convert military billets to civilian ones, freeing up more troops for important military operations and missions.

Pay Raises

This budget includes a 2.3 percent raise for civilian employees. With implementation of NSPS, the Department is moving to a compensation system based on performance, not longevity. Raises will therefore vary by position and person. We are working with our unions to ensure that this is done fairly and equitably.

The Department believes increases in civilian pay should be linked to increases for other Federal civilian employees, as determined by the President, and not tied directly to military raises, given their notably different circumstances.

Global Posture

While the world has changed dramatically since the end of the Cold War, until recently, the positioning of America's forces overseas had not. We still had heavy forces defending the German and South Korean borders. In the next decade, those garrisons will be replaced by logistical and training facilities that can be accessed quickly and without extensive negotiation or legal constraints.

Base Realignment and Closures (BRAC)

The new global security environment drives our approach to our domestic force posture as well. The Department continues to maintain far more military bases and facilities than we actually need—consuming and diverting valuable personnel and resources from the warfighters and those that support them. We owe the American taxpayer and our troops much better.

The President's budget includes funds to cover implementation of decisions from the 2005 BRAC Commission, beginning with $1.9 billion in fiscal year 2006 and $5.7 billion in fiscal year 2007. The Department will make its recommendations to the commission by mid-May, and the commission must complete its decisions by early September 2005.

Previous BRAC rounds eliminated about 21 percent of DOD infrastructure and have generated savings of about $7 billion per year. Reduction in infrastructure from the BRAC 2005 should produce substantial savings as well.

Business Management

The department will continue to streamline, standardize, and integrate business processes and systems through our top priority business transformation initiative—the Business Management Modernization Program. The new budget includes $174 million to improve business operations for the warfighter by enabling accelerated implementation and continued integration of business systems capabilities.

VI. CONCLUSION

These are historic times. The Cold War has passed into history. The world and key institutions continue to require change.

So today we are reshaping our approaches to fit the times. These reforms and initiatives are essential because of the ruthlessness and resourcefulness of the enemies we face.

Terrorists have brains and use them. They adapt and improvise quickly. Despite the size of our bureaucracies, we must learn to be equally agile.

Our enemies are nimble and media savvy, and through networks like Al Jazeera deliver their message undiluted to their target audiences. Victory in this global struggle will require a military configured and funded to defend against the security threats of this century, not the conventional battles or the conventional wisdom of the last.

Chairman WARNER. Thank you, Secretary Rumsfeld.

General Myers.

STATEMENT OF GEN. RICHARD B. MYERS, USAF, CHAIRMAN, JOINT CHIEFS OF STAFF

General MYERS. Thank you, Mr. Chairman, Senator Levin, and thank you for the opportunity to come before the committee and report on the state of our U.S. Armed Forces. Mr. Chairman, I request that my statement be entered into the record.

Chairman WARNER. Without objection, the full text of both the Secretary's statement and yours and such amplification as Secretary Jonas wishes to make will be a part of the record.

General MYERS. Thank you, Mr. Chairman.

I would like to thank you for your unwavering support of our service men and women as we continue this struggle against extremism. Building democracy and hope in areas that were long ruled by oppression and terror is a long and hard task. Our significant

progress in Iraq and Afghanistan and other places around the world is a tribute to the hard work and sacrifice of our dedicated American servicemembers and our coalition partners.

The U.S. soldiers, sailors, airmen, marines, coast guardsmen, and U.S. Government civilians who have been killed or wounded sacrificed to make the world safer and provide hope to millions. We grieve with their families and their friends and with the families of all coalition forces and civilians who made the ultimate sacrifice in these noble endeavors.

Despite the current operational demands on our forces, we are fully prepared to support our strategy to assure our allies while we dissuade, deter, and if necessary defeat any adversary. Our forces are the world's most capable, in large part because they are the best trained and equipped. Many are deployed in countries around the world or at sea, providing stability, peacekeeping, humanitarian assistance, and aiding in the global war on terrorism.

We along with our partners have captured or killed many of al Qaeda's senior leaders and hurt their ability to conduct operations. But they are still a very real global threat. They continue to murder innocent men, women, and children. Terrorist leaders such as bin Laden, Zawahiri, and Zarqawi openly encourage Muslims to kill Americans and our allies. We will continue to hunt them down.

Though our accomplishments are considerable, the U.S. military cannot win this war alone. Success requires cooperating with multinational partners and integrating military capabilities across the United States interagency. While I believe various agencies of our government have learned to work together in new and better ways, we need to become still more efficient and effective in integrating the efforts of various agencies.

In Iraq, the U.S. is committed to helping the Iraqis build a secure and peaceful future with a representative government based upon the rule of law. The key to success is to help the Iraqis to be more self-reliant. The recent Iraqi elections showed their courage and determination to support a free and democratic country and represented a real moral defeat for the insurgents. Iraqis have a renewed pride of ownership in their government and in their future. The list of accomplishments in Iraq in every sector is impressive and continually growing. The plan is on track.

Less than 2 years ago, coalition forces defeated a brutal dictator and his regime and established a provisional authority to get Iraq, along with its dilapidated infrastructure, back on its feet. Last summer we transferred sovereignty to an interim government and on January 30, as we all know, Iraqis elected a Transitional National Assembly, an amazing accomplishment for people oppressed for over a generation.

As they face the challenges that remain, the coalition will stand firmly beside the Iraqi people to sustain momentum and progress in helping Iraqi security forces defeat the insurgents.

The plan for Afghanistan is on track as well. The October 2004 presidential election in Afghanistan was indeed an historic moment. Conducted under the protection of their own National Army and police forces, with the assistance of the coalition and the International Security Assistance Force (ISAF), the elections rep-

resented a real and moral defeat again to the insurgency. National Assembly elections are scheduled for this summer.

Now numbering approximately 19,000 personnel, the Afghan National Army is a multi-ethnic visible symbol of national pride, unity, and strength. The coalition and NATO will continue to help build the institutions the Afghans need to manage their military.

We must stay focused on the enormous global threat posed by the proliferation of WMDs, particularly North Korea's and Iran's ongoing nuclear weapons-related activities. Most troubling is the terrorists' stated desire and intent to obtain WMDs. We will continue to work with the international community to expand counter-proliferation activities.

Our Nation's number one military asset has always been and remains our people. The administration, Congress, and DOD have made raising our servicemembers' standards of living a top priority and I thank Congress for your tremendous support to our troops and to their families.

Current stresses on the force are significant and will remain so in the near future. I am particularly concerned with the wear and tear on our equipment, especially our vehicles. Current operational tempo (OPTEMPO) and harsh environmental conditions are accelerating the wear on our equipment, placing a huge demand on our maintenance, supply, depot repair, and production.

In the face of continued demands on our forces, we are analyzing all our policies, making changes to mitigate our readiness challenges. Congressional support both in the annual budget and the supplemental request has been essential for continued operations, Army modularization, and recapitalization.

We continue to rely heavily on our Reserve and National Guard personnel. Our Reserve components are serving critical roles around the world and as part of our total force the Reserves also serve as an important link to the American public. Morale in both the active and Reserve components remain high and the support of the American people has never been better. However, we must continue to review and update our mobilization processes. I look forward to working with the new Congressional Commission on Guard and Reserve Matters to chart the future course for our very important Reserve component.

I anticipate that fiscal year 2005 will be very challenging for both Active and Reserve component recruiting, particularly for the Army Reserve components. We are increasing the numbers of recruiters and restructuring enlistment bonuses to help mitigate these challenges.

As the Secretary has said, protecting our troops always remains a top priority. We have an aggressive project to develop systems to counter IEDs. A rapid distribution of Interceptor Body Armor to our forces throughout the U.S. Central Command (CENTCOM) area was a tremendous success.

We are also making good progress in ensuring that, with a few exceptions, no soldier leaves an Iraqi forward operating base in vehicles without armor protection, as the Secretary said. We also have an expanded intra-theater airlift—we have expanded intra-theater airlift to reduce the number of convoys in high-risk zones.

I am really proud of all the transformational efforts and successes. We must continue to invest heavily in transformation, both intellectually and materially, to meet the challenges facing our country today and in the future. This year we are going to work through three major processes that will have a far-reaching impact on our future force posture.

The first one, the 2005 QDR, will provide a comprehensive strategic plan for transforming the Armed Forces. Second, the BRAC process provides an excellent opportunity to further transform our warfighting capability and eliminate excess capacity. Third, our global basing strategy transforms the Cold War footprint into one focused on capabilities, combining U.S.-based rotational forces that are lean and agile with strategically placed overseas-based forces.

Obviously, the transformational decisions we will make today will have a lasting impact on our Nation's defense capabilities and those of our allies and coalition partners. We must make thoughtful, informed choices about systems and programs that may be new and improved, but not sufficient for our dynamic security environment. The Joint Chiefs fully understand this and are leading our Armed Forces to transform.

We are still a Nation at war. Our service men and women continue to perform superbly under conditions of significant stress and in the face of many challenges. They stand ready to protect the United States, prevent conflict and surprise attack, and prevail against adversaries. I am tremendously proud of them, as I know you are.

In my view this is a pivotal moment in our Nation's history and in world history. We must stay committed if we are to win the global war on terrorism. We cannot be defeated militarily, but the terrorists can win if we lose our resolve, and they know it. Our military is unwavering in our focus, resolve, and dedication to peace and freedom, but we cannot do it alone. We need your continued leadership to reinforce Americans' resolve.

In my view, our way of life remains at stake and we are entering a very crucial stage of this long struggle. The price for complacency would be catastrophic. The reward for perseverance will be freedom.

Thank you, Mr. Chairman. I look forward to your questions.

[The prepared statement of General Myers follows:]

PREPARED STATEMENT BY GEN. RICHARD B. MYERS, USAF

In my fourth and final posture statement, I look forward to reporting to you on the state of the United States Armed Forces, our successes over the last year, our continuing challenges, and our priorities for the coming year. I also would like to thank you for your unwavering support of our armed forces and our service men and women.

Our Nation is entering the fourth year of sustained combat operations. Our successes in the past year are clearly due to the dedicated and courageous service of our Nation's soldiers, sailors, airmen, marines, coastguardsmen, and civilians who are serving within our borders and around the globe. Their service as warriors, diplomats, peacekeepers, and peacemakers has been exceptional. They are truly our Nation's most precious and important assets. Serving alongside our coalition partners and allies, they have accomplished very demanding, and many times, very dangerous missions.

Building democracy and hope in areas long ruled by terror and oppression is a long, hard task. Our success in both Iraq and Afghanistan is a tribute to the hard work and sacrifice of our coalition partners and our dedicated American

servicemembers. The U.S. soldiers, sailors, airmen, marines, coastguardsmen, and U.S. Government civilians who have been killed or wounded sacrificed to make the world safer and provide hope to millions. We grieve with their families, and with the families of all the coalition forces and civilians who made the ultimate sacrifice in these noble endeavors.

While overall results are positive, significant challenges affect our forces engaged in demanding combat operations. These operations create many readiness challenges, including combat service and combat service support capability limitations, Reserve component mobilization challenges, and manning a growing number of combined and joint force headquarters. The past 3 years have been demanding, and while there are no "silver bullets" to make our problems go away, I will outline our way ahead to address our long-term challenges.

We remain resolved, dedicated, and committed to winning the global war on terrorism, securing the peace in Iraq and Afghanistan, combating weapons of mass destruction (WMDs), enhancing joint warfighting capabilities and transforming the Armed Forces to meet the challenges of the 21st century.

We are making steady progress in these areas. Our homeland is safer and we are committed to winning the global war on terrorism. Afghanistan has a democratically elected president and three quarters of al Qaeda's leadership has been killed or captured. Just last month, the Iraqi people democratically elected a Transitional National Assembly, a crucial step toward a permanent government and their first legitimate election in generations. We continue to improve our world-class joint warfighting capability, and we are making good progress in transforming our Armed Forces.

Despite the current operational demands on our forces, we remain ready to support the President's National Security Strategy to make the world not just safer, but better. We are fully prepared to support our strategy to assure our allies while we dissuade, deter and defeat any adversary. Our revised National Military Strategy links this strategic guidance to operational warfighting, defining three interrelated National Military Objectives—protect the United States, prevent conflict and surprise attack, and prevail against adversaries—along with supporting additional military tasks and missions. Success in meeting these objectives necessitates cooperating with multinational partners and integrating military capabilities across the Interagency to harness all elements of national power.

Executing our strategy requires a force fully prepared to simultaneously conduct campaigns to prevail against adversaries, protect the U.S. from direct attack, and undertake activities to reduce the potential for future conflict. Success requires an array of capabilities, from combat capabilities to defeat the forces that threaten stability and security, to capabilities integrated with the Interagency for stability and security operations. We must continue to invest in activities such as International Military Education and Training and Theater Security Cooperation that serve to expand and strengthen alliances and coalitions. These alliances and activities contribute to security and stability and foster international conditions that make conflict less likely.

We expect the coming year will be no less challenging than last year, as we fight the global war on terrorism, continue to excel in joint operations, and transform our Armed Forces. With the continued strong support of Congress and the dedicated service of the men and women of our Armed Forces, we will succeed.

WINNING THE GLOBAL WAR ON TERRORISM

The global war on terrorism will continue to be a long and difficult war affecting the entire global community. It will require our firm commitment and the cooperation of our allies and coalition partners as well as international organizations, domestic state governments, and the private sector.

The United States is fighting a new kind of war against a new kind of enemy. This enemy is motivated by extremist ideologies that threaten such principles as freedom, tolerance, and moderation. These ideologies have given rise to an enemy network of extremist organizations that deliberately target innocent civilians to spread fear. Extremists use terrorism to undermine political progress, economic prosperity, the security and stability of the international state system, and the future of civil society. We are fighting to bring freedom to societies that have suffered under terrorism and extremism and to protect all societies' right to participate in and benefit from the international community.

The U.S. cannot defeat terrorism alone, and the world cannot defeat terrorism without U.S. leadership. We must ally ourselves with others who reject extremism. Success in this war depends on close cooperation among agencies in our government

and the integration of all instruments of national power, as well as the combined efforts of the international community.

The U.S. Government strategy for winning the global war on terrorism has three elements: protect the homeland, disrupt and attack terrorist networks, and counter ideological support for terrorism. We continued to make progress in the global war on terrorism during 2004. Democratic forms of government now represent people who were controlled by brutal dictatorships. Lawless territories have now been reclaimed. Terrorist networks have been disrupted and their safe havens have been denied. The U.S. and its allies have captured or killed numerous terrorist leaders in Iraq and around the world. Freedom has replaced tyranny in parts of the world.

Despite this success, the U.S. continues to face a variety of threats from extremist networks, criminal organizations, weapon proliferators, and rogue states that cooperate with extremists. To combat these threats, we continue to refine the role of the Armed Forces in homeland defense by combining actions overseas and at home to protect the United States. Critical to this role are U.S. Northern Command's (NORTHCOM) mission of homeland defense and the Department of Defense's (DOD) contributions to consequence management. NORTHCOM can deploy rapid reaction forces to support time-sensitive missions such as defense of critical infrastructures or consequence management in support of the Department of Homeland Security or other lead Federal agencies. NORTHCOM's Joint Task Force Civil Support coordinates closely with interagency partners and conducts numerous exercises to integrate command and control of DOD forces with Federal and state agencies to mitigate chemical, biological, radiological, nuclear and high-yield explosive incidents. The National Guard now has 32 certified WMD Civil Support Teams. Twelve additional teams are undergoing certification and 11 more are planned for this year. I thank Congress for your continued support of these important WMD Civil Support Teams. Additionally, last October the National Guard reorganized their state headquarters into truly joint headquarters, allowing them to interact more efficiently with other military organizations.

The North American Air Defense Command (NORAD) is providing robust air defense of the continental U.S., Alaska, Puerto Rico, and the Virgin Islands through Operation Noble Eagle. We are developing plans that build on the success of NORAD to improve maritime warning, maritime control, information operations, and enhanced planning. Although the effort expended on defending our country may be transparent to some, the operations and exercises being led by Federal agencies, including the Department of Homeland Security, NORTHCOM and NORAD, are robust, successful, and extremely important. The total force is doing a superb job in defense of our country, and I thank Congress for its continued funding of homeland defense initiatives.

Forces overseas, led by our combatant commanders, are conducting offensive counterterrorism operations along with interagency and international partners to defeat these threats closest to their source. In addition to attacking and disrupting terrorist extremist networks, combatant commanders assist in building counterinsurgency, counterterrorism, internal defense, and intelligence capabilities of partner nations. Strengthening partner capacity improves internal security, and ultimately contributes to regional stability and the creation of global environment inhospitable to terrorism. The Special Operations Command (SOCOM) is designated as the combatant command responsible for planning and directing global operations against terrorist networks.

The offensive efforts of our global war on terrorism strategy are designed to deter, disrupt, and defeat terrorist operations, affecting terrorists' ability to effectively execute their attacks or sustain their ideology. DOD efforts include information operations that impede our enemy's ability to perform critical functions. Ultimately, continuous and successive attacks against the enemy cause their operations to fail.

These offensive actions overseas constitute the first line of homeland defense. In the land, air, space, maritime, and cyber domains, the DOD will continue to coordinate closely with allies and partner nations and other U.S. agencies to interdict terrorists and their resources before they enter the United States. The U.S. goal is to disrupt their efforts to access targets, and defeat attacks against our homeland. This requires effective information sharing, persistent intelligence, surveillance, reconnaissance, more and better human intelligence, and improved interoperability between the Armed Forces and other U.S. Government agencies.

The third and most important element of this strategy to defeat terrorism includes de-legitimizing terrorism so that it is viewed around the world in the same light as the slave trade, piracy, or genocide. Terrorism needs to be viewed as an activity that no respectable society can condone or support and all must oppose. Key to this effort are actions to promote the free flow of information and ideas that give hope to those who seek freedom and democracy. The DOD contributes to this impor-

tant effort with security assistance, information operations, assisting humanitarian support efforts, and influencing others through our military-to-military contacts.

The global war on terrorism will be a long war, and while the military plays an important role, we cannot win this war alone. We need the continued support of the American people and the continued support of the entire U.S. Government. The U.S. will have won the global war on terrorism when the U.S., along with the international community, creates a global environment uniformly opposed to terrorists and their supporters. We will have won when young people choose hope, security, economic opportunity and religious tolerance, over violence. We will have won when disenfranchised young people stop signing up for Jihad and start signing up to lead their communities and countries toward a more prosperous and peaceful future—a future based on a democratically-elected government and a free, open, and tolerant society.

OPERATION IRAQI FREEDOM

The U.S. is committed to helping the Iraqis build a secure and peaceful future with a representative government based upon the rule of law. The list of important accomplishments in Iraq in every sector—education, medical care, business, agriculture, energy, and government, to name a few—is long and growing. Most importantly, Iraq has reached several important milestones on the road to representative self-government: transfer of sovereignty, election of a National Council, and parliamentary elections. The key to success in Iraq is for Iraqis to become self-reliant. A timetable for leaving Iraq would be counterproductive, leading the terrorists to think they can wait us out. We are in Iraq to achieve a result, and when that result is achieved, our men and women will come home.

With the help of the coalition, the Iraqi people are creating a country that is democratic, representative of its entire people, at peace with its neighbors, and able to defend itself. The Iraqi people continue to assume greater roles in providing for their own security. The recent Iraqi elections showed their courage and determination to support a free and democratic country, and represented a moral defeat for the insurgents. The Iraqi people have a renewed pride of ownership in their government, and their future. Voters paraded down the street holding up their fingers marked with blue ink from the polls. They carried their children to the polls as a clear symbol that they were courageously voting to improve the Iraq their children would inherit.

This very successful election is just one milestone on a very long road. Together with our coalition partners, the international community, interagency partners, and nongovernmental organizations (NGOs), we are fully committed to helping the Iraqi people provide for their own security and supporting their dream of a free, democratic, and prosperous future. I thank Congress for its continued support of our budget submissions and supplemental requests to help fund our operations and sustain our readiness posture. Your support and the support of the American people are key and have been exceptional.

Many Americans have paid with their lives to ensure that terrorism and extremism are defeated in Iraq, but the morale of our servicemembers remains very high, and they are dedicated to helping achieve peace and stability. We currently have approximately 150,000 U.S. servicemembers in Iraq. Commanders in the field will continue to evaluate our force structure and recommend changes as security conditions and Iraqi security forces capabilities warrant.

The insurgency in Iraq is primarily Sunni extremist-based and focused on getting coalition forces out of Iraq and regaining illegitimate power in Iraq. Its leadership is predominantly former regime elements drawn from the Baath Party, former security and intelligence services, and tribal and religious organizations. Other groups contribute to the instability, including militant Shia, Jihadists groups, foreign fighters, and extensive criminal networks and activity. They are generally well resourced with weapons, munitions, finances and recruits.

The greatest threat to stability in Iraq comes from the former regime elements and their supporters. In the near-term, however, a group of Sunni extremists comprising the al Qaeda Associated Movement adds to the security challenge. This al Qaeda Associated Movement is part of a global network of terrorists. Other elements of this movement were responsible for some of the deadliest terrorist attacks in 2004, including the March 11 train bombings in Madrid, and the September 9 bombing of the Australian Embassy in Jakarta, Indonesia. In Iraq, the al Qaeda group led by al-Zarqawi claimed responsibility for the tragic suicide bombing of the mess tent at Forward Operating Base (FOB) Marez in Mosul.

We expect insurgents to persist in their attacks this year, particularly as the coalition continues to help the Iraqis rebuild their country and form their new govern-

ment. The coalition will stand firmly beside the Iraqi people to sustain momentum and progress in helping the Iraqi security forces defeat these insurgents and terrorists.

Reconstruction and economic stabilization efforts are expanding steadily In 14 of the 18 provinces in Iraq. In the other 4 provinces, the insurgents are sustaining a hostile environment that undermines reconstruction and economic stabilization. The use of improvised explosive devices (IEDs), car bombs, and stand-off attacks continue at elevated levels.

The insurgents are tough enemies, but they offer no alternative positive vision for Iraq. Instead, they offer the old vision of Iraq: extremism, tyranny, violence and oppression. Insurgents are conducting an intimidation campaign to undermine popular support for the Iraqi Government, Iraqi security forces and emerging institutions. They use barbaric and cowardly attacks to target Iraqi Government officials, their families and others who are trying to improve conditions in the country. We will continue to help the Iraqis hunt down extremists and their accomplices and capture or kill them.

Elements in neighboring countries are interfering with democratic efforts in Iraq. In Syria, displaced Iraqi Sunnis and Ba'athists are also influencing events in Iraq. These efforts include aiding and funding insurgents, extremists, and terrorists, to plan attacks inside Iraq and transit from Syria to Iraq. The Syrian military and government have made some attempts to halt this influence and the illegal flow of terrorists into Iraq, but they need to do much more.

Establishing Iraqi stability and security is a complex process but an important one, because it is the path to peace. There are several key components to this complex issue, including physical, social, economic, and political security. Coalition forces play a direct role in many of these key components, but we must address all of these components simultaneously. The U.S. military cannot do it alone. This is an interagency as well as an international effort. We must balance all components to avoid making the coalition military presence a unifying element for insurgents. The objective must be to shift from providing security through coalition counterinsurgency operations, to building Iraqi capacity to operate independently.

Currently, the coalition is helping to provide physical security by protecting Iraq against both internal and external threats and training Iraqi military and police forces to provide their own physical security. Coalition military, North Atlantic Treaty Organization (NATO), and interagency cooperation has been very good. Currently, NATO and 29 countries are serving in Iraq. Based on the request of the Interim Iraq Government at the July 2004 Istanbul Summit, NATO representatives agreed to help train Iraqi security forces. This year, NATO will open a Training, Education, and Doctrine Center in Iraq to provide mid-grade to senior officer training courses, with plans to expand training to senior non-commissioned officers. NATO will employ a "train-the-trainer" approach to capitalize on existing Iraqi capabilities and grow their cadre of trainers. NATO will also establish a Training and Equipment Coordination Group located in Brussels. The Iraqi-chaired Training and Equipment Coordination Committee in Baghdad will help coordinate donated equipment and training opportunities for Iraqi security forces outside of Iraq. In order to maximize our efforts, NATO countries and the international community must fully support and contribute forces to the mission.

The Iraqi Government has over 130,000 security forces trained and equipped at varying levels of combat readiness. The growing Iraqi Army now comprises over 70 combat battalions. Not all of these battalions are combat ready; readiness capability is a function of numbers, training, equipment, leadership, and experience. We continue to work with the Iraqi Government on raising, training, and equipping even more security forces. Just as importantly as increasing forces, the coalition is helping improve the capability and readiness of the security forces. Iraqi division commanders have recently been appointed and are receiving training and mentoring. Coalition forces are working with them to build their headquarters and forces capable of independent operations. These leaders will be critical to conducting independent counterinsurgency efforts as they gather intelligence, shape plans, and direct operations.

Iraqi servicemembers have fought valiantly alongside their coalition partners in combat, and have had to face the constant threat of insurgent attack. Over 1,300 members of the Iraqi security forces have been killed in service to their country. Immediately on the heels of many effective combat operations, Iraqi and coalition partners have restored effective local governments that are responsive to the National government.

Training Iraqi police forces is a longer-term project, but good progress is being made, especially with the special police battalions. The Iraqis now have six public order battalions, a special police brigade, eight police commando battalions and five

regional SWAT teams actively engaged in the fight against insurgents and terrorists on a day-to-day basis.

During the liberation of Fallujah, the coalition that included Iraqi security forces made great progress in eliminating the insurgents' safe havens. Urban counter-insurgency operations are among the most difficult combat missions, but the coalition courageously and successfully liberated the city, block by block and building by building. We continue to conduct effective offensive operations and help the Iraqi forces eliminate other safe havens.

The social aspect of security includes ensuring educational opportunities, adequate wages, health care, and other safety-net programs are available to ensure the population has basic human services. Economic security requires helping to promote the Iraqi economy and industrial base to create jobs and sources of income sufficient to support local and State government services, individuals, and families. Although neither social nor economic security are primary U.S. military responsibilities, coalition forces are actively involved in these efforts to bolster the legitimacy and effectiveness of local Iraqi governments. As much as possible, we are turning over responsibility for administering these projects to Iraqi leadership.

In June 2004, there were 230 projects from the Iraq Relief and Reconstruction Fund on the ground "turning dirt." By January 2005, more than 1,500 projects were underway, accounting for more than $3 billion in reconstruction funding and the progress continues. The U.S. military, interagency, coalition, and NGOs are helping the Iraqis build sewers, electrical, and water distribution systems, health centers, roads, bridges, schools, and other infrastructure. I cannot overemphasize the importance of these activities to help the Iraqis rebuild their infrastructure, after decades of decay under Saddam Hussein's oppressive regime.

The Commander's Emergency Response Program (CERP) is a high-impact program that has been instrumental in our efforts to help secure peace and help stabilize Iraq and Afghanistan. Allowing commanders to respond immediately to urgent humanitarian relief and reconstruction requirements, this program proved to be an immediate success story. In fiscal year 2005, the Consolidated Appropriations Act provided a total of $500 million of budget authority for CERP. Through the supplemental budget request, DOD has requested a total of $854 million for this program in fiscal year 2005, $718 million for Iraq and $136 million for Afghanistan. I support the request for an increase in authorizations for CERP in fiscal year 2005 and thank Congress for your continued support of the CERP.

Political security means the Iraqis must be able to participate in the government processes without fear of intimidation. Last summer, Iraq began its transition to sovereignty. In August, military commanders shaped a plan that helped bring Iraq through the January elections and on to the constitutional elections in December 2005. The plan is on track. On January 30, Iraqis elected a 275-person transitional national assembly, who will write a new Iraqi constitution. This was a very important step on the road to peace and security in Iraq.

The coalition goal is for the Iraqis to have a safe and secure country. The political process is moving forward. The country needs to be rebuilt after 30 years of decay, and we need to continue to help build Iraqi military and security forces and encourage good governance. We are making excellent progress in so many areas in Iraq, even though this progress does not always get the attention it deserves. Daily reports alone cannot define our successes or failures. From a broad perspective, the coalition has successfully reached the first of many important milestones. Less than 2 years ago, coalition forces defeated a brutal dictator and his regime. We established a provisional authority to get Iraq back on its feet, and transferred sovereignty to an interim government. Now that the Iraqis have elected their National Assembly, their next steps are to write a new constitution and elect a permanent government. The Iraqis have many challenges ahead and many more milestones to meet, and the coalition forces are supporting their efforts to ensure democracy and freedom will prevail.

Although the stresses on our Armed Forces remain considerable, I am confident that we will achieve the goals set forth by the President. Our coalition forces are dedicated, and the Iraqis are dedicated, as they proved on January 30. As long as America keeps its resolve, we will succeed. Resolute congressional leadership will be as important to our success in the future as it has been to date.

OPERATION ENDURING FREEDOM (OEF)

2004 was a historic year for Afghanistan. The entire region is a much better place due to the commitment of the U.S., our Armed Forces, and our coalition partners. Currently in Afghanistan, 43 nations are working to protect and promote a democratic government, with NATO assuming an increasing role in stability and recon-

struction efforts. We currently have approximately 20,000 U.S. servicemembers in Afghanistan.

The October 9, 2004, presidential election in Afghanistan was a historic moment for that country. Over 8 million people, 40 percent of whom were women, braved threats of violence and overcame poor weather to cast their ballots. The elections were conducted under the protection of their own Afghan National Army (ANA) and police forces with the assistance of the coalition and the International Security Assistance Force (ISAF). The election of President Hamid Karzai is providing new momentum for reform efforts such as the demobilization of private militias, increased governmental accountability, and counternarcotics planning and operations. Taking advantage of his electoral mandate, Karzai assembled a cabinet of respected, well-educated, and reform-minded ministers who reflect Afghanistan's diverse ethnic and political environment. National Assembly elections, currently scheduled for this spring, will provide additional leadership opportunities. The presidential election represented a serious real and moral defeat to the insurgency. The Taliban's failure to disrupt the election further divided an already splintered insurgency. Nonetheless, some radical factions remain committed to the insurgency. Frustrated by their lack of success, these factions may seek to launch high profile attacks against the upcoming National Assembly elections, necessitating continued robust security.

Congress's firm commitment to Afghanistan is leading the international effort to fund and equip reconstruction in Afghanistan. In fiscal year 2005, $290 million of the authority enacted by Congress to train and equip security forces will be used to accelerate the growth of the ANA. Now numbering approximately 19,000 personnel—three times greater than last year—the ANA is a multi-ethnic, visible symbol of national pride, unity, and strength in Afghanistan. The goal is to fully man the ANA combat force with 43,000 servicemembers by late 2007, about 4 years earlier than originally planned. This is truly a success story. Fiscal year 2004 funding enabled the opening of 19 regional recruiting centers, which have been critical to attracting quality recruits to accelerate the growth of this force. In the next several years, the coalition and NATO will help build the commands and institutions the Afghans need to sustain and manage their military. The ANA is on the path to becoming a strong military force, and in its early stages has proven tough and well disciplined in the field.

The Provisional Reconstruction Team (PRT) program is a great success. As hubs for security sector reform initiatives, reconstruction, good governance programs, and humanitarian efforts, these teams are key to stabilizing Afghanistan. There are now 19 operational PRTs, 8 more than I reported last year. The coalition currently leads 14 of these teams and NATO leads 5. With an improvement in security and increased Afghan governance and security capacity, the PRTs will eventually be transformed into civilian-only assistance teams, with Afghan district and provincial governments taking over an increased number of their functions.

Last October, the United Nations approved a resolution extending NATO's ISAF for another year. ISAF now controls five PRTs in the north, with phase two of NATO expansion into the west occurring in 2005. The intent is to continue NATO expansion by region, gradually replacing coalition forces with NATO forces.

In spite of the successes to date, low-scale insurgent attacks continue, and more disturbingly, opium production reached record levels last year. Afghanistan is responsible for most of the world's opium supply, and 80 to 90 percent of the heroin on the streets of Europe. Eliminating the cultivation of poppies used to produce opium is Afghanistan's number one strategic challenge. Illicit drug activity in Afghanistan funds terrorism and interferes with good government and legitimate economic development.

Coalition soldiers are assisting in the counternarcotics effort in Afghanistan by reporting, confiscating, or destroying drugs and drug equipment encountered in the course of normal operations, sharing intelligence, helping to train Afghan security forces, and, through our PRTs, by providing assistance in communities migrating to legal crops and businesses. Ultimately, the Afghan Government, aided by the international community, must address drug cultivation and trade with a broad-based campaign that includes creating viable economic alternatives for growers and manufacturers.

Achieving security in Afghanistan is very dependent on disarmament, demobilization and reintegration; cantoning heavy weapons; curbing warlordism; and defeating the narcotics industry. President Karzai's patience and persistence in dealing with factional leaders continues to achieve results. Over 31,000 former militia troops have been disarmed and demobilized, nearly 90 percent of the known heavy weapons were cantoned peacefully, and factional disputes continue to yield to central government resolution. The power of the warlords is methodically giving way to credible, effective national institutions.

Working closely with President Musharraf of Pakistan and President Karzai, we have been able to increase coordination among coalition, Afghan, and Pakistani forces along the border. The Pakistani Government has taken the initiative to increase their military presence on the border, including manned outposts, regular patrols and security barriers. Pakistani military units also patrol in the federally administered tribal areas, once considered "no-go" areas. Pakistan's support in securing key border points was instrumental in shaping a relatively secure environment during the Afghan presidential election. The Pakistani Army has significantly improved their counterterrorism capabilities, thanks in part to equipment we are providing them, and has played a vital role in enhancing security in this region.

OTHER U.S. OVERSEAS OPERATIONS

Even as operations in Iraq and Afghanistan continue, the United States will face a number of other challenges and demands for military capabilities. Throughout the world, U.S. forces provide stability, peacekeeping, humanitarian assistance, and hope; ultimately spreading democracy and progress and aiding in the global war on terrorism. U.S. Armed Forces have conducted operations ranging from our support to South and South East Asia for the Tsunami disaster, to keeping the peace in Kosovo. Of the over 2.2 million servicemembers serving in the total force, over 364,000 are deployed today in 119 countries or at sea. Over 150,000 of these deployed servicemembers are Reserve or National Guard.

Our Armed Forces still have many enduring missions and challenges around the world as we fight the global war on terrorism. The Joint Task Force Horn of Africa at Camp Lemonier, Djibouti continues to conduct counter-terrorist and civil affairs operations in Eastern Africa. This contingent of 1,100 U.S. forces provides critical security assistance in support of civil-military operations and supports international organizations working to enhance long-term stability in this region.

In April 2004, we successfully completed the Georgian Train and Equip Program, training over 2,700 Georgian troops to meet the rising threat of transnational terrorism in the Caucasus. The DOD recently accepted a Georgian request for U.S. support in training additional troops for the United Nations Protection Force and to sustain their current troop rotations in Iraq and Afghanistan. Additionally, in support of Operation Enduring Freedom, a small contingent of U.S. military personnel remains in the southern Philippines aiding their forces in training for counterterrorism operations.

Expanded Maritime Interdiction Operations (EMIO) have been a very successful international effort over the past year to interdict terrorists and their resources by sea. All geographic combatant commanders are successfully pursuing this initiative with particular focus on the Persian Gulf, Horn of Africa, the Mediterranean and throughout the Pacific Command. Beyond the goal of eliminating terrorist access to the maritime environment, EMIO has had other positive effects for the international community, including lower insurance premiums in the shipping industry, considerably less illegal immigration, and a reduction in piracy and narcotics smuggling.

The Korean peninsula continues to be a region of concern. North Korea's military is the world's fifth largest and remains capable of attacking South Korea with little further preparation. Our goals are for North Korea to dismantle their nuclear programs in a verifiable manner, eliminate their chemical and biological weapons programs, reduce their conventional threat posture, and halt their development and proliferation of ballistic missiles. North Korea announced its withdrawal from the Nuclear Non-proliferation Treaty in January 2003, and made clear its intentions to pursue its nuclear weapons program. To deal with the threat presented by North Korea's nuclear program, the U.S. has steadfastly pursued a multilateral diplomatic solution through the Six-Party talk process. There have been three rounds of the talks to date, the last occurring in June 2004. North Korea has refused to return to the talks, citing U.S. "hostile policy," despite our Government's clear and unequivocal statements that the U.S. has no intent to invade or attack North Korea.

North Korea is also one the world's leading suppliers of missiles and related production technologies, having exported to countries in the Middle East and North Africa as well as Pakistan. North Korea is expected to increase its nuclear weapons inventory by the end of the decade and continues to invest heavily in ballistic missiles and the infrastructure to support them. Taken together, North Korea's actions constitute a substantive threat to global security.

The U.S. remains committed to maintaining peace and stability on the Korean Peninsula. We provide military deterrence and defensive capabilities in combination with our South Korean ally and through maintaining strong military and diplomatic ties with our regional partners. The U.S. and Republic of Korea (ROK) alliance remains strong, and we are improving our overall combat effectiveness while elimi-

nating dated infrastructure and reorganizing our footprint to lessen the burden on the people we are defending. We still need to resolve a number of issues, but there is no doubt that the alliance is enduring, as is the U.S. commitment to the defense of the ROK. The ROK is currently the third-largest foreign contributor to operations in Iraq, providing over 3,600 troops. ROK soldiers are also conducting operations in Afghanistan.

Iran's apparent pursuit of nuclear weapons and the implications of their being a nuclear-equipped state sponsor of terrorism adds substantially to instability throughout the Middle East. While I hope that the efforts of the International Atomic Energy Agency and the European Union (EU) will deter and dissuade Iran from pursuing a nuclear weapons program, I have no long-term basis for optimism. So far, there have been few tangible signs that Iran will comply with any nuclear related agreement. I am also concerned with the Iranian Government's continued attempts to influence the political process in Iraq and marginalize U.S. assistance in Iraq and throughout the region.

We must stay focused on the enormous global threat posed by the proliferation of WMDs. Although overall nuclear weapon numbers are declining in Russia and the United States because of treaty commitments, many Russian nuclear weapons are stored in areas whose security is not optimal. Furthermore, we project a slow increase in other states' inventories. We are particularly troubled about North Korea's and Iran's ongoing nuclear weapons-related activities. The trend toward longer range, more capable missiles continues throughout the world. We believe that some chemical and biological warfare programs are becoming more sophisticated and self-reliant, and we fear that technological advances will enable the proliferation of new chemical and biological warfare capabilities.

Fighting the proliferation of WMDs is a challenging worldwide problem and is one of my greatest concerns. Terrorists have stated their desire and intent to obtain WMDs. While most of this proliferation in the past was state-sponsored, proliferation by companies and individuals is growing. The revelations about the A.Q. Khan international and illicit nuclear proliferation network show how complex international networks of independent suppliers with expertise and access to the needed technology, middlemen, and front companies can successfully circumvent domestic and international controls and proliferate WMDs and missile technology. Within the DOD, the Secretary has tasked the U.S. Strategic Command (STRATCOM) to synchronize our efforts to counter WMDs and ensure the force structure and the resources are in place to help all combatant commands defeat WMDs.

Proliferation Security Initiative (PSI) operational activities are central to DOD efforts to counter proliferation of WMDs. We will continue to work with key countries to develop expanding circles of counter proliferation cooperation. We have been very successful in the last year. Today, more than 60 nations have endorsed the principles of PSI, with a number of others expressing willingness to cooperate in PSI efforts. Twenty nations form the PSI Operational Experts working group. We are conducting PSI exercises around the world to enhance international interdiction capabilities and to serve as a deterrent to curtail the proliferation of WMDs and the means to deliver those weapons. In October 2003, our WMD counter proliferation efforts provided a key motivation for Libya's abandonment of its WMD programs and helped speed the dismantling of the A.Q. Khan nuclear proliferation network. The key to success in combating WMD proliferation remains committed international partnership.

Today, the NATO Alliance is the most important and capable security alliance in the world. NATO commitment across the globe, to include operations in Iraq and Afghanistan, has been very good. However, there is room for improvement. Lack of defense funding by NATO partner countries places a strain on the Alliance and our collective defense capability. Despite the general agreement that nations would hold their defense budgets at no lower than 2 percent of their gross national product, unfortunately, today, 50 percent of the Nations in the Alliance are below 2 percent. This inadequate spending threatens NATO's ability to transform and adequately meet the Alliance's commitments. Additionally, member governments place numerous caveats on the use of their forces, rendering these forces less effective. For example, during the unrest in Kosovo last March, governmental caveats kept some countries from responding to the crisis. Finally, NATO needs to create a decision-making process that supports time sensitive requests. NATO forces have been slow to respond to security challenges because the NATO bureaucracy was too slow to react. Even with these deficiencies that need to be addressed, NATO has proven indispensable in today's security environment, and has committed itself to improving its capability.

Operations in Kosovo, Bosnia, and Herzegovina stand as the definitive examples of how NATO can bring peace and stability to war-torn regions. Additionally, the

NATO Response Force (NRF) reached its initial operating capability last October. The NRF gives NATO a joint force tasked to quickly deploy and execute the full spectrum of NATO missions. The Alliance's most recent success occurred in December when NATO concluded its first successful peacekeeping mission in its history. The successful Stabilization Force Mission in Bosnia-Herzegovina was brought to completion after 9 years and, at its peak, consisted of over 60,000 allied troops. In total, over 500,000 NATO soldiers from 43 nations and 90,000 U.S. troops participated in operations that set the stage to establish judicial, economic, and governmental systems leading to self-governance in Bosnia and Herzegovina. NATO and the U.S. will remain engaged in Bosnia, where NATO has established a new headquarters that will have the lead role in supporting Bosnian defense reform. NATO forces will continue to hunt for war criminals, and will prevent terrorists from taking advantage of Bosnia's fragile structures. This NATO force will work closely with the newly created EU Force and will retain access to the full range of military authorities provided under the Dayton Accords. The EU mission will focus on Bosnia's current security challenges, such as organized crime. This spring, the North Atlantic Council will review the Kosovo mission and the forces required. Based on this review, we will work with our NATO Allies to respond to the evolving security environment.

Narcoterrorism presents a global threat to security, prosperity, and good governance. Through counternarcoterrorism (CNT) operations, the U.S. is building coalitions, training and equipping forces, and enhancing the capabilities of allies in the global war on terrorism. Ongoing U.S.-sponsored multilateral operations promote security, improve effective border control, deny safe havens, and restrict the ability of the narcoterrorists to operate with relative impunity.

CNT successes in Colombia over the last year have been exceptional. We appreciate recent congressional action to increase the troop cap for DOD personnel operating in Colombia. This allows U.S. Southern Command to maintain the flexibility to meet existing mission requirements while increasing information, logistic and training support to the Government of Colombia during the execution of Colombia's current CNT campaign, Plan Patriota.

With approximately 18,000 members, the Revolutionary Armed Forces of Colombia (FARC) is the largest narcoterrorist group operating in Colombia, followed by the United Self-Defense Forces of Colombia (AUC) and the National Liberation Army (ELN). In the past year, through a combination of aggressive CNT operations and offers of amnesty, Colombian security forces engaged in Plan Patriota have killed or captured 10 senior ranking members of the FARC and have demobilized record numbers of narcoterrorism group members. The Colombian Government is engaged in a peace process with the AUC that has already resulted in the demobilization of over 4,000 combatants. As a measure of the improved quality of life in Colombia, in the last year, massacres committed by narcoterrorism groups against civilians have decreased 44 percent, kidnappings decreased 42 percent, and attacks against infrastructure have decreased 42 percent. Cocaine seizures have increased 43 percent while heroin seizures have increased 72 percent.

In response to December's devastating and tragic tsunami, the U.S. military responded immediately with humanitarian assistance to South and South East Asia. We quickly established a Combined Support Force headquarters in Thailand. During the height of the humanitarian effort, more than 25 U.S. ships, 50 helicopters, numerous support aircraft, and 15,000 U.S. troops were involved in delivering and distributing relief. Over 3,000 relief sorties were flown. Sailors, marines, soldiers, airmen, and coastguardsmen provided over 2,900 tons of relief supplies including over 310,000 gallons of water. Working with local governments, NGOs and international organizations, servicemembers provided all facets of humanitarian assistance, including providing medical care, clearing debris, and repairing critical infrastructure. This operation was a tribute to the versatility, responsiveness and compassion of our joint forces.

The U.S. Government has recently developed an excellent combating terrorism planning mechanism through the National Security Council (NSC)-led Regional Action Plans for Combating Terrorism (RAP–CTs). These RAP–CTs are the primary vehicle for the interagency to coordinate and deconflict global war on terrorism activities on a regional basis. This process is an Interagency success story, and the DOD is fully engaged in these planning activities.

Our global operations show the remarkable versatility, flexibility, agility, and professionalism of our American Armed Forces and highlight our effectiveness in fighting the global war on terrorism. Very few nations can field a force capable of expertly conducting simultaneous combat, peacekeeping, and humanitarian operations around the world, while maintaining the flexibility to seamlessly transition from one mission to another.

JOINT WARFIGHTING

Our forces are the world's most capable, in large part because they are the best trained and equipped. They continually strive to be the best joint warfighters in the world, they work extremely hard and they are taking joint warfighting to the next level by working closely with our interagency partners. Our forces possess the requisite personnel, equipment, and resources to accomplish the military objectives outlined in the National Military Strategy. Our forces—whether forward deployed, operating in support of contingency operations, or employed in homeland defense—remain capable of executing assigned missions. But there are many challenges to meeting these commitments.

Our Nation's number one military asset remains the brave men and women serving in our Armed Forces. They have the training, spirit, and agility to use modern technology to form the world's preeminent military force. They have the dedication, courage, and adaptability to combat dynamic global threats. The administration, Congress, and DOD have made raising our servicemembers' standard of living a top priority, and I thank Congress for your tremendous support to our troops and their families during my tenure as chairman.

The President's budget includes a 3.1-percent increase in basic pay, which keeps military pay competitive. We must ensure the civilian-military pay gap does not widen and that we support our Armed Forces with pay befitting their experience level, skills, and service. Thanks again to your actions, the aggressive increases in Basic Allowance for Housing eliminated an 18.8-percent deficit over the past 5 years and allowed us to eliminate average out-of-pocket housing expenses this year. Danger area compensation and other combat-related initiatives passed into law have also had a positive impact, mitigating the challenges of retaining and compensating our servicemembers serving in combat. Benefit increases have helped close the pay gap, improve health care and housing, and significantly contributed to improving the quality of life of our forces. As fiscal challenges mount for the Nation, I stand ready to work closely with Congress and the Department's civilian leadership regarding future benefit increases. Close coordination will ensure that our limited resources are used effectively to sustain our all-volunteer force.

The DOD and Congress are working together to increase benefits for the survivors of deceased servicemembers. While no benefits can replace the loss of a human life, I agree that improvements are needed. I am analyzing the proposals and support an increase in benefits.

Current stresses on the force are significant and will remain so for the near term. I am concerned with the wear and tear on our equipment, especially our vehicles. High operational and training tempo is putting up to 5 years worth of wear on equipment per year, placing a huge demand on maintenance, supply, depot repair, and production. In some units, combat-related damage is high, and there is substantial equipment damage caused by the harsh environment in Iraq and Afghanistan. Additionally, many units leave their equipment overseas when they return from deployment, requiring re-supply and reconstitution as they train for their next deployment.

We continue to analyze our policies and make changes to mitigate readiness challenges to include how forces are selected for deployment, Reserve mobilization, training, equipment wear and reset, unit reconstitution, and improving command, control, communication, and computer (C^4) system infrastructures. Congressional support, both in the annual budget and supplemental funding, has been essential for continued operations, Army modularization, and recapitalization. However, many of the programs we have put in place take time to develop. We are currently addressing the significant stress in critical specialties in combat support and combat service support, as well as low density/high demand assets. Unit reconstitution of both equipment and trained personnel is also a challenging process. Our DOD Fiscal Year 2005 Supplemental Request currently before Congress is essential to all of these efforts, and I urge Congress to act promptly and fully on this request.

We continue to rely heavily on our Reserve and Guard personnel. Our Reserve components are serving critical roles in Operation Iraqi Freedom (OIF) and OEF, the global war on terrorism, and homeland defense, as well as serving around the world in other operations and activities. Citizen-soldiers in the Reserve component are an important link to the American people. Morale in both the active and Reserve component remains high, and their support by the American people has never been higher. As of January 2005, Guard and Reserve personnel comprised 33 percent of our force in Iraq, 28 percent in Afghanistan, and 14 percent in Djibouti. We need to continue to review and update our processes to improve the efficiency and agility of our mobilizations. We are well aware of the strains on members, their families, and their employers, and we continuously seek better ways to support them.

While we have made strides in improving predictability and benefits for our Reserve component servicemembers and continue to pursue rebalancing initiatives—especially in low density and high demand forces—significant additional steps are underway. The Reserve component Cold War-era processes and policies that have guided training, readiness, administration, pay, health benefits, personnel accountability and mobilization must be reformed and streamlined if we are to have the deployable and sustainable Reserve component force that our Nation needs. I look forward to working with the new Congressional Commission on Guard and Reserve matters to chart the future course for our very important Reserve component.

In order to help compensate for the high-tempo force and materiel requirements associated with ongoing operations for the total force, we have revised many of our processes to improve readiness forecasting. We have identified service and combatant command requirements, determined the scope of required reset actions, improved on forecasting demands, and addressed industrial base shortfalls. We have developed many of these solutions with the help of the Joint Quarterly Readiness Review process, and the DOD is developing a Web-based Defense Readiness Reporting System. These efforts are part of an ongoing effort to improve our readiness reporting and responsiveness throughout the Services, the DOD, and the Joint Staff.

By using all of these tools, we have identified readiness challenges and will continue to refine our priorities to successfully carry out our missions. This year's budget submission and the supplemental request greatly mitigate some of these readiness challenges, but many will remain as we continue to engage in sustained combat operations.

Because today's security environment demands a global perspective, in June 2004, Secretary Rumsfeld approved a new Global Force Management process and designated Joint Forces Command (JFCOM) as the primary Joint Force Provider. These changes will ensure the warfighters get the right forces from the right sources, focusing globally instead of regionally. In the future, JFCOM will coordinate all conventional force sourcing recommendations, excluding those assigned to SOCOM, STRATCOM, and Transportation Command (TRANSCOM). This is a new mindset. Integral to this new methodology is the Global Force Management Board. This board is composed of General Officer/Flag Officer-level representatives from the combatant commands, Services, Joint Staff, and the Office of the Secretary of Defense (OSD) who review emerging force management issues and make risk management recommendations for approval by the Secretary.

The pace of operations around the globe since September 11 has led to operational tempo (OPTEMPO) and personnel tempo (PERSTEMPO) that are hard to sustain indefinitely in many specialties. As a risk mitigator, we have temporarily increased our end strength in the Army and Marine Corps. Making these personnel increases permanent is very expensive. Before making our currently increased level of forces permanent, we need to assess current force management initiatives and our future global commitments. Initiatives like the Army's transformation to a modular-based organization help accomplish this. Having the right force to meet today's threats is critical. The Quadrennial Defense Review (QDR) will aid in this assessment and help us make informed decisions about the appropriate size and composition of our force structure and manning to achieve our strategic objectives.

One of the readiness challenges facing our forces is adequately resourcing Combat Service and Combat Service Support billets. To help these stressed career fields, we are aggressively rebalancing our force structure and organizations. We will rebalance approximately 100,000 billets between and within the active and Reserve components, primarily focused on high demand specialties, including civil affairs, military police, intelligence, and Special Forces. Additionally, over 20,000 military billets will become available to the Services to reduce stress as these positions are converted to either contractor or government civilian by the end of fiscal year 2005. Ongoing headquarters reorganization initiatives will also provide additional billets.

The DOD depends on the skills and expertise of its civilian workforce as a force multiplier. We simply could not perform our mission without the support, dedication, and sacrifice of our DOD civilian employees at home and overseas. To help simplify and improve the way it hires, assigns, compensates, and rewards its civilian employees, the DOD will implement the first phase of the National Security Personnel System this July. This system will improve the management of our civilian workforce, allowing for greater flexibility to support evolving missions.

As of February 1, 2005, enlisted recruiting within the active components remains strong. However, as we anticipated, Reserve component recruiting is starting to be a challenge. Of the six Reserve components, only the Marine Corps Reserve made their recruiting goals through January. Each Service has mitigating plans to achieve end strength, but I anticipate that fiscal year 2005 will be a very challenging year for both active and Reserve component recruiting. The Army Reserve

components will be particularly challenged since more active Army soldiers are staying in the active Force, and of those who get out, fewer are joining the Reserve component. We are increasing the numbers of recruiters and restructuring enlistment bonuses to help mitigate these challenges.

The Army Reserve component's end strength is currently at 95 percent for the Army National Guard, and at 97 percent for the Army Reserve. We also need to look very closely at the experience level and demographics of the people who are leaving the Armed Forces. The leadership skills and combat skills that our servicemembers are gaining while fighting this global war on terror are priceless. It takes years to train quality leaders, and we need today's best officers and noncommissioned officers to become tomorrow's senior leaders.

The Army Stop Loss policy is vital to their efforts in the global war on terrorism. This policy affects the active Army forces in OIF and OEF, and Army National Guard and Reserve members assigned to units alerted or mobilized that are participating in OIF, OEF, or Operation Noble Eagle. Stop Loss currently affects Active and Reserve soldiers from 90 days before their mobilization or deployment date, through their deployment, plus a maximum of 90 days beyond their return from deployment. Stop Loss is essential to ensuring unit integrity during combat operations. As authorized under title 10, the size of future troop rotations will in large measure determine the levels of Stop Loss needed in the future. Initiatives such as Force Stabilization, Modularity and the Army's Active and Reserve component rebalancing should alleviate some of the stress on the force.

Protecting our troops remains a top priority. The rapid production and distribution of Interceptor Body Armor to our forces in OIF and OEF was a tremendous success. One hundred percent of U.S. Government civilians and U.S. military members in Iraq, Kuwait, Afghanistan, and the Horn of Africa have had body armor since February 2004. The Army has aggressively managed this critical item, accelerating production and fielding rates. The Army is now fielding Deltoid Auxiliary Protection armor and the Marine Corps is fielding Armor Protective Enhancement System to help protect shoulder and armpit regions that are not currently covered by Interceptor Body Armor. With your support, we will continue to work diligently to provide the best protective equipment for our troops.

Clearly as essential as providing body armor for our troops is providing armored vehicles to transport them. We are making rapid, substantial progress in ensuring that no soldier leaves an Iraqi forward operating base in vehicles without protection, whether in High Mobility Multipurpose Wheeled Vehicles (HMMWVs), trucks, or other vehicles. The evolving threat in the Central Command (CENTCOM) area of responsibility has significantly increased the requirements for the up-armored HMMWV and armor protection for all vehicles.

There are three levels of armor protection for all tactical vehicles. A Level 1 vehicle is provided directly from the manufacturer with integrated armor protection against small arms, IEDs, and mines. A Level 2 vehicle is equipped with a factory built, add-on kit installed in theater, to provide similar protection. Level 3 vehicles have a DOD approved, locally fabricated armor kit. This level provides comparable protection to Level 2, excluding ballistic glass. All of these levels consist of materials and designs that meet detailed Army and Marine Corps specifications. Overall, there are over 35,000 military vehicles in Iraq and 81 percent have some level of armor protection. All vehicles outside the perimeter of FOBs in Iraq are required to have either Level 1, 2, or 3 armor protection.

In May 2003, the CENTCOM requirement for armored HMMWVs was just 235. Their requirement is now over 8,000. CENTCOM has over 6,300 up-armored HMMWVs, and through accelerated production, the Services expect to meet the up-armored HMMWV requirement by this April. To better align existing assets to meet CENTCOM's requirements, the DOD has redistributed up-armored HMMWVs from other Services and commands to the CENTCOM AOR. The DOD has received additional funding from Congress to accelerate procurement of armored equipment. With Congress's support, the industrial base has increased production over 300 percent since May 2003. We continue to aggressively pursue every known source to increase our armament production capacity. The Army Research Laboratory is working to test and evaluate a dramatic influx of proposals in response to the DOD's solicitations. Further, we now have Navy and Air Force military and civilian technical personnel who are fabricating and installing armor worldwide.

Even as we approach our goals for the number of armored vehicles in Iraq, we are refining the entire range of tactics, techniques, and procedures used to move needed personnel and supplies. For example, we have doubled the number of direct air delivery hubs in Iraq and expanded intra-theater airlift to reduce the number of convoys traveling through high-risk zones. Because we cannot eliminate the risks entirely, we have an aggressive project to focus on rapidly developing systems to de-

tect and counter the different IEDs. Overall, these efforts have been successful and have unquestionably saved lives and limbs. This is a significant accomplishment. With the continued strong support of Congress, we will continue to provide the best protection possible for our personnel.

Combatant commanders and Services continue to identify preferred munitions shortfalls as one of their areas of concern, including Laser-Guided Bombs and JDAMs production. Supplemental funding has bolstered JDAMs 178 percent and Laser-Guided Bomb kits 148 percent in the past year, continuing to reduce the gap between requirements and available inventory. In the long-term, we need to continue to fund the development of weapons like the Small Diameter Bomb, Joint Air-to-Surface Standoff Missile, and Joint Standoff Weapon to build on our precision-delivery capabilities.

Last year, the DOD developed overarching policy and procedures for managing contractors during contingency operations. Once reviewed and approved by the Department, these documents will greatly aid in coordinating contractor operations.

The vision for Joint Professional Military Education (JPME) can be summed up as delivering the right education, to the right people, at the right time, focusing on improved joint warfighting. Cold War threats and force structure were the building blocks for Joint Officer Management policies codified in the 1986 Goldwater-Nichols legislation. The requirement for JPME trained forces throughout different levels of seniority has grown significantly since the law went into effect. Over the last 3 years we have expanded JPME across the ranks and components to include an expansion of JPME phase two opportunities, JPME opportunities for enlisted personnel, junior officers starting with precommissioning, Reserve component officers, senior enlisted advisors, and for two- and three-star general and flag officers. Training for combatant commanders is in the planning stage.

As we redefine jointness with our changing roles and missions, Congress has played a vital role in adapting JPME to this new environment by tasking DOD in the National Defense Authorization Act for Fiscal Year 2005 to develop a new strategic plan for Joint Officer Management. We must develop leaders at all levels capable of effectively accomplishing our strategic and operational objectives. As an example, we are looking at the core competencies required for our Joint C4 Planners and defining what it takes to train, educate, and certify them in their profession, similar to our certification and training standards to for our pilots.

Providing opportunities for foreign military personnel to train with U.S. forces is essential to maintaining strong military-to-military ties. Whether through classroom training or major exercises, training and education received by our allies helps build and maintain skilled coalition partners and peacekeepers and affords many future leaders the opportunity to live in our culture and understand our values. Many of the sharp mid-grade foreign officers who attended U.S. military training and exercises in the past decades are leading their militaries and countries around the world today. Over the past 5 years, the International Military Educational Training (IMET) budget has nearly doubled, from $50 million in fiscal year 2000 to nearly $90 million in fiscal year 2005. It is in our best interest to keep this important IMET process on track, and I thank Congress for continued support and funding of this important program.

Because these training opportunities and military-to-military relationships forged among allies are so important, I am concerned with U.S. Government restrictions that limit these relationships. The first is the Visa restrictions that affect foreign military personnel visiting the U.S. for training. The second is legislative restrictions. One example is the restriction placed on countries affected by the American Servicemembers' Protection Act (ASPA). ASPA's provisions ensure and enhance the protection of U.S. personnel and officials, but an unintended consequence has been a reduction in training opportunities with countries not supporting the act.

I fully support the continuation of the anthrax vaccine program. There is still a significant potential for a military emergency involving U.S. forces being attacked with anthrax. In October 2004, the U.S. District Court for Washington, DC, issued a preliminary injunction against the anthrax vaccine program. The DOD, Food and Drug Administration, and Justice Department are attempting to clarify outstanding legal issues. I agree with the DOD position that this program must continue to ensure our servicemembers are protected from this threat.

Ongoing operations in Iraq and Afghanistan and the current global environment have made the Combatant Commander Initiative Fund (CCIF) a high demand asset for sourcing the combatant command's emergent warfighting needs. These funds allow the warfighting commanders to quickly mitigate financial challenges encountered during combat operations. Combatant commanders use CCIF extensively and I support the full funding of this program to ensure we are responsive to the warfighter's short-fused needs.

The Joint Chiefs of Staff managed Joint Exercise Program (JEP) provides the transportation funding that supports the combatant commanders' joint and multinational training which influences the global war on terrorism, and supports our theater security cooperation plans worldwide. Since September 11, high OPTEMPO and PERSTEMPO have forced the combatant commanders to reduce the JEP demand by 36 percent. In response to this dynamic environment, the Joint Staff has changed the program to make it strategy based and more responsive to the warfighters requirements. This year, JEP is conducting 117 exercises. 82 percent of these are focused on Theater Security Cooperation, preparation for OIF and OEF, and Special Operations Forces activities, all of which are directly applicable to fighting the global war on terrorism. It is essential that Congress fully fund the combatant commanders' JEP.

Our joint warfighting operations around the world have clearly shown that freedom of navigation, both on the sea and in the air, remains absolutely critical to military planning and operations and is vital to U.S. national security interests. I strongly support U.S. accession to the Law of the Sea Convention as the best means to protect our navigational freedoms from encroachment.

We have many challenges facing our joint warfighting team as we enter our fourth year of sustained combat operations. I am acutely aware of the effects of operational demands on our total force. The Army Reserve recently highlighted that under current policies governing mobilization, training, and manpower management, they cannot sustain their current OPTEMPO demands and then regenerate their forces. This is a tough problem, but we have many initiatives in place to mitigate this and other challenges affecting our overall readiness status in 2005. Our total force can continue to support the National Security Strategy and this current high OPTEMPO, but we must analyze, refine, and reassess our efforts so we can transform the force for the challenges of the 21st century.

TRANSFORMING THE FORCE

I am proud of the transformational efforts and successes in the U.S. military, but we must continue our efforts to meet the challenges facing our country today and in the future. We are a Nation at war, so one of our greatest challenges in the military is to transform while conducting joint warfighting in the global war on terror, protecting the U.S. from direct attack, and reducing the potential for future conflict. We must continue to invest heavily in transformation, both intellectually and materially.

Transformation is not simply applying new technology to old ways of doing business. Transformation requires cultural change, new ways of thinking about problems, and changes in how we organize and train. I am proud of the innovation and initiative I see from our service men and women, both on headquarters staffs and in the field. The concept of transformation is central to all our assessment and procurement processes. This year, we will work through three major processes—Quadrennial Defense Review (QDR), Base Realignment and Closure Commission (BRAC) and Integrated Global Presence and Basing Strategy (IGPBS)—that have a long term, broad impact on our force posture.

The OSD is leading the 2005 QDR process. The QDR will provide a comprehensive strategic plan that will set the standard for transforming the Armed Forces to ensure success against a wide range of national security challenges. This is the third QDR, and it is unique in that we have been engaged in sustained combat operations for the last 4 years. The QDR is underway and is scheduled to be released in February 2006. By law, the Chairman of the Joint Chiefs of Staff will assess the results, and risks, and make recommendations on the roles and missions of the DOD.

I thank Congress for continued support of our BRAC process. Past BRAC efforts, in the aggregate, closed 97 installations and affected many others within the United States. Through fiscal year 2001, these actions produced a net savings of $17 billion and an annual savings thereafter of about $7 billion. In March 2004, the Secretary and I reported to Congress that the Department had substantial excess capacity. While we recognize BRAC is a challenging process, clear evidence of this excess capacity, coupled with a history of savings from past BRAC efforts, makes the argument for completing BRAC 2005 all the more compelling. BRAC 2005 provides an excellent opportunity to further transform the DOD by comparing our infrastructure with the defense strategy. BRAC is a valuable tool for maximizing our warfighting capability and eliminating excess capacity that diverts scarce resources away from more pressing defense needs.

One of our near-term transformational challenges is to better use the forces we have to provide needed capabilities to the combatant commander. The IGPBS trans-

forms the Cold War footprint into one focused on capabilities, employing continental United States (CONUS)-based rotational forces that are lean and agile. This strategy enables rapid power projection and expands global presence and theater security programs by combining quick deployment, CONUS-based forces, with strategically positioned overseas-based forces. This strategy reduces the requirement for overseas support infrastructure and forces. Fewer remote-duty tours and longer CONUS assignments will mitigate family stress. Complementing IGPBS is the Army's transformation to brigade-centric modular forces that will increase the number of brigades available to rotate overseas from 33 to at least 43 active brigades by 2010.

The DOD has already made many changes to our global posture since the 2001 QDR. The combatant commanders have continued to adjust our footprint to make our forward-stationed forces more relevant to our current and future challenges. These posture initiatives are not only about adjusting numbers, but also about positioning the right capabilities forward to meet our needs and security commitments, while enhancing allies' and partners' transformation efforts in support of the global war on terrorism and regional security initiatives. For example, the Secretary of Defense has already approved several reductions within European Command and U.S. Forces Korea. The DOD, with the help of the Interagency, is moving forward in discussions with allies and partners on other specific proposals. As these discussions mature we must address the facilities and infrastructure needed to enable these capabilities. Our requests for overseas military construction this year are consistent with these plans and support our combatant commanders' transformation initiatives. I encourage your support in funding these critical projects.

We are reviewing many important weapon systems and DOD programs as we continue to transform. The Department's fiscal year 2006 budget submission restructured or reduced some programs and force structure. We focused on supporting current operations, near-term readiness and critical transformational programs. Reductions targeted areas where we have capability overlap, or the near-term risk was deemed acceptable to fund higher priorities. We will examine all of these programs and issues during the QDR and through other assessment tools like the Joint Requirements Oversight Council (JROC). We will maintain sufficient combat capability to execute our National strategies as we transform the Armed Forces to counter increasingly dangerous, dynamic, and diverse threats.

We are transforming across the force. In 2004, we took some big steps and made some difficult decisions, and we are already seeing positive results. Examples include the Army's restructuring into modular formations, and the Navy's continuing transformation of its force to include the restructuring of deployment cycles. Despite the demands of current operations, we remain focused on a wide array of transformational weapon systems and programs.

Maintaining supremacy over our enemies in both combat aircraft and combat support aircraft is a top joint warfighting priority. The continued development and production of the F/A–22 Raptor, V–22 Osprey, C–17 Globemaster III, E–10 Battle Management, F/A–18 Super Hornet, Multi-mission Maritime Aircraft, and unmanned aerial vehicles are critical to maintaining this air supremacy. While some of these programs have been restructured, they remain very important joint warfighting platforms that are required to meet our National security and military strategies.

We need to continue to fully support the F–35 Joint Strike Fighter program. The F–35 is truly a joint aircraft, with three variants planned. This aircraft will be the mainstay of the next generation of the Air Force, Navy, Marine Corps and our allies' tactical aviation wings. The aircraft is in its 4th year of an 11-year development program, and will be a giant leap over the existing fighter and attack aircraft it is programmed to replace. The current design challenge is weight, which impacts performance requirements, particularly for the Short Takeoff and Vertical Landing variant. Design teams have worked diligently to solve the weight issue and the F–35 is on track to meet weight requirements at initial operational capability. The DOD has moved the first planned production procurement to the right 1 year, to fiscal year 2012 for the Marine Corps variant and fiscal year 2013 for the Air Force/Navy variant. The DOD has also added extra money to development.

To remain a truly global force, we must modernize our aging aerial refueling fleet. In November 2004, the JROC approved the Air Refueling Aircraft Initial Capabilities document that identified a shortfall in our air refueling capability and provided a modernization, recapitalization, and transformation plan for the Air Force aerial refueling fleet. The Air Force is still studying alternatives. Based on the results of these studies, the DOD will develop a cost-effective strategy for sustaining this critical joint warfighting capability.

The DOD continues to make progress in providing missile defenses for our homeland, deployed forces, friends, and allies. The DOD placed six ground-based intercep-

tors in Alaska and two in California to provide a rudimentary capability to defend the U.S. from ballistic missile attack. The system is undergoing operational shakedown concurrent with continued research, development and testing. Confidence in the system readiness will come from ongoing ground testing, flight-testing, modeling and simulation, war games and exercises. As we make progress in the program and refine our operational procedures, Secretary Rumsfeld will decide when to place the system in a higher state of readiness.

Our maritime forces are aggressively pursuing their transformation efforts. The Navy is moving toward a more flexible and adaptable new generation of ships including nuclear aircraft carriers (CVN–21), destroyers DD(X), cruisers CG(X), the Littoral Combat Ship (LCS), the *Virginia*-class fast attack submarine, and the enhanced aviation amphibious assault ship (LHA (R)). The Marine Corps is working in consultation with the Navy concerning the future maritime prepositioning force. The fleet of the future will likely be a numerically smaller force, but one with greater combat capabilities. The Navy is continuing to study the overall capability and size mix required for the Navy of the future.

Part of our transformation to a more lethal and agile force is our move toward network centric operations. Network centric operations enable us to provide decisive combat power from a fully connected, networked and interoperable force. Central to this capability is the Global Information Grid (GIG). The GIG provides the backbone systems that provide global, end-to-end communications for the DOD. The GIG will combine our future-force space and terrestrial C4 programs under one communications umbrella. Protecting the information on the GIG is also essential to warfighting operations, and our information assurance efforts continue to be a very high priority.

DOD space capabilities are integral to the broad range of military operations we face today, and essential to meeting the challenges of the future. These capabilities provide decisive advantages for our Nation's military, intelligence, and foreign policy. They help warn of terrorist attacks and natural disasters. To meet these needs, Joint Force Commanders must have integrated command and control systems to dominate the battlefield.

Today, bandwidth demand exceeds our DOD space system capabilities, and our warfighting requirements continue to increase at a very high rate. More and more of our aging satellites are nearing the end of their expected life cycle. In response, DOD is developing new space communication systems such as the very important Advanced Extremely High Frequency (AEHF) Satellite program and the Transformational Communications Satellites (TSAT)/MILSATCOM program. AEHF is a critical system that will significantly increase our secure communication capabilities over the current Milstar system, and provide a bridge to TSAT. TSAT will provide a leap in our communications capabilities and will greatly enhance communications on the move, and assured command and control of our conventional and nuclear forces. It will allow small, mobile units to connect to the GIG anywhere in the world and will help provide persistent and detailed intelligence to the warfighters.

The Joint Tactical Radio System (JTRS) is a transformational software-programmable radio that will provide seamless, real-time voice, data, video, and networked communications for joint forces. More than a radio replacement program, JTRS provides the tactical warfighter with net-centric capabilities and connectivity to the GIG. This new radio system is a significant improvement in capability and interoperability for the joint warfighters, and plays a critical role in networking our 21st century force.

Internationally, we made progress last year negotiating with the EU with regard to their Galileo global positioning satellite (GPS) system. The U.S. and the EU signed an agreement in June 2004 that stipulates Galileo signal structures will "cause no harm" to our future military use of GPS. Several international working groups established by that agreement will soon assess how future GPS and Galileo signal structures will interact.

Moving away from specific systems, there are several transformational concepts and programs. One of the most important goals of the intelligence reform efforts must be to ensure warfighters have unhindered access to intelligence to conduct their operations. We must be able to task national assets for intelligence to support the warfighter and enable users to pull and fuse information from all sources. As the roles and responsibilities of the intelligence organizations are refined, these changes must not weaken intelligence support to the warfighters. I strongly agree with the law's recommendation that either the Director of National Intelligence or the Principal Deputy Director be an active duty commissioned military officer.

The information-sharing environment will be a force multiplier for countering terrorism by integrating foreign and domestic information into a single network. Initiatives such as incorporating intelligence campaign plans into operational plans will

inform the Intelligence Community what the warfighters need and greatly improve joint warfighters' use of intelligence.

Many of the successes in the global war on terrorism are a direct result of successful information sharing with our allies and coalition partners. Ongoing operations in Afghanistan, Iraq, the Philippines, and Africa demonstrate both the importance and the shortfalls that exist in the timely sharing of intelligence. To be truly global in our fight on terrorism, we must continue to improve coalition command and control capabilities. To accomplish this, we have established a centralized multinational executive agent and a Joint Program Office to improve secure information sharing. Our goal is to incorporate multinational information sharing systems as an integral part of the GIG. Congressional support is needed as we continue to enhance our ability to network with our allies and global coalition partners.

As I deal with the interagency on a daily basis on national security issues, I firmly believe we need to become more efficient and effective in integrating the efforts of various government agencies. I was pleased to observe and advise on the successful creation of the Department of Homeland Security and the recent intelligence reforms. These two reforms should be just the beginning of our reform effort in the interagency. Unifying the interagency will be incredibly important to our country as we fight the global war on terrorism and face the changing threats of the 21st Century.

In April 2004, the NSC Principals' Committee directed the establishment of Office of the Coordinator for Reconstruction and Stabilization at the State Department. This office will lead, coordinate, and institutionalize U.S. Government efforts to prepare for post-conflict situations and help stabilize and reconstruct societies in transition from conflict to peace. This is an important step because the interagency has been challenged to meet the demands of helping post-conflict nations achieve peace, democracy, and a sustainable market economy. In the future, provided this office is given appropriate resources, it will synchronize military and civilian efforts and ensure an integrated national approach is applied to post-combat peacekeeping, reconstruction and stability operations.

Last year I reported that we had shifted the focus of our Joint Warrior Interoperability Demonstration—now named Coalition Warrior Interoperability Demonstration—to homeland defense and homeland security requirements. The purpose of these demonstrations and warfighter assessments is to enable government and industry to join together in their use of information technology assets to solve homeland defense IT challenges. The goal is to field off-the-shelf products to meet combatant commander and coalition commander requirements in 12–18 months, greatly minimizing the normal acquisition timeline. I am happy to report that NORTHCOM, the Federal Emergency Management Agency, the U.S. Coast Guard, and the National Guard Bureau, along with the Services and more than 20 countries, will participate in these programs this year.

Joint experimentation is central to transformation. Led by JFCOM and involving Services, combatant commands, Government agencies, and multi-national partners, joint experimentation seeks to refine joint concepts and, ultimately, future joint force capabilities. Recent productive examples include Unified Quest 2004 and Unified Engagement 2004. In Unified Quest, the Army and JFCOM examined and assessed major combat operations and the very important transition to post-conflict. Unified Engagement was a joint, interagency, and multinational wargame that explored ways to sustain persistent dominance in the battlespace of the future. As we revise our joint concepts, we are incorporating results from these and many other experiments and wargames. These experiments and wargames have provided potential solutions to problems of joint force projection, multi-national and interagency operations, and decisionmaking in a collaborative environment.

We must be able to rapidly deliver combat forces to the Joint Force Commanders and sustain them in combat operations. The Joint Staff is working with JFCOM and TRANSCOM to integrate our Deployment and Distribution Process and to develop a Joint Theater Logistics capability (JTL). OIF and OEF highlighted our need for JTL and logistics integration. These programs will provide a more responsive force projection and sustainment capability to the warfighter.

Another improvement to our logistics management processes is using state-of-the-art technologies like Radio Frequency Identification (RFID) technology. The DOD used RFID during OIF as a supply-chain management tool to track supplies from the warehouse to the warrior. Other new technologies are helping us capture data at its source, modernize and transform our logistics systems, and improve the accuracy of data in our common operational picture, ultimately deploying resources to the warfighter more quickly.

In November 2004, we finalized an instruction on joint doctrine development to move valid lessons learned more rapidly into doctrine. When joint doctrine needs to

change, there are now mechanisms in place to change doctrine outside the normal revision process. One example of this expedited review is the JROC validation of OIF and OEF lessons learned. When the JROC validates recommended doctrinal changes, layers of bureaucracy are removed, and the warfighters receive updated doctrine more quickly.

The Joint National Training Capability is an important JFCOM-led program that will eventually encompass all joint training. This system became operational in 2004 and is beginning to link all training ranges, sites, nodes, and real and virtual events into a single network, allowing worldwide participation in training activities and integration of all joint training programs. For individual training, the Joint Knowledge Development and Distribution Capability also became operational in 2004. Managed and led by the Joint Staff, this project develops and shares up-to-date, critical joint military knowledge for education and training.

The DOD is in the midst of completing a Strategic Capabilities Assessment to review the progress in fielding the New Triad, which includes non-nuclear and nuclear strike capabilities, defenses, and responsive infrastructure. This assessment will help recommend the number and types of forces needed to meet the President's goal of reducing our reliance on nuclear weapons. We have begun to make significant reductions on our way to 1,700 to 2,200 operationally deployed strategic nuclear warheads by 2012. This reduction is possible only if Congress supports the other parts of the New Triad, our defenses and responsive infrastructure. STRATCOM has revised our strategic deterrence and response plan that became effective in the fall of 2004. This revised, detailed plan provides more flexible options to assure allies, and dissuade, deter, and if necessary, defeat adversaries in a wider range of contingencies.

The transformational decisions we make today will have a lasting impact on our Nation's defense capabilities and strategic and tactical warfighting capabilities well into the 21st century. These decisions will also have a lasting impact on our allies and coalition partners, who use our capabilities to improve many of their capabilities and technologies. Transformational decisions are difficult. We must make thoughtful, informed choices about systems and program that may be "new and improved" but not significantly transformational to keep up with our dynamic security environment. The Joint Chiefs understand this fully, and are leading our armed forces to transform.

CONCLUSION

We are a Nation at war. The demands placed on our Armed Forces this past year have been extensive, but our service men and women continued to perform superbly under conditions of significant stress and in the face of myriad challenges. I am tremendously proud of the men and women of the U.S. Armed Forces for their continued hard work and sacrifice and that of their families.

This is a pivotal moment in our Nation's history and in world history. We must stay committed if we are to win the global war on terrorism and defend the U.S. and our national interests. Our way of life remains at stake, so failure is not an option. Our military is unwavering in our focus, resolve and dedication to peace and freedom. With Congress's continued strong support, our military will continue to effectively combat terrorism, counter the proliferation of WMDs, help Iraq and Afghanistan build a stable and secure future, improve our joint warfighting capabilities, and transform our force to meet future threats. I greatly appreciate your efforts and your focus to help the military meet its objectives and make the world a better and safer place for our citizens and the generations to follow.

Chairman WARNER. Thank you, Chairman Myers.

Secretary Jonas, do you have an opening statement?

Ms. JONAS. No, Mr. Chairman.

Chairman WARNER. You stand by to stand by, right?

Ms. JONAS. Exactly.

Chairman WARNER. Thank you very much.

Senator Ensign, I understand you are about to preside over the Senate. Would you care to ask a single question before you go?

Senator ENSIGN. Yes, I appreciate that, Mr. Chairman, because I do have to go preside in a little bit.

Just one quick 20-second comment and a quick question, Mr. Secretary. First of all, I was over at Walter Reed Hospital the other day. We happened to have a fellow Nevadan over there who was

wounded and I thought it was a good opportunity to go. Senator Chambliss and I both went over there. One thing you should be very proud of is the way that they are being treated, not only by our military, but also by the private sector, such as by the Wounded Warrior Program of the American Red Cross.

I asked them, is there anything else you need? It was the same answer across the board. They said it was fabulous the way that they are dealing with post-traumatic stress and the whole thing. It was just something for which I think a great deal of pride can be had.

The question I have deals with the supplemental, I think a lot of us have this question and you addressed part of it when you were talking about the reasons for the budgeting. One question I have, because supplementals to me are monies for that year, or at least close to that year, is: Will the monies that you have requested in the supplemental be spent this year, in this fiscal year, or at least in the next 12 months?

One of the concerns we have is if you request the money for right now, and if it is not spent this year, then other people can use that for rescissions to then increase Federal spending.

Secretary RUMSFELD. I am told that in the supplemental the bulk of it will be spent during that period, although apparently some of the provisions for procurement are for multi-year funds when it is a procurement issue in the supplemental.

Senator ENSIGN. So those will not be spent this year, or are they down payments?

Secretary RUMSFELD. They are commitments to purchase equipment, and the payout occurs over more than 1 year. In the case where something that is needed, the order needs to be made, and partial payment needs to be made, it in my view clearly fits the definitions that I understand to be the case with respect to supplementals, that something needs to be urgent and pressing.

Senator ENSIGN. I do not want to push the chairman's time, so if you could maybe just in writing respond to how those payments would be made and to make sure that those are not available for rescissions to do what I talked about in the future.

I thank the chairman.

Chairman WARNER. We will do that. Thank you.

[The information referred to follows:]

In general, funds requested in supplemental appropriations are required right away and will be obligated in the years that funds are provided. In the case of major equipment items, we will award the contract shortly after the receipt of funds, but the funds won't actually be disbursed until the item is delivered, months later. We try to ensure that supplemental funds are used promptly to meet our critical requirements.

Chairman WARNER. Thank you very much, Senator.

Mr. Secretary, yesterday in that very seat sat the Director of the Central Intelligence Agency (CIA), flanked by the Director of the Federal Bureau of Investigation (FBI) and others. I read from this morning's press accounts, and I was present for the hearing here and heard it myself: "On terrorism, Director Goss, FBI Director Mueller, and the acting Deputy Director of the Department of Homeland Security reiterated their belief that al Qaeda and other jihadist groups intend to strike the United States." Understand-

ably, they offered no new information, but the quote was: "'It may be only a matter of time before al Qaeda or another group attempts to use chemical, biological, radiological, and nuclear weapons,' Goss said."

The DOD is an integral partner in our homeland defense. A considerable amount of our forces here in the continental limits of the United States are dedicated on a daily basis to ensuring that every possible deterrent and necessary reaction force be present.

This is a very dire warning. I would like to ask you, do you concur in it? Do you have your own view, and what steps does your Department intend to take to enhance, if you deem it necessary, the current force structure dedicated to the defense of our homeland?

Secretary RUMSFELD. Senator, Director Goss gave what was the Intelligence Community's view on this and certainly my views are no different. I do not make independent assessments of that. I think realistically we know that we have captured or killed a good many of the senior al Qaeda. We know that pressure is on both Osama bin Laden and Zawahiri, and also Zarqawi in Iraq. We know we have been fortunate in not being attacked since September 11.

But it seems to me simply because all of those are true we do have to be realistic. We have to keep the pressure on. We see enough intelligence on a regular basis, as you do, indicating that there is planning that is taking place and that their determination to attack our country and other civilized countries is unabated.

So what we are doing in our role—and you are quite right, the Department of Homeland Security has a principal responsibility. The FBI, of course, has the principal responsibility here in the United States for fighting terrorists within the country. We are participating with the Coast Guard in our sea lanes and in North American Aerospace Defense (NORAD) and the U.S. Northern Command (NORTHCOM), which we set up for this specific purpose to provide assistance with respect to the air.

We also have in the fiscal year 2006 budget something like $1.6 billion, and we plan for another $8.3 billion over the FYDP for chemical and biological defense activities. It is a significant increase. We would be developing a very strong partnership across other government agencies to enhance defense against WMDs here in the United States and elsewhere.

Chairman WARNER. I thank you, Mr. Secretary. I felt it important that today's record reflect the very significant contribution that the DOD is making towards our homeland defense, and I judge by your comments that you feel that everything that can be done is being done.

Secretary RUMSFELD. I think the way I would phrase it is we—not we the Department, but intelligence, counter-intelligence people—watch what people do and they watch what we do. As we develop defenses against certain types of potential attacks, they develop techniques that are different to get around those defenses.

So I would never want to suggest that it is a static situation. It is dynamic, it is active, it is continuing, and the task is to constantly stay ahead of their decision cycles in those adjustments so that we are aware of the changes they are making in their plans.

Chairman WARNER. I thank you very much. Hopefully that provides reassurance.

General, do you wish to add to that?

General MYERS. Yes, Mr. Chairman, I would like to add just a couple of thoughts. Obviously, we do not do this alone. If you think, as I do, that perhaps the most important thing the Department can do is to work this problem away from our shores rather than respond to it once it reaches our shores, which is important and doable, then our work with our friends and allies and partners around the world is very important.

We have good cooperation with Pakistan. They have done a great job in putting pressure on the al Qaeda in the Federally Administrated Tribal Areas (FATA), and they continue to do that, and that disrupts their ability to plan for attacks anywhere in the world, but the U.S. would be included there.

I would say in Afghanistan we have good cooperation with the Afghan Government. Saudi Arabia just hosted a counterterrorism conference for the first time ever. It was well attended by many nations and has some promise for continuing to take this fight to where the enemy is and keep them from coming to the shores of our friends and allies.

Chairman WARNER. Thank you, General.

Mr. Secretary, we recognize the extraordinary achievements in Afghanistan. We all hope that we have comparable achievements in forthcoming months and years in Iraq. The third trouble spot of the world is the conflict between the Palestinians and the Israelis, but that seems to be taking a positive turn. I, and others through the years, have suggested that if a situation developed much as I perceive it developing today, and given that that longstanding conflict has infused problems throughout the world—it just is not contained to that region, but permeates thinking throughout much of the Middle East. It is such a high priority to give every support we can to bringing about a peaceful resolution—by utilizing NATO forces as peacekeepers.

I have stated it in previous hearings and on the floor of the Senate. When Senator Levin and I visited the North Atlantic Council in December, we were privileged to address the entire council and at that time I brought it up. I was advised by General Jones on his recent visit to Washington that they are beginning to discuss it in the North Atlantic Council now as a possible option.

Our President in the very near future will be visiting the North Atlantic Council and the NATO forces. Given the need to bring about every possible effort, and not just the United States but collectively, all of our allies, to help the situation, do you think that is a viable option, and have you given some thought to it?

Secretary RUMSFELD. Senator, I know that you and others have posed that question over the years and certainly I share your appreciation for the possibilities that exist because of the Palestinian election that took place recently and the seeming positive attitudes on both the part of Israel and the Palestinian Authority.

I would say that this year or next year, given the changes that have taken place in NATO—the fact that they might be discussing it now is not surprising, given what NATO has done just in a relatively short period of years. They are today involved in Afghani-

stan, with ISAF. They are involved in Iraq with the train and equip program, which was beyond comprehension, beyond anyone thinking that NATO would be that far out of the NATO treaty area and that far out of the European area doing activities.

I think it is a reflection of the nature of the world we are in today. So I would not want to predict what NATO or what the United States Government, Congress, or the President, might want to do on that. But certainly, given the reach that NATO has undertaken in the past 3 or 4 years, it would certainly be something that would probably not be ruled out of hand.

The one thing I would add is the NATO countries, the other countries, have the same problem the United States does in terms of the useability of our forces. We saw the chart showing we have accessed about half or so of our Guard and Reserve. It is the old General Schoomaker water keg with the spigot too far up at the top, and we do not have the ability to access those forces. NATO countries have a lot of forces, but they are organized and positioned in a way that they are not accessible. So NATO does have trouble producing sizable numbers of peacekeepers.

Now, NATO is reforming, just like we are reforming. We are working with them through our Transformation Command down in Norfolk, which is headed up by Admiral Giambastiani.

Chairman WARNER. I thank you, but I do believe it is an option we should consider, because there is no conflict that has driven more strife and reflected more adversely on the interests of this Nation than that one in the past few years.

Lastly, on the question of our Navy, Mr. Secretary. Both of us are privileged to have had a background with our Navy. The CNO brought before the committee the news that possibly, given the current level of shipbuilding, we could drop to as low as 250 major combat ships. Recognizing that the ships of our fleet today are far different than those when you and I were privileged to wear the uniform, nevertheless that is a strikingly low number in the judgment of this Senator.

I am wondering if you have some suggestions as to the more flexible funding mechanism that Congress might adopt in conjunction with the Department, such as to enable a larger number of ships to be started. It not only affects our security interests, but it is our own infrastructure here at home that is in place to build these vessels, and we must keep that intact.

If you would like to provide that for the record, I would welcome it, because I wish to push every opportunity to adopt a more flexible financing system to enable a larger number of ships to get underway.

[The information referred to follows:]

Flexible funding was not discussed in my written statement. Below is a description of alternative financing approaches for ship procurement that the Navy is exploring.

The Navy's position is that ships, in general, should be fully funded in the year of authorization and appropriations. The Navy should be allowed to continue the practice of advance procurement for long lead materials and design efforts that support delivery schedules and reduce end item cost. However, the Navy recognizes several situations where a financing strategy other than full funding has, or will have, allowed the government to obtain the best possible value for the taxpayer.

Examples of these include:

a. Incremental Funding, used on LHD 8, LHD 6, and SSN 23.

This is good for very specific types of hulls, which are built at a rate of less than one per year and where design changes during construction are anticipated.

b. Two-Year Split Funding, used, or planned for, on CVN RCOH, CVN 21, and LHA(R). Used to procure large capital ships with a production rate of less than one per year. Allows the Navy more efficient and effective use of Navy Total Obligation Authority for the SCN account.

c. Incremental Detail Design in SCN(AP), used, or planned for, on VA SSN, CVN–21, DD(X), and MPFF. Allows efficient execution of Detail Design and an early start of construction on lead ships.

d. Lead Ship in RDT&E. Used on LCS, requested but rejected by Congress for DD(X). Allows for maximum flexibility in inserting new technology and overcoming cost growth as the design is matured.

While full funding, in general, is important to maintain fiscal discipline, the Navy believes it should have enough flexibility to employ financing strategies other than full funding when doing so represents a path to better overall value to the taxpayer, helps to maintain the industrial base, and supports CNO priority to deliver needed assets to the Fleet faster and better in order to achieve our mission of Sea Strike, Sea Shield and Sea Basing, and support the global war on terrorism.

Secretary RUMSFELD. Mr. Chairman, I read the exchange that Admiral Clark and others have had with the committee on that subject. Needless to say, that is an issue that Congress and the OMB have wrestled with over the years.

Chairman WARNER. I realize that. But your strong voice often is heard in the halls of Congress and in the executive branch.

Secretary RUMSFELD. Stepping up and paying for the full boat in 1 year is a lot.

Chairman WARNER. You bet.

Secretary RUMSFELD. It leads to big lumps going through that budget.

Chairman WARNER. I judge that you are amenable and open to options to consider?

Secretary RUMSFELD. I am always looking for ways to improve government.

Chairman WARNER. Thank you. I will accept that as a full endorsement.

Senator Levin.

Senator LEVIN. I am not sure what that meant, but it was accompanied by a smile in any event.

First let me ask you a question about the active end strength of the Army. It is projected to be 512,000 for the fiscal year 2005 in your own chart and that apparently is based on December 2004 data, according to that chart. The Army, and General Schoomaker himself, has told us in briefings that the Army is planning to maintain that level for 2006. These are the charts that the Army has given us: core end strength, 512,000.

Now, that being the case, why does not the budget request fund 512,000? Why is that only 482,000 in the 2006 budget request?

Secretary RUMSFELD. As we said in our opening remarks, we need to look at the budget and the supplemental together. The funding for the total number of forces that the Army anticipates having is there within those two budgets, the regular budget and the supplemental.

I guess the real question is what portion ought to be where.

Senator LEVIN. No, the real question is, since it is a known cost, why do you not put it in the budget? Why are we hiding the cost of 30,000 troops in the Army?

Secretary RUMSFELD. There is nothing hidden. It is all right there. It is either in the supplemental or in the regular budget.

Senator LEVIN. We do not have the 2006 supplemental yet. We only have the 2006 budget request, which says 482,000, although the 2005 active duty end strength, 2005, by your own chart is 512,000.

Secretary RUMSFELD. Right.

Senator LEVIN. Since you know 2006 is going to be 512,000, why are you not putting the 512,000 in your 2006 budget request? That is the question.

Secretary RUMSFELD. Okay. The Army came to us and said that what they would like is to increase from 33 to 43 combat brigades, and I said to them: When you reset the force, bringing them back from Iraq, do not reset the force the way it was; reset it for the future. We do not want to constantly be replicating that which we have and then add the expense of changing it after it is reset.

That meant that they had to do it in real time as forces come back, and that is what they have been doing.

Senator LEVIN. But you have 512,000 for 2005, Mr. Secretary.

Secretary RUMSFELD. Right. I am going to come to that.

Senator LEVIN. If you could come to it quicker rather than later, because of the time constraints. How do you have 512,000 for 2005 and then have 482,000 for 2006 when the Army has told us it is going to be 512,000? That is a short, direct question.

Secretary RUMSFELD. I cannot answer it briefly, I am sorry. I would be happy to submit something in writing or else take a few minutes and answer it thoughtfully.

Senator LEVIN. Okay, it would be better for the record then.

[The information referred to follows:]

The active Army end strength for fiscal year 2006, as specified in the National Defense Authorization Act for Fiscal Year 2005, was 502,400, with the flexibility to grow to 512,400. Title IV, subtitle A, section 403, "Additional Authority for Increases of Army Active Duty Personnel End Strengths for Fiscal Years 2005 through 2009," D, (2) gives us the authorization to request supplemental funds for strength in excess of 482,400. Hence, the Department can and will request supplemental funds for the additional man years we expect to execute in fiscal year 2006.

Secretary RUMSFELD. I would be happy to. I would also be happy to do it right now.

Senator LEVIN. I know, but I only have 6 minutes.

Secretary RUMSFELD. Okay.

Senator LEVIN. If there is not a short answer to that pretty obvious question, then it would be better asked for the record.

Secretary RUMSFELD. The reason is because there are several moving parts at once.

Senator LEVIN. All right. Is the 512,000 an unknown figure at this time? The Army tells us it is the core end strength. Why is that a moving figure?

Secretary RUMSFELD. The other moving parts are the fact that they are moving military people out of civilian positions, and that increases end strength without adding end strength. If you think of the Army, as they briefed you, there is the institutional Army and there is the operational Army. What we are doing is moving people out of the institutional Army, where they were not available, into the operational Army, and that is one thing that is taking place as a moving part.

The other thing that is taking place as a moving part is the rebalancing between the active and Reserve components.

Senator LEVIN. But this is the active. This is the active end strength.

Secretary RUMSFELD. Exactly.

Senator LEVIN. This is not rebalancing.

Secretary RUMSFELD. The truth is they do not have certain knowledge about how much of the efficiencies are going to improve their operation of the Army, and that is what they have told me.

Senator LEVIN. General, do we know that we are going to proceed with modularity?

General MYERS. Yes, we do.

Senator LEVIN. Do we know what the modularity cost us in 2005?

General MYERS. We have pretty good visibility into the active component. In terms of the Reserve component modularity there are still some questions on that piece of it to this point.

Senator LEVIN. What did you ask for modularity in the 2005 supplemental?

Ms. JONAS. Sir, there is $5 billion that they are requesting in the supplemental.

Senator LEVIN. Thank you.

Is there any reason to doubt that that modularity need is going to continue in 2006, General?

General MYERS. I think that is correct, and I think in 2006 you will see it in the regular budget.

Ms. JONAS. 2007.

General MYERS. 2007.

Senator LEVIN. No. Why not 2006? Why is it not in the 2006 regular budget? It is a known amount. Who can give me the shortest answer? General?

Secretary RUMSFELD. You give him the shortest answer.

Senator LEVIN. Is the short answer it should be? Is that the short answer? If not, I will leave that for the record, too.

Ms. JONAS. The funding in the 2005 supplemental, is associated with the units that are going to be going into theater. The 4th Infantry Division, for example, will be going in September. General Schoomaker has asked for funds to equip those units and configure them into the modular force. So that is why they are being asked for in the supplemental.

We could have waited and put them in the baseline budget, but he suggested that it was urgent and I think we agree.

Senator LEVIN. I am not suggesting you wait. They are in the 2005 supplemental. I am suggesting you put them in the 2006 regular budget. You know what they are, do you not?

Ms. JONAS. I am not sure that they know fully. We have a good idea, but we did not know for sure.

General MYERS. Let me give you a short answer on that. Army modularity is an idea that has come up in the last year. It is still being refined. To insert those large numbers in the 2006 budget with the uncertainty surrounding them would have perturbated a lot of the 2006 budget. As the Secretary said, we started the 2006 budget prep a long time ago. To put them in late in that sequence would perturbate a lot of programs. So that is why the decision was

made, I think, to put them in the 2007 budget, giving us time to work them and work big numbers, billions of dollars, into the 2007 budget and handle it in the supplemental in the 2 years where it is still being developed.

Senator LEVIN. Thanks.

My last question. The 2005 supplemental says the following: that the Iraqi Interim and Transitional Governments, with coalition assistance, have fielded over 90 battalions in support of the counterinsurgency campaign. All but one of these battalions, however, are lightly equipped and armed and have very limited mobility and sustainment capabilities.

General, is that an accurate statement in the supplemental request, that 89 of the 90 Iraqi battalions are lightly equipped and armed and have very limited mobility and sustainment capabilities?

General MYERS. It is one of the things—we just had a video teleconference with General Petraeus today and we talked about this particular issue. Once you get the combat forces out there, the battalions that you mentioned in the supplemental, we also have to—and there is money in the supplemental to help with their combat service support. It does not imply that the battalions that are out there are not capable of being deployed. In fact, there are Iraqi divisions deployed around Iraq today that are either helping sustain themselves or that we are sustaining.

Senator LEVIN. My question is though, is that an accurate statement in your 2005 supplemental request? Because it gives a very different impression from some of the other statements about 120,000 being fully trained and equipped. So my question to you is, is that an accurate statement, that 89 of the 90 Iraqi battalions that have been fielded in support of the counterinsurgency campaign are lightly equipped and armed and have very limited mobility and sustainment capabilities? Is that accurate? That is my question.

General MYERS. I think today that most of those battalions have—it is more complex than that and so I cannot just say yes or no to that answer.

Secretary RUMSFELD. My impression is that that is close to right.

General MYERS. It is pretty close to right.

Secretary RUMSFELD. But the reason is because they had the National Guard, which was very lightly equipped, was a large fraction of the battalions. The Army was a smaller fraction of the battalions, and only a portion of the Army had heavy equipment. There were two mechanized units.

Senator LEVIN. The 90 includes the Army?

General MYERS. Army and National Guard.

Secretary RUMSFELD. It includes the Army and the National Guard.

Senator LEVIN. Only one of the total of 90, according to your statement in your supplemental request, only one of them—excuse me—89 of them, to go positively, 89 of them are lightly equipped and armed and have very limited mobility and sustainment capabilities. If that is an accurate statement, which I assume it is—it is in your own supplemental—that gives a very different impres-

sion from what folks have been saying, that we have 136,000 folks that are trained and equipped. That is all I am asking about.

Secretary RUMSFELD. I would like to respond to that. I do not think it does give a different impression, Senator Levin. The reason I do not is because we have specified in the material we provided the committee precisely where those numbers are. Part of them are a police group. Policemen are not heavily equipped. Part are civil intervention force. Some are an emergency response unit. Some are border enforcement. They do not have tanks at a border.

Senator LEVIN. But these 90 are Army and Guard.

Secretary RUMSFELD. I am coming to that.

The 136,000 that you cited is what I am giving you. The border enforcement, the highway patrol, they are not heavily equipped. Dignitary protection is not. Special police commando battalions might be. The regular Army, only a portion, as you pointed out. The National Guard is not. The intervention force might be. The special operations people would not be. The Air Force is not. The Navy is not.

All of those are part of the 136,000, and I think you should not reach in and grab one piece and say therefore the 136,000 is wrong, because the policeman guarding this building does not have a tank or an armored personnel carrier, and he does not need one because he is a policeman.

Senator LEVIN. Is the short answer, though, that the statement is correct that is in the supplemental?

Secretary RUMSFELD. That is what I said. I think it is close.

General MYERS. Substantially correct.

Senator LEVIN. Thank you.

General MYERS. But incomplete.

Chairman WARNER. Thank you very much.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses for appearing again.

Mr. Secretary, what Senator Levin I think is trying to get to is part of your presentation. The normal budget cycle is 30 to 33 months and the supplemental is 9 months, and there are many of us that feel that the supplemental which is earmarked for combat operations in Iraq and Afghanistan has been expanded to a significant degree to other programs, such as the modules that Senator Levin just talked about, which in the view of many of us should be in the normal authorization process so that we can exercise our responsibilities of oversight. They are not privileges; they are responsibilities.

I can certainly see things from your point of view, where it would be a lot easier. But we are going to have to make a decision at some point in Congress as to exactly what should be included in supplementals and what should not.

Mr. Secretary, in this 136,000 estimate should we not be going to unit capabilities as we do with the U.S. military, as opposed to individuals? Is it not also true that in any of these units at any given time, there is 30, 40, or even as high as 50 percent of these units absent?

Secretary RUMSFELD. I agree, Senator, that the best way to look at it is unit capability, and the visibility that General Petraeus and

the people on the ground there have into these activities has been improving. But as these units are new, they do not have the kind of ministry strength to impose a readiness and a capability objective judgments on it that you or I would expect out of our forces.

Senator MCCAIN. I hope we can make that transition, because police have different criteria for their readiness from regular military, and that I think might be helpful. But is it not true about the absenteeism?

Secretary RUMSFELD. It is. It varies across the lot. You find a number of the people who get paid do not have—there is no banking system. They do not have a way to get money to their——

Senator MCCAIN. I understand that.

Secretary RUMSFELD. So the numbers——

Senator MCCAIN. The numbers I keep being told are 30 and 40 percent absenteeism at any one time.

General MYERS. Senator, I think—can we put the chart up with the numbers in it? Maybe you have them in front of you, Senator.

Senator MCCAIN. I have it in front of me.

General MYERS. For the Ministry of Defense, we feel the numbers that are portrayed are fairly accurate and account for those that are not present for duty.

Senator MCCAIN. I see.

General MYERS. But for the Ministry of Interior, as the chart says—I think it is the double asterisk, or the footnote—we are not as comfortable. That is because the Ministry of Defense is a little bit more mature in that process.

Senator MCCAIN. I understand.

General MYERS. So I am pretty confident in those numbers, but not in the police numbers.

Senator MCCAIN. I think unit capability would solve a lot of the problems in this back and forth about how many are trained and how many are not.

General MYERS. You are right.

Senator MCCAIN. That is why the American system is what it is.

Mr. Secretary, I think you had a very interesting appearance yesterday at the House Armed Services Committee. I would like to perhaps pursue again what I have been trying to get at, and that is the size and scope and numbers of the insurgents we are facing. I go back again to our responsibilities. I do not know how we as a committee can make a judgment as to what your requirements are to authorize these programs and the funding for them, if we are not informed as to the size and shape and nature of the enemy that we are facing.

Now, maybe numbers alone do not indicate that, and I would admit that probably some of them are part-time insurgents and some of them are full-time and all that. But really, in all seriousness, I think we are owed some kind of dimensions of the insurgents that we are facing. To just say that you have that information—you said, I have two intelligence documents in front of me—should the American people not also know the size and shape and nature of the enemy that we are facing, since it is their sons and daughters who are going to serve?

Secretary RUMSFELD. Senator, first let me agree with you completely that greater clarity as to what ought or ought not to be in

a supplemental I think is something that Congress and the OMB can work out, and I am happy to do it any way at all as long as the money is available in the way that is most efficient from the standpoint of the taxpayer.

On the insurgency question, one cannot help but agree with you. In a perfect world you would like very much to have a good grip on the numbers. You obviously have access to the classified different views that exist within the government, and they are all qualified by saying it is a moving target and it is difficult to pin down.

Since I did not do these, I cannot declassify them myself. But I can certainly ask the Intelligence Community to what extent they are willing to declassify the estimates as to the insurgency. I think the important thing, as you hinted at, is that the insurgents are first of all a moving target. They are not static. The numbers change. Second, they are made up of different elements—criminals, Baathists, the former regime elements, the Zarquawi network and jihadists. Even though the jihadists are the smallest portion of them, they appear to us to be the most lethal. They are the ones that are doing the most damage.

The recruiting base is fairly large if you think of criminals in that country and people who are available to be recruited. So how successful we are in reducing the money is a big part of how big the insurgency is.

So it is a dilemma. It would be nice to have a hard number. But my fear is that the number would change from week to week.

Senator MCCAIN. I would hope that you could give us and the American people at least a general outline of the size and magnitude of the challenge that we face, and without knowing that I think it is very difficult for us to make an assessment of needs.

Finally, Mr. Secretary, a couple of days ago there was a report that the team that reviewed contracts handled by convicted former Air Force official Darlene Druyun identified a systemic problem in the Service's purchasing procedures. I believe that is the case. We have seen additional contracts that are under review, contracts that were negotiated ostensibly for commercial purposes, such as a C–130J. Not one of those airplanes has been sold to a commercial enterprise.

I intend, working with all members of the committee, but especially Senator Lieberman and the chairman and the ranking member, to look at this whole issue of Air Force procurement. Actually it is not just Air Force procurement. I was interested and chagrined to see the CNO state that one of the big problems we have in shipbuilding is the 400 percent inflation rate in the cost of a ship. He expressed his great dismay, and I share that, that this inflationary aspect of the purchasing of our ships is terribly damaging.

So I think we have to look at the whole issue of procurement and how we are doing it, and I hope that I can count on your support as we look at this vital aspect of defending our Nation.

Secretary RUMSFELD. Thank you, Senator McCain. You certainly can count on the support of the Department. It is a matter that involves billions and billions of dollars, as you have successfully pointed out with respect to the tanker issue. The briefing I believe

you and the committee got did show eight new anomalies found in the Inspector General's (IG) review of other contracts relating to the matters that you mentioned and, needless to say, we will be pursuing them as well.

I would say one thing about the inflation in the Navy. If one thinks of a hospital bed in a hospital, one can go back 10 years and say it cost this amount, and then look at it today and say, well, it costs 6, 8, 10, 12 times that. But it is a different hospital bed. The quality of care 10 or 20 years ago was totally different than the quality of care today, even though we are still looking at a hospital bed.

The same thing is true, as you know as well as all of us, with the ships. These ships are increasingly expensive, but they are increasingly more capable.

Senator MCCAIN. But if we have four ships a year purchased, we are down over time to a 120-ship Navy, and I am not sure that can in any way meet our obligations and responsibilities.

Do you want to say something, General Myers?

General MYERS. Senator McCain, if I may I would like to talk about the insurgent numbers. We have had this discussion before and let me just give you my view of it. As you look at the intelligence estimates, they are wide ranges, I would say. We can show you those. I am not sure the insurgents know how many insurgents there are, because they do not have a central organization. They are networked. They are small cells.

So as you pick up insurgents and you debrief them and you find what they have in their rooms and on their computers, you do not find the wiring diagram because I do not think it exists, like we would exist. So it makes estimating very hard.

But there are some things we do know. We essentially know what their capability is, and I would characterize it—and this is in terms of insurgencies that we have seen in history—as limited. They have limited capacity. We have tracked the number of attacks per day, and what they can do is 50 to 60 attacks per day that they are able to conduct country-wide, with spikes. That seems to be their capacity.

We know in terms of the insurgency that they have lost or are badly losing the hearts and minds issue with the Iraqi people, and we know that and it is an important part when you are talking about insurgencies. I think the future looks bleak for them, and I will just—I talked to General Casey this morning on another matter, but he said: "The Iraqi people since elections are more confident in their security forces than they have ever been. More importantly, the Iraqi security forces are confident in their ability, because they performed very well during the election period and in times since."

He said the Sunni leadership that he talks, to and from talking to other Iraqis, they now understand they missed an opportunity that was very important to them to participate in the elections and so they are looking for ways to participate now in the political process. I think that all goes into those numbers. I think as Sunni leaders join the political environment and process that we will see a lot of those folks that are on the fence come off.

So that is why I think you see that wide range. Of the hardcore insurgents that have to be captured or killed—there are some hardcore that are going to have to be captured or killed—those numbers I think are a small percentage of the overall wide range we see.

Senator MCCAIN. Thank you very much.

Thank you, Mr. Chairman.

Chairman WARNER. Senator McCain, those are two very important points. I suggest as we begin the analysis of the insurgency that we bring into focus with greater clarity the criminal element. Saddam Hussein literally opened all his prisons and allowed these criminals to flow into society, and they are apparently bringing a lot of their wrath against the Iraqi police. More attention has to be placed on that.

With regard to your observations about the procurement, I thank you, Senator McCain, for your emphasis on that. Mr. Secretary, the committee is very anxious to do whatever we can to help the Department of the Air Force put behind it the problems they have had and go forth and regain its rightful place in the important overall role of our defense posture.

Senator Kennedy.

Senator KENNEDY. Thank you very much.

Thank you, Mr. Secretary, for mentioning in your opening statement the funding in here for the up-armored HMMWVs and the trucks. The third component is the jammers. I know that many in the private sector up at the Massachusetts Institute of Technology have been asked to work with the DOD to try to deal with these issues as well. When we get those jammers worked on through, they are a very important component of this.

We had here just a very short time ago Secretary Wolfowitz. He mentioned during his testimony that he has talked to some of our commanders in the area, and they believe that over the course of the next 6 months you will see whole areas of Iraq successfully handed over to the Iraqi Army and police. Before the election the administration repeatedly stated that 14 of the 18 provinces in Iraq are safe, and we heard a similar kind of sentiment yesterday, without getting into it, from Ambassador Negroponte.

In The Washington Post today, Colonel Ben Hodges, the senior operations officer for the 18th Airborne, said: "We will personally fail if by the end of the year we have not made enough progress to decrease the number of brigades required from this year's baseline 17 or about 135,000 troops."

Can you tell us what your estimate is of those 14 provinces, of how many are going to be turned over to the Iraqis and over what period of time, and how many Americans are in those provinces, and whether we should—what most Americans want to understand—whether those troops can be rotated back?

Secretary RUMSFELD. Senator Kennedy, I think the first thing that should be said is that there are 18 provinces. The military estimates that in 14 of those 18 the attacks per period are at a very low level, 4 or less, I think. In the other four, they are much higher, and that is where the bulk of the violence is. It should be pointed out, however, that the four constitute a large percentage of the total population, about 40 percent of the whole population. So I

would not want to leave the impression that, because only 4 of 14 have the major violence—one of them is Baghdad, for example.

Second, the goal is to turn over more and more of the responsibility to the Iraqi forces, but I could not even begin to estimate where we would be by the end of the year. I think that the circumstances on the ground, the progress towards establishing the transitional government, the progress towards drafting a new constitution, the progress towards electing a government under the new constitution late this year, all will play a role in whether or not the insurgency abates. In addition, the progress on the economic side makes a difference.

Our goal is clear. As the President said, we want to stay as long as we are needed and not one day longer. The work is going forward to give more and more responsibility to the Iraqi forces. But we are also simultaneously having to do more and more to help train them and strengthen them and their ministry.

Senator KENNEDY. The reason I ask it is because both from what Mr. Wolfowitz and—without getting into the details of it—Ambassador Negroponte said, it indicated that certain parts—obviously, in the north it is really a very normal kind of situation with very little security issues, and in other areas, they are importing cars and television sets, and 18 new hospitals being built. I am wondering about how many Americans are in those areas that are relatively secure. You have a training program now that you have talked about, and I would imagine that this would certainly be a place where you could replace Americans that are in those particular areas, and we ought to expect that.

Secretary RUMSFELD. If he was talking about the north, I suppose he meant the Kurdish area, and we have never had very many forces up there to start with.

Senator KENNEDY. But he talked about the other areas as well.

What I am getting at, and I guess I am going to move on, is that prior to the elections we were told that there were 4 very dangerous areas, 14 relatively secure, and as we have seen the flow line of training Iraqis they must be able to replace Americans in those different regions if there is increasing security like we have been hearing on one hand. If we are, I would just like to know whether those that are being replaced, whether we can expect them to be coming on back in 8 months, 12 months, 15 months, or 18 months.

But I gather that what you are telling us is we cannot project that at the time.

Secretary RUMSFELD. That is correct.

Senator KENNEDY. Let me ask you—and you addressed this, just briefly—about the supplemental again. They have the $560 million for military construction (MILCON); including permanent construction. The estimate by the military is that this is the permanent construction. You indicated in your statement that we are going to stay there until we get a job done, we are not going to stay there a day longer. But this is permanent construction. Obviously it sends a message to a certain percent, I think increasing, of the Iraqis who do believe that we are going to stay a longer period of time.

What can you tell us about permanent military bases in Iraq at the present time? What is the position of the administration? Are you planning permanent bases in Iraq now?

Secretary RUMSFELD. First of all, my understanding is there are no funds being requested for permanent facilities in Iraq.

Senator KENNEDY. There is construction. I do not want to get into it, but the permanent construction is of reinforced concrete. The concrete masonry unit barracks is all hardened construction. Those are permanent. This is on the DOD's own estimates, that these are permanent facilities.

Secretary RUMSFELD. I think I am correct in my statement that we are not asking for any funds for permanent facilities in Iraq. That is the first question.

Senator KENNEDY. Okay.

Secretary RUMSFELD. The second question is, do we have plans for permanent facilities in Iraq? No. There would not be even any discussion about a relationship between the United States and Iraq until they have a new constitution and until they have a new government, and even at that point I have no way of even surmising whether that subject would come up.

But I can assure you that we have no intention at the present time of putting permanent bases in Iraq.

Senator KENNEDY. Thank you. My time is up.

General MYERS. Senator Kennedy, if I could just tag on to the MILCON piece. I have worked with General John Abizaid on this piece particularly hard because MILCON in the supplemental—people say, what is this about? What it is about is enabling our operations both in Afghanistan and Iraq. Some of them may appear permanent because of the force protection requirements that go with some of this construction. When you talk about billets, we want to have a structure, if you come under indirect attack, mortar or rockets, where people are protected. But that is the only sense of permanency, that we have the ability to protect our folks. Once we are out of Iraq, those would presumably be turned over to Iraqis or others.

There are also some airfield improvements that, just by the nature of the improvements, will probably be permanent because that is what you have to do, in cargo-handling and fuel facilities and so forth. But where we can make them temporary, we will construct to temporary standards, and that is our goal.

Chairman WARNER. Thank you very much, Senator Kennedy.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Mr. Secretary, before you came on your watch 4 years ago, during the time of the 1990s, I was chairman of the Readiness and Management Support Subcommittee and I expressed many times my concern that some expenditures were going down, watching end strength, watching modernization, watching the real property maintenance (RPM) accounts—I do not think they call them that any more, but some of these accounts—money being taken away and used to buy ammunition, so that there was no longer any place where you could squeeze money out.

I asked you the question 4 years ago. I said, look at it in a macro sense. I am going to go from memory now, so you may correct me

of course if I am wrong. But I think you said at that time that if you go back for the last 100 years and you look at the percentage of gross domestic product (GDP) that is spent on defense in America, it represented about 5.7 percent of GDP, and I think you said that was even during times of peace, not times of war. We have watched it slowly deteriorate so that at the end of the 1990s it was down to 3.2 percent.

I said, where do you think it should be. You thought about it and said something in the neighborhood of 4.5 percent. Am I reasonably accurate in my memory?

Secretary RUMSFELD. That is pretty close. My recollection is when I came down to Washington 50 years ago or whenever it was, 45 years ago, the Government was spending about 10 percent of GDP. When I was Secretary of Defense 25 years ago, it was in the 4 to 6 range. When you and I were talking it was in the 3s, and it went down to 2.9 and it is now up to 3.3 percent in this budget.

Senator INHOFE. I guess the point I am getting at is I think when we look at these systems we are just not spending enough on defense. That is just one Senator saying that, but there are three areas of this budget that I am going to come back to if there is time where I disagree with the cuts. One is the reduction in the KC–130Js, one is in the termination of the C–130Js, and the third is in the reduction of the FA–22s.

The reason I say that is here we are looking at, General Myers, the Future Combat Systems (FCS) coming along and one of the key questions is are they really going to be transferable in C–130s. This is really necessary to have. Then I recall, of course, General Jumper in about 1997 coming in and saying that now our best strike vehicles, the F–15 and the F–16, are not as good as some that they are making in Russia, referring to the Su–30s that were being sold at that time to China.

So I do want to express to you my concern over these particular cuts. I think that they are wrong. I cannot say where you want to go to get the money to keep from having to do this, but maybe we need to be doing a better job from up here in giving that.

I want to get back to you to see what you think about the termination costs, because I have heard such a wide variety of what that might be, somewhere between $400 million and a billion dollars. Right now there are three systems being cut and some of the fixed costs are being spread across this. So I have some specific questions to come back to if the time allows.

But before I do that, let me just restate. Senator Ensign said something about going out to Walter Reed. Several of us on the last trip, we have made many trips to Iraq. We always stop by Lansduhl and without exception these kids all say the same thing: They want to go back to their units. So you have done a great job with these young people.

I felt very good about the fact that when I was there it was when we were able to show, and it is documented to my satisfaction, the 136,000—I do not like that one chart that you showed, that shows starting off the number of people there and so forth. To me the green line is the only important line.

Secretary RUMSFELD. True.

Senator INHOFE. That line represents trained and equipped Iraqis. I had no doubt in my mind as I looked at the charts and saw how many weeks they were trained that the 136,000 number is a real number. I also asked about the pipeline. They said there are 51,000 being trained right now. So we are talking about getting to the point of about 187,000 trained and equipped Iraqis, and our numbers are being dropped down from 150,000 to 135,000. I think it is very significant that the American people know that they are going to be—as of today, are in the process of outnumbering our troops that are over there.

Now, the last thing. This is a small thing, but we spent a lot of time with General Chiarelli and he convinced me that what we really need to do specifically in Baghdad is take care of some of these infrastructure needs. We are talking about the Commander's Emergency Response Program (CERP). I saw in this budget that it is cut down to about $300 million, when I believe it would take about $400 million in Baghdad alone to really finish the successful job that is being done right now, and that is in the area we saw raw sewage coming off the second floors and dropping on the kids down below. It is not an expensive thing to fix. His number would be $400 million.

So the request I have is the same request I made to the chiefs and that is to look very carefully at what General Chiarelli is talking about and give serious consideration to meeting those needs through the CERP.

Secretary RUMSFELD. Senator, thank you very much. You may very well be right on the C–130s. Information has come to us since the budget was put together that has caused us to go back to the drawing boards. In the event that the new information we have might change our approach, we would come back in for a budget amendment on that. I do not prefer to do that, but obviously if it makes sense we would certainly do that.

Second, with respect to the FA–22, we did not terminate that program. What we did was we said that in the QDR we need to take a very hard look at how we deal with air space. So what we did was we put the buy at 179 and leave open the question as to whether you are going to need one wing, one and a half wings, or two wings. It is a very expensive airplane, a quarter of a billion dollars, and we are going to be reviewing that and there will be all kinds of data and we will have a chance to look at the totality of air space and what the DOD needs to do.

One thing we are going to try to do in the coming weeks is exactly what you suggested. We are going to certainly use the train and equip number, but we are also going to try to develop, as somebody suggested, I think Senator McCain, an objective way of looking at the quality of the units. We are getting more experienced as to how they are performing, the Iraqi units, and we ought to be able to begin to do that in our weekly and monthly reports.

You are right on the CERP funds. The CERP funds—dollars are as good as bullets in many cases, and I am told the total dollars are quite high. It is $854 million, and we have gotten the Iraqis to chip in some money as well.

Senator INHOFE. General Myers, I think it was General Jumper the other day, and I am not sure if it was a hearing or where it

was, but he said in the C–130s, talking about the E models, that some 30 were in non-flying status, some 60, including some H models, were in restricted flying status. That is 90 of them. Does this bother you? I am talking about the C–130s and the FA–22s.

General MYERS. On the C–130s, the E model is the oldest model we have. I think a lot of them were built in the early 1960s. I flew into Baghdad last on I think it was a 1962 E model. The pilot said that the serial number just before that serial number and the serial number just after that serial number had already been retired to the boneyard because of these wingbox cracks, and they are concerned about that.

So the Air Force is now looking at how it can mitigate the impact of having some C–130s off the line or if they can be repaired. My understanding is—I am not the expert about this——

Senator INHOFE. Maybe you can elaborate for the record.

General MYERS. Yes.

[The information referred to follows:]

The Air Force is working to mitigate the impact of the center wing box challenge on the C–130 fleet. While the impact is most acute in the C–130E model—our oldest model of the C–130, the Air Force is assessing the extent of the center wing box problem in the C–130H model and the specialized C–130 models. This assessment will determine cost and time to repair or replace wing boxes in the affected aircraft. We have grounded 31 C–130s, another 57 are on restricted flight profiles, and 5 C–130Es that were previously grounded have been retired.

Headquarters Air Force, Air Mobility Command, and Air Force Materiel Command, in coordination with the Air Force Reserve Command, Air National Guard and Air Force Special Operations Command, are conducting a Business Case Analysis to determine the best long-term course of action (i.e. combinations of repair, procurement, and retirement to meet mission needs for all users). Further, there is no current production of C–130E/H center wing boxes and procurement could take up to 24 months. The Air Force recently submitted a request to Congress for $37.7 million for those components as part of the Air Force's Fiscal Year 2006 Unfunded Priority List.

The Department will continue to work with the Air Force to determine the best course of action to continue support to the warfighter while providing a safe platform for our aircrews to operate.

Senator INHOFE. Then of course on the question I have for the record, Mr. Secretary, if you could respond to the termination costs, because we hear such a wide variety.

[The information referred to follows:]

See response from previous QFR; Hearing: SASC, 10 Feb. 05; Fiscal Year 2006 Air Force Posture, General Jumper. REF# SS–03–003; Committee #3.

Question: Senator Inhofe—General Jumper, the week of January 30, I was in Iraq. I flew into Iraq from Jordan on a C–130 aircraft, an H-model. Now, I understand that there are currently C–130J models deployed to the theater. I am not at all surprised to hear the aircraft is meeting its operational mission requirements with a 95 percent capability rate. With regard to the C–130J, I don't understand why the Department of Defense and the U.S. Air Force have decided to cancel this system at this time. We are in the middle of a contract that was awarded as a multi-year in order to keep costs down. By terminating the multi-year contract early, I am told we will incur termination costs of at least $400 million to as much as $1 billion. Furthermore, with the U.S. Air Force canceling the C–130J, it increases the cost per unit for the Marine Corps' KC–130J as well as the Air Force's F/A–22 because the contractor spreads the overhead costs for manufacturing across the three aircraft systems. That may raise the real costs of termination beyond $1 billion. In past hearings we have heard from the Air Force that our military needed to increase its mobility assets, which led to the purchase of the C–130J. In fact, a Mobility Capability Study was commissioned in order to determine exactly just how short we were in strategic and tactical aircraft resources. I understand this study is due sometime in March 2005. Now, it seems to me that if this study is still in progress, that we are being shortsighted in canceling the C–130J before receiving

and analyzing the results of this study first. It is my fear that this study will show that we do indeed need more C–130Js. However, we will have not budgeted for any more and will have planned to shut down the production line. Furthermore, can you explain why the American taxpayer is better served to cancel the aircraft in the midst of the multi-year contract, if we do in fact need more C–130Js, not only incurring very expensive termination fees, but also bearing the costs associated with research and development (R&D) and acquisition for another mobility aircraft. This reminds me of the Crusader Program cancellation by the Department of Defense and U.S. Army. We did no analysis. We terminated the program at a point when we incurred huge costs. If we had waited a little longer we would have not incurred such costs. What's worse about this is that it affects the price of other programs that we will continue to buy and we have no analysis or data to show us the effects of these termination costs on other systems. We can't make decisions based on best business practices when no business in the world would make such a decision without a cost benefit analysis. I am concerned about the cost of the aging C–130 E and H models as we will continue to invest money in this fleet for modifications necessary to keep them flying with the structural enhancement and technological advancements necessary. It seems to me that if we were to do a comprehensive cost-benefits analysis, it may show that it is a better deal for the American people to continue with the purchase of the C–130J rather than trying to keep these older aircraft flying. It is also my understanding that the C–130J is solving some of the problems that the Army is having with regard to its systems. For example the C–130J allows the Army's Future Combat System (FCS) and Stryker to both be a little heavier and get more travel distance from each lift. I also am concerned about the precedent this sets for our relationships with defense contractors and suppliers. When DOD breaks a multi-year contract, think of the message this sends to these companies and to their employees. In future negotiations for multi-year contracts, contractors will include factors to protect their livelihoods. This could make future buys even more expense for the taxpayer. Can you please comment and explain what we are doing?

Answer: General Jumper—The fiscal year 2006 budget request focused on affordability while addressing future warfighting requirements in a changing world. The decision to terminate the C–130J program was a product of that prioritization. At the time the decision was made, budget constraints and priorities in other areas forced us to consider alternatives to the C–130J, such as extending the service life on our older model C–130s.

Since that time, however, additional information has come to light. Contract termination penalties appear to be higher than initially estimated and the Air Force's recently completed analysis indicating our legacy C–130 fleet is aging faster than originally predicted. Finally, the performance of the C–130Js in conducting their wartime mission while deployed to Iraq has exceeded expectations.

Consequently, we are reviewing the decision. As with all our major defense programs, we constantly reassess our requirements as the global security environment changes. The Mobility Capability Study and Quadrennial Defense Review, which will be completed later this year, will help guide our decision.

Secretary RUMSFELD. That is one of the things we are looking into and we will be back to you on it. Thank you.

Senator INHOFE. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Inhofe.

We have heard termination costs on that program is high, that it would buy half of the remaining buyout. So I think that is something we will have to address with you on that.

Secretary RUMSFELD. Good.

Chairman WARNER. Senator Lieberman.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Thanks very much to the witnesses for all they do for our country every day. Thanks for being here this morning.

The budget that we are discussing is slightly over $419 billion and if you add in the supplemental it takes us over $500 billion. So the statement Senator Inhofe made that we are not spending enough for defense probably surprised people. But I essentially want to agree with him and express a concern to you and ask your

response. In the understandable need to meet short-term needs—operations, maintenance, personnel—we are in this budget underinvesting in our future.

I look particularly at reductions in science and technology (S&T) and in procurement. Now, I understand the choice made, because we are in a war, a war on terror generally, a war in Iraq. But I worry that we are going to come to a point down the road where we are going to all ask ourselves why we did not fight harder to do better, to make some of the long-term investments that we need to transition, to continue to transition to a truly high-tech military, but also to meet peer competitors that are emerging and may threaten our security in the years ahead.

So I know that is not a popular thing to say, but I wanted to ask you to respond to it. It is almost like a business or a country that favors consumption over investment, or a business that meets short-term needs but does not invest in the future.

Secretary RUMSFELD. Senator, you are right, the $419 billion is a lot of money and the additional $75 billion out of the $80 billion that is in the supplemental for the DOD brings it very close to a half a trillion dollars. It is an enormous amount of money.

Senator LIEBERMAN. Right.

Secretary RUMSFELD. No matter what the amount of money available, there are always choices that have to be made. We have had to make choices. That is fair enough. We also have had to put a greater sense of urgency on efficiencies to try to save money and to find ways we can do better with less. But I do not think it would be fair to say that we have given the future the short shrift.

For example, just take housing for the military. We have tried to stay on a track so that we can be sure that all of the substandard housing will be gone by 2007. For years it has been an easy thing to shove it to the side and keep lengthening it out. But our recapitalization rate there was I think something like 99 years when I arrived in 2001 and it has to get down into the 40s and 50s.

Senator LIEBERMAN. I appreciate that greatly. Let me focus on a few reasons why I say this. In the budget, operations and maintenance goes up 8 percent. Of course, that is critically necessary. As I read the budget, investment is flat or declines in real terms. Let me explain what I mean. The base S&T spending as I read it declines 21 percent in this budget under what we are spending this year and falls way below the threshold set in the QDR in 2001.

Then some of my colleagues here have pointed to the shipbuilding budget being way down and not keeping us on track for the size Navy we want. You have dealt with the reduction, the proposed reduction in airlift. I am glad you are taking a look at that again.

But those are some of the kinds of concerns that I have that I hope the committee will address. I wonder if you or General Myers would speak about the S&T reduction. Given the growing emphasis and dependence on high tech for purposes such as network-centricity, precise weaponry, and direct energy applications, which you, Mr. Secretary, have been supportive of, and they are part of the transformation, I have to ask why S&T is being cut so seriously?

Secretary RUMSFELD. It has actually grown 33 percent or about $2 billion more than inflation over the past 4 years. It is up from about $7.8 billion in the fiscal year 2002 budget. I think my memory is correct that it is actually up this year in the budget from what we proposed last year. There were a number, I think, of congressional adds in areas that had not been in our budget submission.

Is that correct?

Ms. JONAS. That is correct, sir.

Secretary RUMSFELD. So the number looks like it is down, but it is not down from where we were projecting and where we believed it should be.

Senator LIEBERMAN. So you think it is enough?

Secretary RUMSFELD. In my position there is never enough. You always want more. But in terms of the choices that had to be made, I think increasing S&T over the 4-year period by 33 percent is not bad.

Senator LIEBERMAN. Let me come to another specific example and then address this one to you, General Myers. In your prepared statement you note that the combatant commanders and the Services continue to identify preferred munitions shortfalls as one of their areas of concern. Obviously, I am pleased that supplemental funding has boosted production of the laser-guided bombs (LGBs) and the Joint Direct Attack Munitions (JDAMs). But as you point out, we need to continue to fund long-term development of those types of weapons.

Yet in this budget we see the Joint Common Missile Program and the Wing Corrected Munitions Dispenser Extended Range Program being terminated in the Navy request and funding for JDAMs and LGBs declining under the program number. So are we not there underfunding investment in something desperately needed and valuably used these days?

General MYERS. Senator Lieberman, it is absolutely correct that we need to fund the right munitions, and we have been very fortunate, thanks to Congress, to be able to plus up the two accounts you mentioned, the LGB and the JDAM. We appreciate that.

On the Joint Common Missile, the issue is there we had a program that was having trouble in terms of cost and schedule. It got to the point where it was decided maybe we need to start again at this. In the meantime, we had missiles that it was going to replace—the Hellfire missile for our helicopters, the Maverick missile for some of our fixed wing aircraft and P–3s—our inventories of those are something like 20,000 and 15,000 roughly. So we have the capability today. The Joint Common Missile was going to try to take technology to the next leap and they decided to take a step back since it was performing badly.

On the Wing Corrected Munitions Dispenser, we do have the Wing Corrected Munitions Dispenser. We do not have the long-range version; that is what was impacted here. I think that is something we ought to look at in the QDR and see how it fits in our overall concept of operations. I do not know that it is a concern right now, but it absolutely could be.

Other than that, I think I am pretty satisfied with the level of our munitions now. Having them distributed in the right places

and all, that is something we work daily. But we have really increased our inventories over the last couple of years and we are continuing to reduce that gap between our requirements and the inventory.

Senator LIEBERMAN. I thank you. My time is up. I would just say very briefly that I think this question of long-term investment has to be a priority for us. I hope and trust it will be for the coming QDR. One way to deal with this is to produce, as Admiral Clark said, more ships that cost less money to meet the need, in other words a different way to achieve efficiencies. The same is true throughout the Department.

I think you heard Senator McCain indicate that in the Airland Subcommittee he and I hope to focus on helping the Department do that as well.

Thanks, Mr. Chairman.

General MYERS. Let me add one more thought, Senator Lieberman. As you look at procurement budgets, also look at the supplemental, because there are several billions of dollars in the supplemental that will help recapitalize some of our capabilities. I am thinking about helicopters and I am thinking about vehicles primarily. If you add that total to our procurement budget, then you get a stronger read on that.

Senator LIEBERMAN. I have noticed. Thank you.

Chairman WARNER. Thank you very much.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Mr. Secretary, you have had a distinguished career in both the public and private sectors and I am sure that you have witnessed firsthand the benefits of a competitive marketplace. In recent years we have seen a substantial shrinking of our defense industrial base. In many cases this has been the result of mergers and acquisitions.

But low production rates also threaten the industrial base. Five years ago, Under Secretary of Defense Gansler warned, "Today there exist two or three major firms in each critical area of defense needs. However, with the potential to go even below that number in the future, we are in danger of losing our greatest weapon in containing costs and ensuring rapid innovation, namely competition."

Are you concerned about the potential impact of low production rates on our industrial base and thus the ability of the Department to benchmark the performance, productivity, and cost effectiveness of its contractors?

Secretary RUMSFELD. Senator Collins, there is no doubt but that competition is healthy and creates an environment that produces the best product at the best price, and it is a good thing. To the extent that the industrial base in various areas shrinks for whatever reason, through mergers, as you point out, or through the dramatically reduced demand for those services or those capabilities, you can reach a point where you have damaged our country's ability.

Those are tough calls and they are difficult to make, and it seems to me that, as I recall, Admiral Clark and you discussed

some of this during their presentation here. I know Secretary England has as well. It is something the Department worries about.

Senator COLLINS. Mr. Secretary, I have been struck recently by the number of experts, including the CIA Director yesterday, who have sounded the alarm about China's modernization of its navy. I talked earlier in the week to a defense expert who had just returned from China and was extremely concerned about China's buildup of its naval forces. By 2010, China's submarine force is expected to be nearly double the size of our submarine fleet. Some experts project that the Chinese naval fleet overall will actually surpass the size of the American fleet by 2015. That is only a decade from now.

In a report that you submitted to Congress in fiscal year 2004 about China's military power, you stated that shifts in China's strategic focus have prompted a shift from a once static coastal defense force to the development of a navy more capable of open ocean operations. You go on to say that Beijing is seeking to build a balanced naval force. The report details how China is improving its naval forces to increase its force projection capabilities.

Now, I recognize that our naval fleet still remains the most technologically advanced in the world. But the decreasing number of ships being procured, particularly in the light of the Chinese buildup, really concerns me. You said it well previously when you said, "Capability is important to be sure, but numbers also matter because of presence."

What is your perspective on the dramatic buildup of the Chinese military capacity, particularly its navy, and are you concerned about projections that the Chinese fleet may well surpass the American fleet in terms of numbers in just a decade's time?

Secretary RUMSFELD. Senator, it is an issue that the Department thinks about and is concerned about and is attentive to. The People's Republic of China is a sizable nation. Their economy is growing at a good clip. Their defense budgets have been growing, sometimes in double digits, although it is hard to know precisely what they include and what they do not include in their defense budget. We do not have a great deal of visibility into that, but their budgets are growing significantly in defense things.

They are purchasing a great deal of relatively modern equipment from Russia. As you point out, they have been expanding their navy and expanding the distances from the People's Republic of China that their navy ventures. The United States Navy, as you indicated, is the only navy on the face of the Earth that is a true blue water navy. On the other hand, trend lines, when one looks at trend lines, it is something that we have to think about.

The People's Republic of China is a country that we hope and pray enters the civilized world in an orderly way without the grinding of gears, and that they become a constructive force in that part of the world and a player in the global environment that is constructive. We do not know how they are going to shake out. They have competing pressures between the desire to grow, which takes a free economy as opposed to a command economy, and their dictatorial system, which is not a free system. There is a tension there, and I do not know how it will come out, but I quite agree with you that we need to be attentive to it.

Senator COLLINS. Thank you.

Chairman WARNER. Thank you very much, Senator.

Senator Reed.

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

Thank you, Mr. Secretary and General Myers. Mr. Secretary, it has been reported that you and Director Goss have concluded agreements about the allocation of responsibilities for paramilitary operations between the CIA and the DOD. Will you share that information with us, presumably in a classified format, as quickly as possible?

Secretary RUMSFELD. Senator, needless to say, when that has been achieved we will share it with you. I have not even seen it at this stage. I know Director Goss has seen it and it is moving towards me, but it has not arrived yet. I undoubtedly will take some time to think it through. I think it is an enormously important question and we certainly want to do it right.

The 9/11 Commission made recommendations and I hope to be getting to that some time in the week or 2 ahead.

Senator REED. We appreciate your commitment to give it to us at the earliest opportunity.

Let me touch on another issue between the DOD and CIA. When General Curran was tasked to investigate the allegations at Abu Ghraib and especially with respect to higher ranking officers, he essentially reported to us that he was denied access to the CIA, denied relevant information and testimony. At last check I was under the assumption that now that the DOD IG was conducting some type of investigation or trying to determine or, I would suggest, get the testimony or information from the CIA. Where are we on that, Mr. Secretary?

Secretary RUMSFELD. My recollection is the same as yours with respect to Curran. I am not current on it. The expert is sitting behind me. I would be glad to get a whisper in the ear.

Senator REED. Quite all right, that is fair. This is your lifeline. You have a lifeline call. [Laughter.]

Secretary RUMSFELD. I missed it.

Senator REED. No, not that relevant.

Secretary RUMSFELD. Apparently the CIA IG is conducting his own investigation into that and that is where that activity stands.

Senator REED. We all recognize the importance of reaching some type of resolution, particularly because of the consequences of the activities, and also the individuals involved whose reputations and whose careers are on hold as a result of that.

Secretary RUMSFELD. Absolutely.

Senator REED. I would urge you to move rapidly to resolve that.

General Myers, I believe you reported yesterday that five out of six Reserve components have failed to make their recruiting goals. I know there are some explanations for that, obviously, but that is not a very good sign for the vitality of the Reserves. My recollection as I go about and talk to Reserve components is that there are other problems in addition to difficulties recruiting. There are retention issues, manning issues with respect to units. There are also I believe some equipment issues because we have taken equipment overseas, left it there, brought troops back without equipment.

The long and the short of it is from a readiness posture are these units C–1 or are they C–3 based on personnel and equipment? Is it a mixed bag? Ultimately, are we in a situation where we are hollowing out the Reserve Force?

General MYERS. Senator Reed, I do not think we are in a position at this point where we are hollowing out the Reserve Force in terms of recruiting and retention. The component we are worried about—and you know this well—is the Army Reserve component, both the Army National Guard and the Army Reserve. But we have taken steps to try to mitigate that. Part of it is because retention in the active Army is high because they want to expand the Army, so they are retaining more, and so the pool of personnel that might come into the Reserve Forces is less. So that creates extra demands on the Reserve component.

The other Reserve components I think will be okay. In fact, as I said yesterday, while we ought to be concerned about this, this is not a time to panic at this point. We need to keep watching it, and with Dr. Chu, the Joint Chiefs of Staff, the Army personnel folks and recruiting folks, we are going to watch this very carefully, because the last thing we need to do is wind up with a hollow force.

In terms of equipment, we have to go back to the last decade, when our Reserve components—and again I would say particularly in the United States Army—were in what you might call a tiered readiness status, and the notion was that we would use them during World War III and they would have up to 9 months or longer to be called up and then be properly equipped and so forth.

That notion does not fit today's environment. So indeed, as we send Reserve units forward we often have to robust them with people and equipment. Some of that equipment is left forward for I think very good operational and logistical reasons. It does create a shortage back here, and we know we have shortages we have to fill. The supplemental will be crucial to that. There will be a lag time, so there will be time when units are below the desired levels of readiness.

It also impacts I think the training of Reserve units that are going forward. I got a question yesterday from a House Member that I have to track down on a specific unit, because what we vow to the American public and to our soldiers, sailors, airmen, and marines is that they are going to train with the equipment they are going to use in country. So we will search that as well.

Senator REED. General, I think that is a very fair and sober assessment of where we are. I think it dovetails into your reported comments yesterday that it is hampering our flexibility to deal with another major challenge, be it Iran or North Korea. I would assume you would reaffirm that assessment today.

General MYERS. Certainly I will stand by what I said yesterday. But let there be no doubt that the United States military is fully capable of executing the strategy that we have been given and the task we have been given, wherever events occur in the world, and we can do that. So there should be no doubt in anybody's mind. We do have, as we always have, issues that we are dealing with, and we just talked about one of them.

Senator REED. Mr. Chairman, my time has expired, but I would note that at the last hearing with Secretary Wolfowitz you made

a request that General Luck's report be provided to us or General Luck be made available to us.

Chairman WARNER. I have taken that up with the Secretary, and he has indicated that when the review is completed it would be available to the committee.

Senator REED. I thank you.

Secretary RUMSFELD. If I may comment, I do not want there to be a misunderstanding. General Luck had a team of people. He went out and did the third or fourth assessment in Iraq. He came back and reported orally to General Casey, General Abizaid, and me. That information is being used by General Casey to fashion his recommendation to General Abizaid, General Myers, and me. That has not happened.

I would think that, rather than getting the piece from Luck—there is not a written report. It would be preferable to have us brief you at that point where General Myers, General Pace, and General Abizaid have come to some conclusions about the proposals that General Casey, the commander on the ground in Iraq, will make, in part based on General Luck's assessment team. I would think that would be of more interest. I have not gone to the President with it yet, so it is not as though there is something you do not have.

Senator REED. Mr. Chairman, if I may. I note on the chart you had about the Iraqi security forces reporting that there were critical assessments. One was General Eikenberry, and I tried very diligently to get his report or his assessment, verbally or otherwise, and it was denied. Several months after that we chose a new metric, which is instead of on-duty, trained forces, and the numbers went down in terms of Iraqi security forces.

Then there was a Multi-National Security Transition Command (MNSTC) assessment which I was aware of and then weeks after that the new metric was used and the numbers went down. Now we have General Luck reporting and I would suspect the chart will be repetitive, that there will be a new metric, capability, and the number will go down in terms of Iraqi security forces that we think is a solid number.

My point is I think to help us understand these numbers and these charts that you present it would be very useful to talk to General Luck. I understand you certainly want to vet and evaluate and present to the President. But at some point it helps us to understand these numbers, and I know we have been arguing back and forth for months now about these numbers. I just make that point.

Secretary RUMSFELD. I do not think we have been arguing about them. I think they are what they are. They come from the field. They are not developed in the Pentagon. They come from General Petraeus in this case. It may be a better way to do it, Mr. Chairman, to have a hearing or a meeting, however you wanted to do it, formally or informally, on this subject and get several people, when General Casey is back.

I look to General Casey and General Abizaid, rather than for example the people who are on the assessment team, for my advice.

Chairman WARNER. I think that we can bring this to a satisfactory resolution. This is what I anticipated we would do, Mr. Sec-

retary. At such time as the recommendations of General Luck have been distilled by General Abizaid, General Casey, and then again by yourself, and at such time as you have had the opportunity to talk with the Commander in Chief, I am quite certain that we can work out an appropriate forum in which that information can be shared with the committee. So we will do it on that basis.

Secretary RUMSFELD. Fair enough. Mr. Chairman, General Myers just whispered to me that he thinks that process, from Luck to Casey to Abizaid to General Myers and the Joint Chiefs, who look at these things, to me, ought to be in 3 or 4 weeks, and in some time frame like that we ought to be able to come.

Chairman WARNER. Thank you, General Myers.

Secretary RUMSFELD. I hate to give times.

Senator LEVIN. If the Senator would yield, just to clarify that last point. At that time will the Luck comments and recommendations also be made available, so we would see what you began with up the chain?

Secretary RUMSFELD. I am sure that General Casey would be happy to provide you the oral comments that General Luck's team came up with.

Chairman WARNER. I think we might invite the General himself to come up and speak with us.

General MYERS. Just to clarify the timing, we talked to General Casey about this issue today, as he comes forward with his recommendations, and part of it has to do with how quickly this transitional Iraqi Government is formed. So that is the pacing item. We said 3 to 4 weeks. It might be a little bit longer than that, but that has to be worked with them as well. I think that it will all come together in a way that would then I think be appropriate for your——

Secretary RUMSFELD. These are Iraqi forces we are talking about, and the Iraqi Government, of course, is going to make the judgments on budgets and numbers. While we have generally had broad agreement, it takes time to work it out, particularly when they are in a hiatus and do not have their new government picked.

Chairman WARNER. I am confident we can resolve this.

Senator Dole.

Senator DOLE. Secretary Rumsfeld, for many years we have used foreign military assistance to enable our allies to defend their homelands from external threats. But obviously, as you have stated, a serious problem today is the internal threat posed by extremist elements that are capable of conducting catastrophic attacks. Building up the capabilities of our partners in the war on terror, especially for internal defense, is critical, and we need to work with our partners to reduce ungoverned spaces.

Do you have all the tools needed to do this? Do you have the authorities that you need?

Secretary RUMSFELD. Senator Dole, we have proposals before Congress—a portion of them are in the DOD area, a portion are in the Department of State—where the goal is to improve the funding and the authority so that the appropriate departments as the case may be are able to work more closely with our friends and allies around the world, and so that they can be assisted in helping to carry a heavier portion of the burden than before.

You mentioned these programs and you are quite right, we have done this type of thing for many decades. The problem is they tend to be planned over a 3-year period, and in the nature of the world we are in today things move so rapidly that after the September 11 attack we did not have any authority or any money to do anything with respect, for example, to the Afghan security forces, and we needed it. We had to go around tin-cupping and time was wasted. Six, 8, 10, 12 months was wasted.

The same thing with Pakistan. We had an awkward situation there where they were assisting us so that we could do what we needed to do in Afghanistan. We were expending their money and we were not able to work with them because the funds and the authorities were in the Department of State and that had been programmed out for years in advance. Then it gets divided up in some formula and it is all used up, and there was no way to do it.

So I hope that we were wise enough to ask for what we ultimately will need, and it is hard for all of us to look around corners, and I hope that Congress will be supportive of both the Department of State and the DOD request.

Senator DOLE. Thank you.

While I realize the Army is shouldering most of the burden in both Iraq and Afghanistan, I am encouraged to see that other Services are providing personnel to assist in convoys and in the prison camps. Since late last year, General Jumper expressed concern about the reluctance to fully utilize all assets, such as C–130s, to move supplies throughout Iraq. I am glad to hear, General Myers, you mention the expansion of air support for convoys. Are there other areas you could point to for expanding the utilization of our joint capabilities?

General MYERS. Senator Dole, we have looked at that very closely. One of the best processes I have seen is when the Joint Chiefs of Staff sit down and try to address one of these problems, and everything comes up on the table. Nothing is sacrosanct. I think the Air Force and the Navy have looked very hard at how they can pull out capabilities and then provide them to the Army or the Marine Corps, who are bearing the brunt of the efforts in both Afghanistan and Iraq.

You mentioned the truck drivers. You mentioned the airlift. There are efforts that I think have to go on in terms of intelligence, surveillance, and reconnaissance. I think our surveillance capabilities could be enhanced, particularly in Iraq, maybe with not more numbers, but with better concepts. So the Services are working very closely together to try to make that happen. All the Services have their own surveillance assets, and we are trying to come up with a concept that would make those more efficient.

As we go into other areas, in the support areas it is almost unlimited in terms of the sorts of opportunities we have. We will continue to look for those so we can reduce the burden on the United States Army and the United States Marine Corps with the other Services.

Secretary RUMSFELD. MPs, they have been helpful.

General MYERS. They have provided MPs.

Secretary RUMSFELD. Medical, force protection, drivers, as you pointed out.

General MYERS. Legal, chaplains. I mean, all the support disciplines, they look for ways to help.

Senator DOLE. As we saw on January 30, when Iraqis stepped up to the plate and actively take part in their own future the result is success. General Myers, both you and Secretary Rumsfeld have stated many times that Iraqi self-reliance is the key to that country's stable future and an important factor in getting our troops home. Other than security forces, could you go into a little more detail on how this budget and supplemental request facilitate the political and economic aspects needed to make OIF a success?

General MYERS. I would mention of course the United States, through Congress, has been very generous in terms of the reconstruction funds that were approved last year. Some portion have been expended. Other portions have been obligated and still others are available. Those funds will be playing out over the period ahead.

Second, there are funds in here, as I mentioned, for training and equipping the Iraqi security forces, which is terribly important.

On the political side, not much. We kind of have stayed away from that in the DOD. That is the Iraqis' to worry about and to think through, and they are doing a pretty darn good job. They showed an awful lot of courage on election day. Now they are engaged in the typical political discussion and horse-trading and trying to work out who should do what and what the ministries should be, and I think it is generally pretty healthy.

I am trying to think if there is something I have neglected.

General MYERS. I think the CERP funds, which you mentioned earlier.

Secretary RUMSFELD. The CERP funds, yes.

General MYERS. Those CERP funds are certainly an important part. But Senator, it is an extremely important part. Normally when people think of security they think of U.S. Armed Forces, our coalition partners, and Iraqi forces, and as you pointed out it is much more than that. You have to have good governance. You have to have the rule of law. You have to have a court system established. You have to have a prison system run by Iraqis that is up and running and can hold the number of detainees that we have, and so forth, and a court system that has the throughput to get people to trial and judged.

So I think there are probably pieces of this budget that support all of that. But, as the Secretary said, I think he mentioned the major portions of it.

Senator DOLE. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator Dole.

Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

I think that the hearing this morning is somewhat instructive. There is no specific money for Iraq and Afghanistan in the budget, but most of the questions are about Iraq and Afghanistan. I think that it is difficult to cover all of the important issues that are in this budget. But let me just go to two other areas.

Secretary Rumsfeld, the last time there was a successful intercept test of the National Missile Defense System was October 2002

and that was using immature surrogate components in a highly choreographed and unrealistic test. Now, President Bush decided in December 2002 to begin fielding the system by the end of 2004, before any operational tests were planned or conducted. Since the President's decision there have only been failed intercept flight tests of the system and the new interceptor has not even left the silo during the tests.

It seems to me that before we commit to buying dozens of these interceptors it would be important to have some operationally realistic tests that can demonstrate whether the system will work effectively. Would you agree that realistic operational tests could give us confidence in whether the system works effectively and that if the system does not work effectively we should not be spending billions of dollars on it?

Secretary RUMSFELD. Senator Clinton, we reduced the missile defense program budget from what we had projected last year, I believe from $8.8 billion down to $7.8 billion. The program has been generally successful. It is of course a complicated, forward-looking technology program that, as with any program of that nature, is going to have to proceed along and have some successes and some failures.

The last two failures have clearly thus far inhibited us from conducting a system test for all its capabilities. But we are in the early stage of engineering this complex and unprecedented capability. The failure did not, according to the people in the activity, undermine their confidence in the technology or the ability to integrate the geographically dispersed elements of the components.

We remain committed to produce and deploy a missile defense capability and the program director has assured us that the key aspects of the program are on track. Each time there is a success you learn something. Each time there is a failure, obviously, we learn something as well. The failures in this instance were not systemic in any way.

Dick, do you want to comment on it? You have been in this business.

General MYERS. The specific failure in this case was not due to the missile itself, but due to the hardware that had to get out of the way so the missile could launch out of the silo. There was a microswitch that did not close when the hardware came up as part of the silo mechanism, and that will have to be corrected. But as the Secretary said, they do not think that is systemic.

Senator CLINTON. But General, I know that the decision was made by the President to deploy, to begin fielding the system by the end of 2004. So is basically the position of the administration that we are deploying regardless of whether we have any successful tests, for whatever reason, whether it was computer errors in getting the silo open or other, more serious errors? We are still committed to deploying a system that has not proven it can work?

As I understand the theory behind that, just by deploying a system it serves a deterrent value. It strikes me a little odd that we would deploy a system that has not succeeded and expect that to serve a deterrent value. So I do not understand the sequencing of this.

Secretary RUMSFELD. I agree with that point, that there is no deterrent if something is known to not work.

Senator CLINTON. Yes, I think that is right.

Secretary RUMSFELD. That is fair enough. I think the word "deploying" needs to be calibrated. What is being done here is not a pure test and not a pure deployment, but deploying the pieces of the capability that will evolve into an early missile defense capability. The way to do that, according to the people who are working on this—and I agree and subscribe to the concept—is to get it in the ground in a modest way, work the problems, keep testing, and as that capability evolves you will begin to have the early stages of a missile defense capability.

If you did not do anything until you could do everything, you probably would not do anything. This is the way airplanes evolved. It is the way most—certainly the way satellite systems evolved. It seems to me that they are proceeding on a measured—not a hell bent for leather approach, but a measured approach to a complicated problem, which frankly, given what we read about Iran and what we read about North Korea, ought to be reassuring to us that we are doing what we are doing and that we are at least on track to have that capability in the period ahead, assuming we can continue to work out the kinks and the difficulties.

Senator CLINTON. Mr. Secretary, it appears, at least to me, and maybe some others, that our policy toward trying to create an operational missile defense system has heavily influenced our policy toward North Korea, and that we are now at a point where the North Koreans are claiming that they have reprocessed the 8,000 fuel rods that have been frozen from 1994 to 2003, which means that over the last 4 years they have potentially produced up to 6 more nuclear weapons on top of the 1 to 2 devices that the Intelligence Community assume they had. In addition, they have restarted their reactor and continue to produce plutonium.

The reason I raise that is, it struck me from the very beginning of this administration that the commitment to missile defense colored the approach toward North Korea, and now to a lesser degree Iran. So I think it is important that we have an idea of exactly what the DOD's intelligence estimate is regarding the number of nuclear devices or weapons North Korea currently possesses.

I know my time is up, but could you also elaborate on whether the DOD believes the 8,000 plutonium fuel rods have been reprocessed and how solid our intelligence really is about North Korea's nuclear capabilities and intentions?

Secretary RUMSFELD. Senator, it never crossed my mind that our missile defense program affected the policy towards North Korea. I have never seen any manifestation of that in National Security Council meetings or principals meetings or discussions that I have had. North Korea—the track we are on with North Korea is very similar to the track that the U.S. Government has been on for some time. It has been a diplomatic track, an attempt to work out with them some arrangements whereby their behavior would be appropriate instead of inappropriate for that part of the world.

Second, you asked about a DOD estimate on North Korea's capabilities. We rely on the Intelligence Community broadly for intelligence assessments, and there is a lot that the rest of the world

does not know about what their capabilities are. They do a great deal of what they do underground. They are not uniformly straightforward in their public pronouncements. It is hard to know if you should believe what they say. At least it is hard for me to know.

I have seen a variety of estimates and I am sure we would be happy to make available to you the Intelligence Community's assessments as to what is going on there. But I do not know what else I could add in this meeting.

Senator CLINTON. Thank you.

Chairman WARNER. Senator Clinton, Mr. Secretary, that was a very important exchange to have in this record, and I thank you, Senator, for bringing that subject up.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Secretary Rumsfeld, General Myers, I appreciate the opportunity to hear your testimony today regarding our overall military posture, program requirements, and force structuring plans. I want to specifically congratulate the Department and the Services for the outstanding job that you all did in Iraq during the recent elections. I just returned from Iraq from a trip with Senator Inhofe and had the opportunity to talk, not only with the commanders in the theater, but the Iraqi citizens, common people who defied the threats and the intimidation of those who would deny them their freedom and the opportunity to vote. They came out to vote and as a result in my view changed their destiny forever.

It was clear that, despite the difficulties that we faced in Iraq and will undoubtedly still have to face for some time to come, that we are turning a corner there. I believe that a free democratic Iraq is quickly becoming an inevitable fact and that now more than ever we need to stay the course there.

So I appreciate the fine work that our troops and our commanders in the region are doing and that the Department has done in terms of carrying out and executing a very successful election there.

As you all know, I have some interests and concerns with respect to certain weapons platforms, in my State the B–1 bomber. I direct this question to General Myers: What is the status of the research and planning for the next generation bomber? I am told there is a report that will be out shortly, and then more specifically when is that next generation bomber planned to be operational and replace the current inventories of B–1 and/or B–52 aircraft?

General MYERS. Senator, my understanding is the Air Force is working basically a three-phased strategy. One is certainly the long-range strike capabilities needed in the far-term. That is work that would incorporate technologies like hypersonics, directed energy, some of those issues. That is the long-term effort.

In the near-term, we have the bomber fleet that we have and that will need to be continually upgraded and modernized so it can stay up with its demands.

In the mid-term, we need to improve that fleet or perhaps look for mid-term alternatives that might fill the gap between near-term and that long-term, 2035, capability, and that would include systems that are capable of dealing with anti-access threats and so forth, so we can do the job.

So it is those phases. There are studies ongoing. There is work between the Department and the Institute for Defense Analysis that is looking at some of those studies. It has been an ongoing process now I think for several years, trying to figure out how we can get from where we are with our capability that you talked about to where we need to go. It will be an ongoing process.

Senator THUNE. Do you have any sort of a time line, though, for when the current inventories of the B–1—and again, I have, as I said, a very specific interest in that bomber—but when that sort of phase-up and phase-down would start to occur with respect to some of those current inventories?

General MYERS. The Air Force would have that. I do not have that, and we can get that to you for the record.

[The information referred to follows:]

The Air Force's Combat Air Force 2025 Flight Plan shows no force structure changes to the B–1 except for projected attrition. B–1 structural service life is forecast to remain serviceable to 2043, well beyond the current planning horizon. The Air Force is pursuing next-generation long-range strike technologies with a strategy to explore a new mid-term long-range strike capability in 2015–2020 and a transformational long-range strike capability in the 2035 and beyond timeframe. The Air Force will continue to assess its heavy bomber inventory, as next-generation long-range strike capabilities are fielded.

Maintaining B–1 relevance to 2025 and beyond requires immediate sustainment and modernization efforts. The fiscal year 2006 USAF budget contains multiple B–1 programs addressing sustainment issues to ensure future reliability and maintainability. Modernization plans include Advanced Targeting Pods, Joint Air-to-Surface Stand-off Missile—Extended Range and other new capabilities that keep the B–1 at the leading edge of weapons technology.

Senator THUNE. I would appreciate that very much.

Mr. Secretary, I was asked the question, is the Department looking at the development of an airborne anti-ballistic laser platform as part of a future integrated ballistic missile defense system?

Secretary RUMSFELD. We have had an airborne laser project underway for some time.

Senator THUNE. Any update on the status of that?

Secretary RUMSFELD. I think some money was taken out, was it not?

General MYERS. No, I think it is on the track it was on. It is still being managed by the Missile Defense Agency, I believe, and still moving along.

Chairman WARNER. I think much of that information is classified and we will facilitate your getting an updated briefing on it, Senator.

Senator THUNE. That would be great.

General MYERS. My last position report on it was that they were in the final stages of integrating the laser capability into the aircraft and were experiencing some difficulties, but they thought they could overcome them, and then the next will be, of course, testing.

Senator THUNE. I thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Good afternoon. General Myers, I have three specific questions for you. With regard to strategic risk, the Navy appears to have reluctantly agreed to reduce the carrier fleet from 12 to 11 to satisfy a Department late-breaking budget reduction demand. I say that

because last week the CNO testified to us that when it left his office in August that he was recommending 12 carriers.

So, given the pace and scope of the operations around the world and the strategic uncertainty that we find ourselves in, give me your professional military judgment? Is it strategically prudent to reduce the Nation's aircraft carrier capability at this time?

General MYERS. Senator Nelson, I think I rely heavily on the Navy analysis in this case, but also looking strategically, as we are required to do as the Joint Chiefs of Staff. If we look at the capability we have with today's force compared to the force just 5 years ago, based in large measure to the increased funding for supplies, spares, and other parts, we have a much more capable fleet. We can sortie more carrier battle groups than we could just 3 or 4 years ago. In fact, today we can sortie six and then in a matter of time sortie two more, and we demonstrated that last summer.

If we delete the one carrier, as recommended by the CNO and the Secretary of the Navy, we get down to the capability to sortie five at any one time, to surge to five at any one time very quickly, with two more that follow in a couple of months. I think that capability is sufficient, frankly, to meet our needs today.

Senator BILL NELSON. Eleven carriers?

General MYERS. Yes, sir.

Senator BILL NELSON. All right. Last week the CNO testified to this committee in his professional judgment that the U.S. and the Navy needs two east coast carrier bases to mitigate the strategic risks of overconcentration of our carriers in a single port. General Myers, will you support the CNO in this assessment and will you help the Navy with the resources necessary to ensure that the Nation then would have two nuclear carrier ports on the east coast as soon as possible?

General MYERS. Senator, a couple of caveats. One is I have not seen the Navy analysis to this point, and I think that would be a subject that deserves analysis. Two, there are probably BRAC issues that are related to it that would have to play out in that process. So I think those two things probably go together.

Senator BILL NELSON. For your edification, the CNO was very clear in his testimony to this committee that he did not think it wise that if one of the 12 carriers is shut down, which causes it to be shut down in one of the ports, namely Mayport at Jacksonville, Florida, that that would leave all the rest of the carriers homeported in one port; and he felt that you need to spread out your assets.

Chairman WARNER. I think you are referring to the east coast.

Senator BILL NELSON. East coast.

Chairman WARNER. There are west coast ports in several places.

General MYERS. I understand. I am familiar with Admiral Clark's testimony on that point. All I am saying is that I have not seen the analysis that he used to come to that conclusion. I would like to see that and it could be a matter for the BRAC Commission, which is not appropriate to be talked about here.

Senator BILL NELSON. Okay. Let me just conclude by asking you this specific question. The law of the U.S. Code requires the Chairman of the Joint Chiefs to submit to Congress a risk assessment each year. That is forwarded on to the Secretary of Defense and

then under the law that is to be sent to us, Congress, with the annual defense budget request.

We have not received that. From a military perspective, risk assessment obviously is a continuous process. The fact that we have not received this risk assessment is the question, because Congress depends on getting the professional judgment of our military leaders, even as Chairman Warner asked at your nomination hearing, when it does not agree with the civilian leaders.

So my question is, why has your military risk assessment not cleared the Pentagon and arrived here at the Hill, as required?

General MYERS. We prepared one last year. It was late. It was due in February. We finished it in May, partly because attached to that was the request for the National Military Strategy that the risk assessment was to be based upon. That has been with the Secretary's people and I think the National Military Strategy is projected to be released here very soon, and that was last year's.

This year's is in process and we will see how the process works, but our part of it is essentially done and will be forwarded to the Secretary here shortly.

Senator BILL NELSON. Will it arrive to us in the way exactly that you prepared it or will it be negotiated with the civilian leadership as to what the risk assessment is by the time it comes to us?

General MYERS. Sir, this is—as required by law, this is a risk assessment that is prepared by the chairman. I rely on the combatant commanders and the service chiefs in making that assessment. But the assessment is mine and mine alone. I forward that, as required, to the Secretary, who then, if the risk is significant, is required to articulate mitigating measures that would bring the risk back down. So no, it will be—my assessment is my assessment.

Senator BILL NELSON. Thank you, General.

General MYERS. Thank you.

Chairman WARNER. Thank you very much, Senator.

Secretary RUMSFELD. Mr. Chairman, could I make a quick comment?

Chairman WARNER. Yes, of course, Mr. Secretary.

Secretary RUMSFELD. Lest there be no misunderstanding about the Department of the Navy's budget, it is increased, not reduced. It is I believe up from in fiscal year 2005 $119.2 billion to $125.6 billion, an increase of $6.4 billion. What the CNO was referring to was not a reduction in his budget, as the phrase came out, but rather a reduction in his planning figures.

Senator BILL NELSON. The CNO was responding directly to mine and Senator Warner's questions about the reduction from 12 to 11 carriers. That was the specific subject then before the committee, and that is the specific subject that I addressed in my first question to General Myers.

Chairman WARNER. I think we have an understanding. We were simply given the benefit of the Department of the Navy's need to meet the OMB-adjusted mark for your Department and in that context I believe a number of decisions were made, Mr. Secretary, one of which was the deletion of the carrier. Have I stated it correctly?

Secretary RUMSFELD. Exactly correct.

Chairman WARNER. Thank you.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman. Mr. Chairman, let me echo what Senator Ensign said relative to the morale and attitude of our soldiers that I visited, both at Lansduhl as well as Walter Reed and Bethesda, and not just the soldiers, but the families there.

General MYERS. That is an excellent point.

Senator CHAMBLISS. You folks and all of us can be justly proud of the attitude of those men and women and, just as significantly, their families. We owe a real debt of gratitude to the individuals and the foundations that conceived and are funding Fisher House. I have had experience with that again just this week at Walter Reed, and what it means to that family to be able to have the wife and in this case the daughter in kind of a family setting, as opposed to being for an extended time in simply a motel room.

So for anybody that is having a bad day, good therapy would be to go to Walter Reed. I am so proud of those folks.

I have had public and private conversations with both of you, as well as with General Jumper and any number of Air Force folks, General Hagy also last week, relative to the C–130, and I want to try to put this thing to bed right now. Mr. Secretary, you mentioned yesterday in your testimony on the House side—you alluded to it again today—that you are continuing to review the C–130J issue, that you are likely to come forward with an amended budget.

We are in the process now of moving ahead towards a budget here and we need some kind of time line. Are you talking about when we are going to hear back from you? Will it be about a week or is it going to be a month? I know we have the air mobility study that is going to be done the end of March. Are you waiting for that? Can you give us any kind of time line that you are looking at so that we can put this issue to rest?

Secretary RUMSFELD. I do not like time lines at all. They always seem to slide to the right, just realistically. I just got a note from the Comptroller saying that they hope by March. So let us say April.

Senator CHAMBLISS. Well done, like a soldier.

We will just continue to dialogue with you then to try to make sure we know what track we are on to try to head towards the budget process that we are going to be working on here.

Let me also just reemphasize the thought process that I have been engaged in with a number of my colleagues that was pointed out by Senator Inhofe. The top line that we are dealing with today in my opinion is just not adequate. I do not know whether we need 12 carriers or whether we need 11 carriers. I do know, because of work I have done over the last 10 years, that a wing and a half of FA–22s is not enough.

The Air Force, General Myers, has consistently said it is the number one priority, and if we are going to continue to maintain air superiority and air dominance and not be in the fair fight that all of us will never want to engage in again, we have to have more FA–22s in that.

My point is that we are in the midst of a war today, albeit an unconventional war that none of us have ever been involved in. We do not know who the next foe is going to be or who the next enemy is down the road. But obviously we have to prepare today and you

are in the process of preparing for whoever that might be. I do not know that it sends the right message both to our folks in the field and in Iraq today as well as the future enemy out there, that we are going to be decreasing our spending on defense acquisitions.

The point about whether it is 12 or 11 carriers is simply magnified by the fact that the CNO comes in and says, well, I made that decision based upon the budget I was given. When we start fighting wars to win those wars based upon the budget we are given, then I think we are headed down the wrong track. I have been a fiscal conservative, have been supportive of balancing the budget ever since I got into the political game. Mr. Secretary, I imagine when you were a Member of Congress you were singing that same line, because I know you are a fiscal conservative.

But by the same token, there are some things that do not have a price tag on them and we all know that freedom is one of them. So I am very concerned about the direction in which we are going relative to the top line and relative to acquiring weapons systems that we know we need strictly based on a budget and not based on what it is going to take to win future wars.

I am not stating that as a question, but as more of a comment. But any comments you have on it I would appreciate.

Secretary RUMSFELD. Senator, I would like to say several things. First of all, I agree with you that this country is perfectly capable of investing whatever is needed to preserve the freedom of the American people and the security and the safety of the American people. At 3.3 percent of GDP, that investment is what assures all the opportunity, all the activities, in an environment that permits all of that, which is not possible without security and without safety. So I certainly agree with it.

I have forgotten what the current percentage of the budget is, but it has been declining as well.

Second, there was a mention made of the Iraqi elections and the complimentary comments about the men and women in uniform, and certainly that is true. I also think we ought to credit the Iraqi people for having the courage to go out and the Iraqi polling people for being threatened to be killed for going there and working in those polling places, and the Iraqi security forces who were told they would be killed, and I know you share that with me.

As to the families, I agree with you. You cannot go out there and meet the families of those people who have been wounded or the people who have fallen in the line of duty and not leave encouraged and inspired by the strength they have and the understanding they have of the importance of what their loved ones actually did for our country. It is so impressive, and I agree with you. If you want to be inspired, go visit the families. So thank you.

General MYERS. If I can, Mr. Chairman, just make a comment that tags on to that. I have used General Casey's name a couple times. I guess it is because we spent over an hour this morning talking on a video teleconference. We extended the tours of duty in Iraq for active duty personnel, almost 12,000 of them to support these elections. Now these forces, these units, are coming out and for the next several weeks they will be coming out of Iraq.

He made the comment: They are really coming out with their head held high, because they know they did a very mighty deed

and they are very proud of that. I think as they go and rejoin their families and their friends that they should know that they have had an impact on the course of history that is truly amazing and so important to our national security, and not just those that are returning but those that continue in Iraq.

But he mentioned those that are getting ready to leave. They know they did something big and they are very proud of it.

Chairman WARNER. Thank you very much, both Mr. Secretary and General. Yes, in my opening statement, Mr. Secretary, I did make reference to what I feel is an acknowledgment to the participation by our brave forces in the coalition and indeed the Iraqi people and their security forces, and I am glad that we close the hearing on the same note.

Just one or two quick wrap-up items, Mr. Secretary. I am referring now, so the record can have a record, to a letter of February 14 from the White House, from the President to Congress, with regard to the supplemental. You do not have to refer to this. Just listen.

On page 57, it indicates that the death gratuity shall be $100,000 and then lists some of the criteria, which indicates that the criteria are to be prescribed in regulations promulgated by yourself. Then on page 58 it talks about the retroactive provisions, and there is a potential difference of criteria, depending on what you do.

I only point out that yesterday I had the opportunity—it is a privilege, really, for those of us in Congress—to be with the families. I went to Arlington in connection with a Virginian who had given his life. As is the case, Mr. Secretary, these families, as my colleagues have said, are very grateful for the fact that you, I know you do it and all of us do, take time to express our compassion for the loss. In this instance one of the members of the family addressed to me how grateful they were for the added funds in terms of the death gratuity.

It so happens that I quickly analyzed the circumstances of this death and I think it meets any set of criteria. But a number of Members of Congress—and our colleague Mr. Sessions and the Senator from Connecticut here, Joe Lieberman, and others—have worked on this legislation, and really I must say that Congress was in the forefront and the administration quite properly, the President himself and you, Mr. Secretary, acknowledged the need for the increase. Now we are about to legislate in the context of the supplemental. I urged that we do it publicly in a hearing, so I am quite satisfied.

The initial responsibility on the Senate side is with Mr. Cochran and Mr. Stevens and other members of that committee. But eventually this will come to the floor. I expect during the course of the floor that a number of our colleagues will address it and could well offer amendments. I would just hope that perhaps you could inform the appropriate committees prior to final action as to what your views are on this issue, the eligibility, because in the hearing this committee held here a few days ago the vice chiefs each came up, and General, you are fully aware that they expressed, as they were asked to do by myself in the capacity as chairman, their professional judgment even though it might be at variance with their su-

periors, which they did, and they had a somewhat broader eligibility.

So I am just saying these families are in a very sensitive situation all across America today, and we want to make the right decisions. I am just hopeful that we do not get into some prolonged debate on the floor which points out differences.

So I invite you to respond to the appropriate committees of Congress if you so desire and give us such guidance as you feel would be helpful as we take up the final steps of this legislation.

General, I ask you in your capacity to likewise give your personal views together with that of the Secretary as to the eligibility of this increased benefit.

General MYERS. Yes, sir.

Chairman WARNER. Have I made myself clear on that, gentlemen?

Secretary RUMSFELD. Yes, thank you, sir.

Chairman WARNER. Thank you.

We did not cover today the Robust Nuclear Earth Penetrator, a program that I support in this committee. However, the responses that you gave to the House yesterday we will take note of. Do you wish to add anything further than what you said to the House yesterday? I thought you were very clear.

Secretary RUMSFELD. I would like to say just this word. This is an investment for a study. We do not have a conventional capability to go underground to attack a target. The only option we currently have is to use a vastly overpowered nonconventional weapon. That is not desirable.

All across the globe today there is dual-use equipment that in a single day can dig holes through rock twice the height of a basketball net and the full length of a basketball court. People are putting things underground in every rogue state and countries that are engaged in activities that are not compatible with civilized societies. It seems to me that the idea of proceeding with this study is just eminently sensible and anyone would look back 5 years from now if we fail to take a responsible step like that and feel we had made a mistake.

Chairman WARNER. I thank you, Mr. Secretary. I support you on that and I will vigorously try and pursue this committee endorsing it to go to the floor and survive.

On the question of defense intelligence, yesterday Porter Goss was in that seat and I asked him the question about the programs that you are initiating and that were briefed to this committee by Dr. Cambone very effectively. I expressed my support for those programs and I am very pleased to say that he likewise expressed support and felt that those initiatives were consistent with the law. I am pleased to see that our good friend Ambassador Negroponte, as the President announced this morning, will take over those responsibilities.

He just called me on the telephone. I have known him for very many years. How fortunate we are in this country to have men of his capability step forward and continue public service in this challenging position.

Secretary RUMSFELD. He has done an excellent job in Iraq.

Chairman WARNER. Indeed he has. He gave a very good report to the Senate yesterday in one of our classified meetings.

Lastly, recruiting and retention. The committee notes that there have been some recent weaknesses. General, would you provide for the record, or perhaps a few statements now and then amplify for the record, your own views on this and what corrections, if necessary, must be done to help this curve?

General MYERS. Mr. Chairman, it is a fact right now that we are having some problem in some of the components, particularly the Army National Guard and Army Reserve. There are mitigation efforts underway, to include more recruiters and reenlistment bonuses that will increase to retain the people we need to retain.

I do not think we are at the point where this is a grave concern yet. It is just something we need to watch as we go through this year.

Chairman WARNER. I share that view.

General MYERS. We actually find that the retention of those who have served overseas, be they Active-Duty Forces or be they Reserve component, is actually higher than those who do not.

Chairman WARNER. Incidentally, those are the ones that so often go into the Guard and Reserve, and that may be one of the reasons for that shortfall.

General MYERS. I think that is one of the reasons for the shortfall. As the United States Army tries to increase its end strength, it is trying to retain more people, therefore there is not that pool of personnel available to the Reserve component in the Army that would normally be available. So it increases their challenges.

But we are going to work that very hard. We are going to watch it very hard. As I said to Senator Reed, the last thing we want to do is have a hollow Reserve component at the end of these challenges. But they have stepped up so far and they have performed well and I think they will meet this challenge as well.

Chairman WARNER. I thank you, General.

Senator Levin.

Senator LEVIN. Thank you.

On the question of the death benefit, General, as the chairman mentioned, the vice chiefs were here the other day. I participated in pressing them for direct answers. It was not typical of me to press people for those kind of answers, but I made an exception——

General MYERS. I understand, sir.

Senator LEVIN. —and asked the vice chiefs for their position on whether or not the military death gratuity should be the same for all members who die on active duty in service to their country, and they gave us their best professional opinion. I am wondering if you would give us your opinion?

General MYERS. Sir, my opinion with the knowledge that I have right now is that I think a death gratuity that applies to all servicemembers is preferable to one that is targeted just to those that might be in a combat zone.

Chairman WARNER. That would imply all back here in the U.S., is that correct?

General MYERS. Absolutely.

Chairman WARNER. Supposing that individual were on a weekend pass and had a motorcycle accident or something?

General MYERS. It does not matter in my mind. The reason it does not—I have a hard time differentiating in my mind somebody that raises their right hand, swears to support and defend the Constitution of this United States, one person goes to Iraq and is tragically killed, one person goes to the National Training Center and is killed 2 weeks before they report to Iraq, and trying to explain to some family member why there is a difference.

When you join the military you join the military. You go where they send you, and it is happenstance that you are in a combat zone or you are at home. I think we have in the past held to treating people universally for the most part and consistently, and that is how I come down on that.

Chairman WARNER. The pain and suffering by that widow here at home is no less than the widow who lost her person overseas.

General MYERS. Family needs remain the same, you bet.

Chairman WARNER. I thank you.

General MYERS. It is a tough issue.

Chairman WARNER. Senator Levin.

Senator LEVIN. I want to thank you for your answer. You are going to find a lot of support here, including from myself, for that position.

There was an article yesterday in The Wall Street Journal which reported that as many as a dozen irregular brigades that are independent of the new Iraqi Army and police forces have sprung up in recent weeks. These are often led by acquaintances and friends of high-level Iraqis, including the Prime Minister, Interior Minister, and Defense Minister. Sometimes these irregular forces have been supplied with weapons, ammunition, and equipment by American forces.

I am just wondering, General Myers. I can understand how these forces come into existence. They are looking for security desperately in Iraq. Some of these units are very similar to these top-down units which I have been talking about for a long time, which I think we could have put in place had we not disbanded the Iraqi Army. I think it is just sort of—there were leaders that were formerly in the Iraqi Army. The one mentioned in the paper the other day was a guy who was arrested by Saddam Hussein and was in prison.

But in any event, how are we going to deal with these irregular units and why not just try to incorporate them in the regular Army?

General MYERS. The short answer to that is I think that is the intent, not just of General Petraeus and those responsible for training and equipping, but it is my understanding it is also the intent of the current Iraqi Minister of Defense.

There have been four or five units of thoroughly significant strength, several hundreds of people up to over a thousand, that have participated in election security and other major operations. We are trying to bring those into the regular army, if you will, and incorporate them. There are obviously more groups, smaller, that have been put in service as well by various individuals, in some cases families, tribes, or ministries, to provide security for specific

situations. But the goal is exactly as you said, is to try to regularize these so-called militias and bring them into the mainstream, which I think can be accommodated.

They are effective for the reasons you mentioned. Leadership is one of the biggest issues that you deal with when you try to have an effective unit. These units generally form around leaders and therefore they are effective. It is a phenomenon in Iraq that is probably not unlike other places, that we ought to accommodate and not fear. We ought to accommodate this and try to make it work.

Senator LEVIN. We ought to accommodate it, but in other places it has also led to some very serious problems unless they are incorporated into a national Army. So we have opposed these legal militias and I assume we are going to make major efforts to incorporate these militias into the Army of Iraq. That seems to be the thrust.

General MYERS. That is the thrust of what both General Petraeus, General Casey, and Minister of Defense Shalon want to do.

Secretary RUMSFELD. I might add, though, that they are not all of a kind. They vary dramatically, and it would be a misunderstanding to think that they could be dealt with in the same way.

Senator LEVIN. I think that is an important point.

Secretary RUMSFELD. It is going to take gradations.

General MYERS. As I said, there are some smaller ones that they may be to the point where they are illegal and would have to be disbanded.

Senator LEVIN. Mr. Secretary, I asked a question yesterday—and this will be my final question—of FBI Director Mueller relative to the events that occurred in late 2002 up to mid-2003 involving some very heated disputes between FBI agents and DOD personnel. The FBI agents reported that there were aggressive and coercive interrogation techniques being used by DOD interrogators and the FBI agents protested to their superiors, whose names we cannot yet find out. Nonetheless they described the interrogation methods as torture techniques and expressed alarm over the use of those techniques. In fact, they told colleagues back in Washington in one email, "You won't believe it."

The FBI agents described heated exchanges, battles with the commanding generals regarding those DOD interrogation techniques at Gitmo. A number of the emails also described FBI objections to DOD interrogators who were impersonating FBI agents in order to gain intelligence, and the FBI agents were deeply worried that should the detainees' treatment become public that the FBI would be left "holding the bag" because it would appear falsely that those torture techniques, in their words, were "done by FBI interrogators."

Now, those concerns of the FBI were so great that FBI agents at Guantanamo had guidance to stand clear, step out of the picture, when the DOD took control of interrogation techniques. I am wondering if you could answer the same question that I asked Director Mueller yesterday: When did you become aware of the objections and concerns that were expressed by those FBI agents in

those heated exchanges with the DOD personnel, as I have described?

Secretary RUMSFELD. I am aware of the issue. I have met with our people yesterday and I am told that we currently believe we have all—you never know, but we believe we have all—of the materials that the FBI had on this subject. They have begun the investigations. General Craddock, the Commander of U.S. Southern Command, has asked that an investigation be undertaken by Brigadier General Furlough for activities that occurred at Gitmo. For anything that was outside of Guantanamo Bay, the Navy IG is conducting investigations.

Thus far—it is not complete, but thus far—most of the allegations that would fall into the category that you have described were already the subject of either ongoing investigations or closed investigations. There are some that have not been closed out and we will pursue every one of them.

Senator LEVIN. Then is it fair to take from your answer that yesterday is the first time you were aware of those emails and those FBI allegations?

Secretary RUMSFELD. No. I think the correct way to say it is that I was aware of the FBI Freedom of Information or court-ordered disclosure when it was in the press. But in terms of what that disclosed, the DOD was aware, as I just said, of most of them previously because there had been allegations that had previously been investigated and either closed or are still open. Sometimes they are closed because they were not valid, sometimes they are closed because they are prosecuted.

Senator LEVIN. You say the DOD was aware. That means you were aware?

Secretary RUMSFELD. I think that is—if you are suggesting that everything that is going on in the DOD I am aware of——

Senator LEVIN. No, no, I am not.

Secretary RUMSFELD. —the answer is no.

Senator LEVIN. No, but just to try to get this in a context, there was a really heated debate going on, according to those emails, in late 2002 up to mid-2003 between——

Secretary RUMSFELD. Oh, that subject? I thought when you said "those allegations"—you mean broadly? Yes, I was aware.

Senator LEVIN. At Gitmo. You were aware of that?

Secretary RUMSFELD. Yes, I was aware of that. I have heard of that, yes.

Senator LEVIN. At that time?

Secretary RUMSFELD. Close proximity.

Senator LEVIN. That is fair enough. Thank you.

Chairman WARNER. Thank you very much, Mr. Secretary, General, Ms. Jones. I think we have had an excellent hearing. We look forward to continuing the strong cooperative effort we have between this committee and your Department. Thank you, sir.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR JOHN MCCAIN

ACQUISITION REFORM

1. Senator MCCAIN. Secretary Rumsfeld, over the last few years, a number of major defense programs have been heavily criticized for the same reason: they by-

passed key elements of the defense procurement process that were designed to, among other things, afford taxpayers appropriate levels of protection and protect the interests of the warfighter. When programs end up costing dramatically more than planned; when we procure weapons systems that are not sufficiently justified; or where warfighter requirements get watered down to satisfy, first and foremost, corporate special interests, we fail in our stewardship responsibility over Department of Defense (DOD) funds and funds are not available for other competing needs.

I am particularly concerned about recent abuses regarding the use of commercial item procurement practices for major weapons systems. The Government Accountability Office's (GAO) "High Risk Series Report," released in January 2005, concluded that weapons systems acquisition is prone to "high risk" for waste, fraud, abuse, and mismanagement. Recent developments at the Pentagon, with which you are well aware, support this view.

Do you share my concern and the concerns of not only the GAO, but also the DOD Inspector General (IG), the National Defense University (NDU), the Defense Science Board (DSB), and others that this may be a problem? What do you propose to do to enhance procurement oversight at the DOD and the Services?

Secretary RUMSFELD. We acknowledge that problems have occurred. Where they are found, we have moved to correct them. We are converting both the C–130J and Future Combat Systems (FCS) acquisitions to Federal Acquisition Regulation contracts. The Department has been and continues to be committed to the improvement of the entire acquisition process.

This administration has initiated actions to resolve the long standing GAO high risk areas and GAO acknowledges our high level focus and associated initiatives have resulted in tangible progress in several areas, including weapon systems, contract management and infrastructure. While we have made good progress in moving capabilities to the warfighter faster and in the transformation of our defense establishment, I recognize we must make even greater progress in the future.

The DOD has introduced new policies to strengthen its budgeting and requirements determination processes for planning and managing weapon systems based on joint warfighting capabilities. The new requirements generation process ensures that we focus on the acquisition of only those capabilities needed to implement our national defense strategy, that all of those capabilities are "born joint," and that no program can begin without having clearly defined and stable requirements. Our acquisition system complements the requirements process by focusing on evolutionary acquisition, which means that we divide programs into "increments" of capability based on the maturity of the technology, cost stability, and the opportunity to speed capability to the field while additional capability is in development.

We have also initiated "Capability Area Reviews" to ensure that the Department is providing effective oversight for entire areas of capability and not only at the individual programs. With this review process, we can identify capability gaps and overlaps, provide a joint perspective, and ensure that our new capabilities neatly dovetail with our legacy systems. We are also reemphasizing systems engineering to impose increased systems engineering discipline in every program office at every level of the Department. Greater engineering rigor will result in improved acquisition performance.

Beyond improving the mechanics of our acquisition process, we want to ensure that ethics and integrity form the backbone of our acquisition activities. Both are fundamental to the Department's success, and the public trust, and have received substantial recent review and continued emphasis in our daily activities.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

DD(X) DESTROYER

2. Senator COLLINS. General Myers, the Navy in numerous documents and testimony has described the DD(X) as "the first of a family of ships designed to fight and win in any maritime environment." DD(X) will provide sustained, offensive, and precise firepower at long ranges to support forces ashore and to conduct independent attacks against land targets. These systems will provide a naval or Joint Task Force (JTF) commander with the multi-mission flexibility to destroy a wide variety of land targets while simultaneously countering maritime threats.

Moreover, DD(X) will take advantage of advanced stealth technologies, which will render it significantly less detectable and more survivable to enemy attack than the current class of ships. The DD(X) will also be equipped with numerous engineering and technological innovations that allow for a reduced crew size.

Given the numerous advances in warfighting systems and engineering technology that are being developed on the DD(X), do you agree with the Navy and Marine Corps assertion that the development of the vast and varied capabilities of the DD(X) destroyer are necessary to "win the fight"?

General MYERS. While specific systems and capabilities to be incorporated in DD(X) are still in spiral development, this platform will provide a vital component of our future joint force. The DD(X)'s projected performance will provide key functionality to replace aging naval platforms as they are removed from service. It will also effectively complement other platforms under development, such as the littoral combat ship, to provide future sea-based forces with the flexibility and interoperability our operations will demand.

In February 2004, the Joint Requirements Oversight Council approved the operational requirements document that validated the operational warfighting requirement and authorized continued design and construction for the DD(X). DD(X) construction remains subject to prioritization within current budget constraints, but the program is continuing forward under the oversight of the Defense Acquisition Board.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

COVERT ACTION AUTHORITY

3. Senator LEVIN. General Myers, subsection (a)(3) of section 413b of Title 50, United States Code, relating to a finding for a covert action, requires the following: "Each finding shall specify each department, agency, or entity of the United States Government authorized to fund or otherwise participate in any significant way in such action." One important aspect of covert actions is that "the role of the United States Government will not be apparent or acknowledged publicly . . ."

If DOD military personnel were called upon to participate in a covert action, this situation could raise concerns about whether the military could participate while maintaining the ability of the U.S. Government to deny its involvement in such actions if something went awry. Do you believe that military personnel should participate in conducting covert operations pursuant to a Presidential finding?

General MYERS. When directed by the Commander in Chief to execute operations, the U.S. Armed Forces execute the assignment. There would be no exception if the mission were an authorized covert operation.

4. Senator LEVIN. General Myers, are there special considerations regarding the Geneva Conventions that must be taken into account if military personnel are used in covert operations pursuant to a Presidential finding?

General MYERS. The longstanding DOD policy is that all military personnel will comply with the law of war (which includes the Geneva Conventions) during armed conflict. This guidance pertains irrespective of whether or not such personnel are involved in covert operations pursuant to a Presidential finding.

NORTH KOREA

5. Senator LEVIN. Secretary Rumsfeld, what is your assessment regarding the number of nuclear devices or weapons that North Korea currently possesses? Please elaborate on whether you believe the 8,000 plutonium fuel rods have been reprocessed, and if so, how that has affected the assessment of the number the DOD believes they have.

Secretary RUMSFELD. [Deleted.]

FORCE PROTECTION FOR EMBEDDED TROOPS

6. Senator LEVIN. General Myers, DOD background material provided to the committee in the fiscal year 2005 supplemental says that as of February 15, U.S. forces operating outside of military compounds in Iraq are in vehicles with the appropriate level of armored protection. Exceptions are that some U.S. forces embedded with Iraqi forces sometimes operate in Iraqi vehicles, which may not be armored. Why are those embedded U.S. forces not provided vehicles with appropriate armor protection?

General MYERS. [Deleted.]

U.S. ABILITY TO HANDLE ANOTHER CONFLICT

7. Senator LEVIN. General Myers, the war in Iraq and the continuing, unresolved conflict in Afghanistan are putting enormous stress on the U.S. military, especially the Army. Our military strategy calls for us to be able to respond to an unforeseen conflict, such as one started by North Korea, in more than one region simultaneously. Given our current commitments in Iraq and Afghanistan, are our forces ready to respond to such an unforeseen conflict, if one arose in Asia or some other region?

General MYERS. [Deleted.]

8. Senator LEVIN. General Myers, where would we get the extra troops to support such a third war?

General MYERS. [Deleted.]

9. Senator LEVIN. General Myers, could we deploy trained forces in sufficient numbers to another contingency operation in the time frame called for in DOD plans without sacrificing our current ability to conduct operations in Iraq and Afghanistan?

General MYERS. [Deleted.]

ROBUST NUCLEAR EARTH PENETRATOR

10. Senator LEVIN. Secretary Rumsfeld, in your testimony on the Robust Nuclear Earth Penetrator (RNEP), you said that you support finishing the feasibility study for the RNEP because "we do not have a conventional capability to go underground to attack a target." The Services have been developing and fielding conventional Earth penetrator weapons for some time. My understanding is that the RNEP and the current conventional Earth penetrator weapons will penetrate the Earth to similar depths. Could you please identify current conventional earth penetrator weapons and the depth to which they penetrate the Earth? What is the projected depth of penetration for the RNEP?

Secretary RUMSFELD. Conventional weapons available as penetrators to attack types of hard and deeply buried facilities are guided gravity bombs EGBU–24/BLU–109 and BLU–116 (2,000 lb. class) and the EGBU–28/BLU–113 (5,000 lb. class), and GBU–31/BLU–109. Stand off weapons include the Joint Stand Off Weapon (JSOW)/BROACH Penetrator, Joint Air to Surface Standoff Missile (JASSM), the RAPTOR air-to-ground missile (AGM–142), the AGM–130/BLU–109 Conventional Air Launched Cruise Missile (CALCM), and the TACMS-Penetrator precision ballistic missile (demonstration only). These weapons will penetrate and survive to a depth of several meters in rock and reinforced concrete.

While conventional weapons are capable of penetrating man made or naturally hard geologies, we have no nuclear weapon capable of surviving penetration in such conditions. For example, the B61 Nuclear Earth Penetrating Weapon (EPW) can only penetrate a few feet of frozen soil and survive. On the other hand, conventional Earth penetrating weapons have no capability against a growing number of hard and deeply buried targets as the proliferation of tunnel boring machines and protective structure construction techniques has given potential adversaries an opportunity to build sanctuaries to support weapons of mass destruction (WMD) production, missile basing and operations. The RNEP would be capable of penetrating several meters in order to attain the ground coupling necessary to be effective.

11. Senator LEVIN. Secretary Rumsfeld, in your testimony you also said that "the only option we currently have is to use a vastly overpowered nonconventional weapon." In this statement do you mean a nuclear weapon when you said "nonconventional weapon?"

Secretary RUMSFELD. Yes, a nonconventional weapon means a high-yield nuclear weapon detonated at or above the surface of the Earth.

12. Senator LEVIN. Secretary Rumsfeld, what do you mean by a "vastly overpowered nonconventional weapon?"

Secretary RUMSFELD. At the present time, the nuclear weapon stockpile consists of weapons that were designed for Cold War missions. In order to place at risk most of the known hard and deeply buried targets that are beyond our conventional Earth penetration capability, our only option is a surface burst nuclear weapon 10 to 50 times more powerful than an equally effective nuclear Earth penetrator, depending on the structural character of the target.

13. Senator LEVIN. Secretary Rumsfeld, the candidate weapons that are being studied for the RNEP in the feasibility study are the B–83 nuclear bomb, a large-yield nuclear weapon, and the B–61 nuclear bomb, an adjustable yield nuclear bomb with a large high end yield. Is the RNEP looking at both the physics of having a projectile hit the Earth and changing the yield of the candidate weapons?

Secretary RUMSFELD. The RNEP design feasibility study is investigating the possibility of modifying (actually "repackaging") an existing operational device in a harder and heavier case (5,000 lb. class) with precision-guided impact and entry control. To reduce the cost of this current study, we are only examining the B83 adjustable yield gravity bomb and determining its ability to withstand the shock of shallow penetration into the Earth and detonate reliably using its existing yields. While most of this technology was developed for nonnuclear penetrators, the feasibility and cost of implementing it must be examined for significantly more complex nuclear weapons. Regardless of weapon type, we continue to develop our understanding of the "physics" of Earth penetrating weapons and their effects.

14. Senator LEVIN. Secretary Rumsfeld, there is a direct correlation between the size of the yield and the effectiveness on the buried target. Has there been any analysis of the size of the yield needed to go after the types of targets that you had in mind when you said that "people are putting things underground in every rogue state, in countries that are engaged in activities that are not compatible with civilized societies"?

Secretary RUMSFELD. Yes. We believe we have a good understanding of the size of the yield necessary to defeat hard and deeply buried targets with Earth-penetrating weapons versus a nuclear weapon detonated on the surface. For over a decade, detailed analyses by the National Laboratories, the Defense Threat Reduction Agency (DTRA), and the Services have addressed the unique effects of various weapons and geologies on a wide variety of specific target structures and their protected functions.

An Earth penetrating weapon increases the efficiency of its nuclear detonation by taking advantage of ground "coupling"—the propagation of a much greater fraction of the weapon energy as shock waves through the geology. The penetration depth of the weapon is relatively shallow in comparison to the depth of this coupling effect. In contrast, a nuclear surface burst is much less efficient in coupling the shock effect into the ground since by far most of the energy is directed up and out. The result of the EPW's increased efficiency is an ability to propagate the shock effect of the nuclear blast to several times greater depths, and thus, destroy or severely damage facilities that are more deeply buried. Moreover, since EPWs are more efficient, they can achieve desired effects on target with substantially less nuclear yield.

15. Senator LEVIN. Secretary Rumsfeld, if yes, please describe the analysis, by whom was it conducted, when was it conducted, and what were the conclusions? Please provide a copy of the analyses to the committee.

Secretary RUMSFELD. For over a decade, detailed analyses, benchmarked by nuclear test data, by the National Laboratories, the DTRA, and the Services have addressed the unique effects of various weapons concepts and geologies on a wide variety of specific target structures and their protected functions. Many of the same targets have been assessed with the best non-nuclear capabilities.

For example, a comparison of surface and sub-surface detonations was conducted by Sandia National Laboratory. It indicates that a 63-, 33-, or 25-kiloton nuclear weapon, detonated at depths of 1, 5, and 10 meters, respectively, would have the same effect on buried targets as a I-megaton surface burst. A copy of the report will be made available when it is published later this year.

The National Academy of Sciences recently completed a study titled Effects of Nuclear Earth-Penetrator and Other Weapons. It was released to Congress and the public on April 27, 2005.

16. Senator LEVIN. Secretary Rumsfeld, what is the yield range needed to go after these types of targets?

Secretary RUMSFELD. The delivery platform and yield needed to confidently hold at risk (destroy) hard and deeply buried targets depends on a number of factors including the construction type and configuration of the underground facility, the nature of man-made or hard geology that protects it, the types and numbers of known egress portals, and the depth and the type of operational working area below the surface of the Earth. These factors result in a calculation of minimum yields against these targets. Depending on the target, these calculations could produce a yield requirement in the kiloton range to above a megaton to destroy it. In these instances,

there may be an alternative approach that may disrupt operations for a period of hours or days, but this comes at a price of accumulated risk to U.S. forces.

In those instances where deeply buried "sanctuaries" are assessed to be invulnerable to destruction by any conventional or currently operational nuclear weapon, there may be a non-nuclear kinetic or non-kinetic alternative based on considerable intelligence and targeting analysis that does not destroy the target, but only interrupts or disrupts operations. Multiple strikes present an accumulated risk to U.S. forces attacking such targets if they are defended. Following such an attack, combatant commanders will require even greater intelligence and analysis to determine if certain operations critical to threat have been restored so as to gage when a restrike against such targets are necessary. Multiple strikes present an accumulated risk to U.S. forces attacking such targets if they are defended.

QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

SCIENCE AND TECHNOLOGY FUNDING

17. Senator LIEBERMAN. Secretary Rumsfeld, you indicated in the hearing that spending on science and technology (S&T) programs was up since 2001. That is good news, but recent trends are moving in the opposite direction.

In fiscal year 2004 the administration proposed an S&T budget of $10.2 billion, which equaled some 2.6 percent of the overall defense request. Congress increased that request to bring S&T funding to approximately 3.2 percent of the requested baseline budget. In fiscal year 2005 the administration requested an S&T budget of $10.5 billion, which equaled about 2.6 percent of the overall defense request. Congress again increased the request to bring S&T funding to approximately 3.3 percent of the baseline budget. Most experts agree that forward-looking organizations allocate about 3 percent of their budgets to S&T research to adequately position themselves for the future. The Pentagon supported the 3 percent target in its 2001 Quadrennial Defense Review (QDR).

Unfortunately, the administration request for fiscal year 2006 once again fails to meet the 3 percent threshold. It is flat from the fiscal year 2005 request (a decline in real terms), and represents a 21 percent drop from what is being spent in fiscal year 2005. The fiscal year 2006 request is also lower than the $10.8 billion projected for fiscal year 2006 in the fiscal year 2004 budget, and it is lower than the $10.7 billion projected for fiscal year 2006 in the 2005 budget. My understanding is that the low level of S&T funding has triggered section 212 of the National Defense Authorization Act (NDAA) for Fiscal Year 2000 which requires the Secretary to certify the S&T budget is adequate and that the DSB study the situation and issue a report on the impact. Finally, overall research, development, test, and evaluation (RDT&E) funding is largely flat over the program until fiscal year 2011, when it declines sharply.

Given our military's growing emphasis and dependence on high technology, for everything from network-centric warfare to precise weaponry, why is the administration effectively cutting the S&T budget?

Secretary RUMSFELD. Given the competing demands across the Department, the fiscal year 2006 President's budget request represents a balance among near- and long-term priorities. Even within fiscal constraints, our fiscal year 2006 S&T budget request of $10.5 billion is 28 percent higher than the fiscal year 2001 request of $7.5 billion (and 23 percent higher than the fiscal year 2001 request adjusted for inflation).

Three percent of the Department's budget remains a long-term goal for S&T. The Department's budget increased by 30 percent from fiscal year 2001 to fiscal year 2006, but much of this increase paid for higher operating costs resulting from the global war on terrorism.

18. Senator LIEBERMAN. Secretary Rumsfeld, do you believe this level of funding is sufficient to maintain the technological edge our Armed Forces presently enjoy?

Secretary RUMSFELD. Yes. Balancing the Department's competing resource requirements within a constrained fiscal environment continues to be a challenge. A strong S&T program is important to maintain our technological edge. Determining the level of investment is not a precise science, but a strategic corporate decision. Each year the Department makes an effort to fund the S&T program at a level appropriate to maintain the technological superiority we have enjoyed to date. The Department continues to place a high priority on ensuring adequate funding levels.

19. Senator LIEBERMAN. Secretary Rumsfeld, could you also provide a list of S&T areas or programs that could use more money if resources were available?

Secretary RUMSFELD. The fiscal year 2006 President's budget was developed by balancing priorities across all functional areas, and our request for S&T represents a stable program, within the priorities of the Department in a fiscally constrained environment; we believe the program submitted best represents the Department's priorities based on available funds.

SUPPLEMENTAL FUNDING

20. Senator LIEBERMAN. Secretary Rumsfeld, in reviewing both the fiscal year 2006 baseline budget and the fiscal year 2005 supplemental, and in light of Secretary Wolfowitz's statement before the committee a couple of weeks ago that planning is underway for a fiscal year 2006 supplemental, the conclusion is inescapable that the Pentagon has chosen to not budget for known costs but to instead load them into supplemental requests. This tactic seems deceptive, and most importantly it exposes the force to risk if future supplementals do not happen. How long does the DOD intend to use supplemental requests to fund core budget programs?

Secretary RUMSFELD. The Department is not using supplementals to fund core budget programs. The President's fiscal year 2005 supplemental request includes only vital and urgent funding, almost all of it related to military operations in Iraq, Afghanistan, and elsewhere in the global war on terror. Any fiscal year 2006 supplemental appropriations request would be similarly restricted and not included core defense programs.

21. Senator LIEBERMAN. General Myers, if the situation in Iraq improves and operations slow, then supplemental funding should decline accordingly. Given the degree to which the Army is relying on supplementals for funding not in its base budget, if the supplemental should decline in fiscal year 2006, won't Army programs be at risk?

General MYERS. I anticipate future supplemental requests will be appropriately sized to best reflect the Department's wartime operational needs, and to repair or replace equipment and supplies used in support of these operations. These costs are included in the Department's wartime supplemental requests and would have to continue several years after operations slow. Through the supplemental mechanism, there is less risk to baseline budget programs because operational war costs are handled in a separate and very transparent process. Large programmatic costs, particularly Army modularity, are included in the baseline budget starting in fiscal year 2007.

WAGING THE WAR ON TERRORISM

22. Senator LIEBERMAN. General Myers, as noted in your opening statement, we remain "resolved, dedicated, and committed to winning the global war on terrorism and securing the peace in Iraq and Afghanistan . . ." How does this budget position us to accomplish these important goals, and does this budget enable us to move forward in those conflicts while maintaining sufficient capability to handle another operation on the scale of Iraq at the same time, or even soon after those operations begin to draw down?

General MYERS. Yes, the fiscal year 2006 budget and fiscal year 2005 supplemental allows us to meet current and future needs. The baseline budget request sustains a solid commitment to our most vital assets—our people. It protects readiness accounts and funds DOD efforts to field new, transformational capabilities to meet future threats. The supplemental request addresses those urgent needs for U.S. forces in the field. It also assists in recapitalization of assets expended during wartime.

THE ARMY BUDGET

23. Senator LIEBERMAN. Secretary Rumsfeld, the Army has borne the brunt of the fighting in Iraq and Afghanistan. Soldiers are being rotated into combat zones with increasing frequency, and equipment is wearing out at 5–10 times the peacetime average. There are estimates that up to 40 percent of certain classes of ground equipment will have to be overhauled or replaced. The Congressional Budget Office (CBO) has estimated that the Army would need $20 billion in additional funding per year, for the next 3 years, to return the Service to its prewar level of preparedness. In a report, the Army itself estimated that it would need some $35 billion over 3 years

in fiscal years 2005–2007 to pay for backlogged equipment maintenance, battle losses, and to replace dwindling stocks pre-positioned in the Persian Gulf. The fiscal year 2006 request for Army operations and maintenance (O&M) funding is $31.8 billion—far less than the $62.4 billion actually spent in 2004 or what will be spent in fiscal year 2005. In constant dollars, the fiscal year 2006 figure is less than the $31.2 billion requested for Army O&M in February 2001—before the war on terror began. This information points to a Service nearing the breaking point.

Just as troubling is a Service handicapped if we have to execute another Iraq-scale commitment anytime soon. In spite of these grave circumstances, the Army budget actually decreases from last year. It does not address the widespread consensus that the force needs to be larger, and it does not appear to address the serious equipment problems we have and will continue to have for the foreseeable future. Although some of these costs are in the fiscal year 2005 supplemental request, the increasing reliance on supplemental funding is troubling and it is hard to understand why the fiscal year 2006 budget does not establish any priority on addressing these deficiencies. Why hasn't more money been found in the baseline budget to supply our Army with the troops and equipment it needs, not just to fight the current conflict but to be prepared for any other potential contingency? How do we keep the Army from breaking?

Secretary RUMSFELD. The fiscal year 2006 request, in concert with proposed fiscal year 2005 supplemental appropriations, reflects a major commitment to increasing the combat power of the Army. For restructuring the Army and increasing its brigade-size combat units, the Department added $35 billion for fiscal year 2005–2011 to the $13 billion in the Army baseline budget. The $35 billion consists of $25 billion added to the Army baseline budget, and $5 billion in the fiscal year 2005 supplemental request and $5 billion planned for a fiscal year 2006 supplemental request. In addition, both the fiscal year 2005 supplemental and the fiscal year 2006 budget include substantial funding to meet the Army's equipment and capabilities needs.

24. Senator LIEBERMAN. Secretary Rumsfeld, remaking, or transforming, the Army into a more lethal, mobile, and technological force is of the highest priority if we are to successfully counter the potential threats we face from any future adversary. This effort includes the FCS and Army modularity—restructuring the force into more mobile, self-sufficient brigades. The $3.4 billion in research in fiscal year 2006 for the FCS and the money redirected by the DOD in the outyears, fiscal years 2007–2011, for modularity are important steps. But it is dismaying that modularity, one of our stated high priorities, has received only $1.5 billion in fiscal year 2006. Though the supplemental includes some $5 billion for modularity for fiscal year 2005, this critical long-term program doesn't seem to fit the mold of what is traditionally included in supplemental requests.

Why hasn't this highest of priorities been better funded in the fiscal year 2006 budget?

Secretary RUMSFELD. Army modularity is being funded by supplemental appropriations in fiscal year 2005 and 2006 because its acceleration is urgent and vital to our Nation's war effort. If the Nation were not at war, modularity could be funded in the baseline budget and the resulting slower progress would be acceptable. But ongoing intense military operations make it essential that the Army restructure as quickly as possible—focusing on units that are rotating into or rotating out of overseas operations.

25. Senator LIEBERMAN. Secretary Rumsfeld, what is the plan for the $1.5 billion?

Secretary RUMSFELD. $788 million from Other Procurement, Army buys trucks, night vision goggles, and communications equipment for new and converted brigades. $668 million from O&M, Army is the estimated incremental cost of sustaining new brigades. This pays for maintenance of added equipment, sustainment of rapid fielding initiatives, and training. $24 million from RDT&E, Army will fund the development of target acquisition sensors. $20 million from Missile Procurement, Army will pay for Javelin costs related to modularity.

26. Senator LIEBERMAN. Secretary Rumsfeld, what is the impact to the Army's modularity plans if full funding is not received in the subsequent supplemental request?

Secretary RUMSFELD. The supplemental is essential to equip Active and Reserve Brigade Combat Teams (BCTs) converting to modular force structure in fiscal year 2006. Without supplemental funding, the Army could not train and equip units scheduled to deploy in future rotations in their modular force structure or transform units returning from theater. The lack of additional funding will limit equipment availability and interrupt equipment production schedules, increasing the costs and

length of time to modularize the force. Our plan is to increase the number of units available to deploy, thereby reducing the frequency of deployments. Delaying modularity will reduce the time our Active and Reserve component forces can stay at home for training, refit, and rest.

27. Senator LIEBERMAN. Secretary Rumsfeld, if that should happen, then under this budget Army modularity will not begin in full until fiscal year 2007. Can we afford to wait that long?

Secretary RUMSFELD. No, we can not. The Army began transforming to the Army Modular Force in 2004, and we expect that 46 BCTs will complete conversion by the end of fiscal year 2006. The momentum that began last year must be maintained to ensure equipment production lines that support modularity are synchronized with operational rotation plans. Because the Department has very limited flexibility in the base budget, the supplemental request is critical to continue unit conversions in fiscal year 2006. We cannot afford to delay the transformation without significantly reducing the Army's ability to resource and equip units for ongoing operations.

28. Senator LIEBERMAN. Secretary Rumsfeld, another important element of transformation, and a clear lesson from Iraq and Afghanistan, is the need for the U.S. to have a robust capability to conduct stability operations in a post-conflict environment. How has the DOD addressed this requirement in the fiscal year 2006 budget and what is it doing to build and sustain this critical capability?

Secretary RUMSFELD. DOD Directive 1322.18, subject: Military Training, September 1, 2004, included guidance that the Services will train for full spectrum operations. A draft version of this directive with the full spectrum guidance was distributed by the DOD to the Army in April 2004. The Army responded by modifying its training strategies accordingly. Fiscal year 2006 training strategy accounts for adjustments due to full spectrum operations in support of the Contemporary Operating environment, including stability operations.

THE NAVY BUDGET

29. Senator LIEBERMAN. General Myers, the Navy has been on the record as saying it needed a 375-ship fleet to meet its required tasks. This year there are only four ships in the budget. This level of shipbuilding puts us on a long-term path to a fleet of 250 or fewer ships. Ships today are more capable and there is a move to different types of platforms. But numbers do matter. What size fleet do we need and how does this budget get us there?

General MYERS. The fleet of the future likely will be a smaller force of more capable ships. In fiscal year 2006 and beyond, the shipbuilding program focuses on almost entirely on new classes of ships, including Littoral Combat Ship (LCS), DD(X), CVN21, *Virginia* fast attack submarines, CG(X), the LHA(R) enhanced aviation amphibious assault ship and MPF(F), the maritime prepositioning ship of the future. The Navy is studying the overall capability that will be required.

If additional information is required, recommend you refer this question to the Navy.

30. Senator LIEBERMAN. General Myers, the Navy's ability to project power in future conflicts will depend on its ability to ensure access. A key piece of that is to establish and maintain undersea superiority of any disputed waters. Many other nations are pursuing this strategy with vigor. For example, the Chinese have bought eight Kilo class diesel-electric subs from Russia and are planning to buy four more. They are also building their own Song class of diesel-electric boats as well as some nuclear powered attack subs. They see the value, as we do, in a strong submarine force. Submarines are flexible platforms; they are quiet, stealthy, and can get in close. They provide force protection while also being a useful instrument to project power. They are highly adaptable to a variety of situations. The current naval force structure calls for a nuclear attack sub fleet of 55 boats. It was not clear we could maintain that level at our intended rate of production, and now this budget reduces procurement in the outyears.

Was the decision to reduce submarine procurement made as part of a larger strategy to change the size or composition of the force structure? If not, then why was procurement reduced?

General MYERS. The decision to reduce submarine procurement resulted from a combination of both strategy and budget priority considerations to both make the most of available resources and rebalance the Navy to meet future challenges. Main-

taining undersea superiority remains a DOD priority, and submarines will continue to play an important role in this effort. The Quadrennial Defense Review, Joint Staff capabilities based assessments, and Navy transformation efforts will help determine long-term capability needs.

31. Senator LIEBERMAN. General Myers, does this budget allow us to maintain a fleet of 55 boats? What are the operational impacts if we fall below that level?

General MYERS. Our nuclear attack submarines are exceptionally capable platforms, but like many of our ships, they are expensive. The Navy's sizing of the future fleet is not complete and it is not clear yet what inventory level and capability mix will be required. As in all programs, reduced numbers add some operational risk, but our undersea superiority capability assessments and other force structure study efforts will help identify how to mitigate that risk.

If additional information is required, recommend you refer this question to the Navy.

32. Senator LIEBERMAN. General Myers, with a smaller submarine fleet, will we have a sufficient undersea quantity and capability or provide adequate force protection and power projection?

General MYERS. [Deleted].

33. Senator LIEBERMAN. General Myers, does the Navy believe our industrial base can sustain the reduced level of procurement envisioned in this budget?

General MYERS. The Navy believes in the near-term that the nuclear submarine industrial base can be sustained with a procurement rate of one *Virginia* class submarine per year.

If additional information is required, recommend you refer this question to the Navy.

34. Senator LIEBERMAN. General Myers, the budget allocates $600 million over the Future Years Defense Plan (FYDP) to design a future undersea superiority system to the reduced submarine program that includes consideration of new propulsion systems. Please provide some insight into this program and outline the vision for it.

General MYERS. The Navy and Joint Staff continue to work through assessments of our undersea superiority capabilities. These efforts, combined with other important studies such as the Quadrennial Defense Review, will help inform the utilization of allocated research funding and provide the way ahead for ensuring undersea superiority throughout the FYDP.

If additional information is required, recommend you refer this question to the Navy.

35. Senator LIEBERMAN. General Myers, Admiral Clark was recently quoted as saying that the Navy is not appropriately shaped for the world we will face in the future. In similar comments, Retired Vice Admiral Cebrowski, the former Director of the Office of Force Transformation, also noted that the Navy scales poorly and must make fundamental changes in force structure. Does this budget move us in the direction of transforming the Navy to meet the unexpected, often asymmetric threats we will face in the 21st century?

General MYERS. Yes, this budget does support Navy transformational efforts. Transformation does not just mean building new platforms and systems. It also involves the non-material issues of tactics, techniques, training, and procedures that our forces undertake. The Navy has made great strides in this arena. For example, the Sea Swap and the Fleet Response Plan (FRP) concepts have significantly enhanced our combat capability to surge on short notice. The fiscal year 2006 budget makes the necessary readiness and personnel investments to support continued development and expansion of the Sea Swap and FRP capabilities.

On the platform side of shipbuilding, the Navy is undergoing a major transformation in shipbuilding, moving towards a more flexible and adaptable new generation of ships. The fleet will be shaped for combat reflecting the changed nature of warfare, pushing beyond the traditional warfighting approach to include irregular, catastrophic, and disruptive effects.

If additional information is required, recommend you refer this question to the Navy.

36. Senator LIEBERMAN. General Myers, what force structure changes would you recommend? What do we need more of? What do we need less of?

General MYERS. The ongoing Quadrennial Defense Review will identify possible force structure alternatives. Given improved capabilities and possible upcoming resource constraints, it is likely that the fleet of the future will be a smaller force of more capable systems. We will ensure that this fleet continues to meet the needs of the combatant commanders.

AIRLIFT ASSETS

37. Senator LIEBERMAN. General Myers, virtually every hearing we have had with warfighting commanders over the past few years reveals a significant shortage of so-called High Demand Low Density (HD/LD) assets, particularly airlift. Army restructuring plans rely on a lighter force moving largely by air and operations in Iraq, requiring more and more airlift. Recently we have seen problems develop on the older C–130s which have grounded planes and negatively impacted this important capability. Yet this budget only continues the C–17 program and it terminates the future workhorse, the C–130J. It has already been said this decision will be revisited, but the larger questions are what do you need, and how do you intend to provide the warfighters with this critical asset?

General MYERS. The Department is presently wrapping up a Mobility Capabilities Study (MCS), which will define the Department's mobility needs. This study, unlike others, is an end-to-end look that models the inter- and intra-theater airlift requirements for not only two overlapping major combat operations, but also homeland defense, a number of lesser contingencies, and sustainment of forward based forces. In the near term, the MCS will inform C–17 and C–130J decision later this year.

QUESTIONS SUBMITTED BY SENATOR JACK REED

SCIENCE AND TECHNOLOGY FUNDING

38. Senator REED. Secretary Rumsfeld, the fiscal year 2006 budget request once again fails to meet your stated goal (as well as the recommendation of both the DSB and the QDR) of investing at least 3 percent of the DOD budget in high value S&T programs. What risks are we taking by underinvesting in S&T in this manner?

Secretary RUMSFELD. This administration has highlighted the importance of S&T by stating a goal for the Department's S&T program to reach 3 percent of the top line. The importance of S&T to this administration is unwavering, even if the stated goal of achieving 3 percent has been difficult to achieve. The increase in the overall top line following September 11 and the ensuing global war on terrorism have forced hard choices. However, with the fiscal year 2006 request, this administration has increased the S&T investment 28 percent higher than fiscal year 2001 request (23 percent higher than the fiscal year 2001 requested adjusted for inflation).

39. Senator REED. Secretary Rumsfeld, please identify a prioritized list of unfunded S&T programs that you would have funded had more resources been available. How should Congress determine which requested projects should receive funding in addition to your S&T budget request?

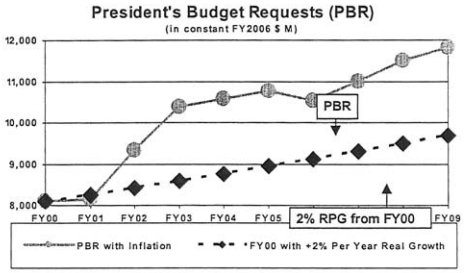
Secretary RUMSFELD. The fiscal year 2006 President's budget was developed by balancing priorities across all functional areas, and our request for S&T represents a stable program, within the priorities of the Department in a fiscally constrained environment. We believe the program submitted best represents the Department's priorities based on available funds.

40. Senator REED. Secretary Rumsfeld, this budget request also fails to meet the goal established by Congress in Section 212 of the NDAA for Fiscal Year 2000 to annually increase S&T investment by 2 percent over inflation over the previous year's budget request. The provisions of Section 212 require you to submit a certification of the stability of the defense technological base as a result of the reduced S&T investment level. Are you preparing that certification?

Secretary RUMSFELD. The NDAA for Fiscal Year 2000 stated the Secretary of Defense should have a goal to achieve 2 percent real growth from the previous year's S&T program for fiscal years 2001–2009. We feel a more reasonable goal is 2 percent per year on average over time.

We have more than met the goal of 2 percent per year growth from fiscal year 2000. Using fiscal year 2000 as a baseline and adjusting for inflation, our fiscal year 2006 request is 23 percent higher than fiscal year 2000, nearly double what it would have been with a strict goal of 2 percent per year growth.

S&T President's Budget Requests	FY00	FY06	FY06 (if 2% RPG from FY00)	Difference from FY06 (if 2% RPG from FY00)	% Change
Then Year $M	$7,386	$10,522	$8,318	+$2,204	30%
Constant FY06 $M	$8,100	$10,522	$9,122	+$1,400	23%



41. Senator REED. Secretary Rumsfeld, the provisions of Section 212 of the NDAA for Fiscal Year 2000 also require the DSB to submit a report on the effect that the reduced S&T investment will have on defense technology and national security. When will the DSB initiate that study and release its report?

Secretary RUMSFELD. We do not believe that the provision for a DSB study has been triggered.

CHIEF TECHNOLOGY OFFICER

42. Senator REED. Secretary Rumsfeld, last year Secretary Wolfowitz issued a directive naming the Director of Defense Research and Engineering (DDR&E) as the Chief Technology Office (CTO) of the Department. What is the role of the CTO in DOD?

Secretary RUMSFELD. The role of the CTO in the DOD is consistent with previous directives for the DDR&E. The updated directive formerly identifies the DDR&E as the CTO. The Department does not view the CTO and DDR&E as different entities but rather synonymous. The DDR&E is the principal staff advisor to the Under Secretary of Defense for Acquisition, Technology and Logistics and the Secretary and Deputy Secretary of Defense on research and engineering matters.

43. Senator REED. Secretary Rumsfeld, what authorities does he have to direct Service technology investments, science and engineering workforce issues, and industrial base investments and policies? Are his authorities comparable to those of private sector CTOs?

Secretary RUMSFELD. The DDR&E authorities are outlined in DOD Directive 5134.3, dated November 3, 2003 (attached). This directive provides the DDR&E the authorities to recommend approval, modification, or disapproval of research and engineering projects within DOD. However, the DDR&E does not have authorities to direct industrial base investments and policies.

Comparing authorities of the CTO from the private sector and the DOD varies significantly. Even within the private sector, CTO responsibilities diverge. However, there are similarities that exist. One similarity is the relationship of the CTO to the Chief Executive Officer or in the DOD's case, Secretary of Defense. As the Secretary of Defense, I look to the CTO to identify innovative projects and advocate the possibilities of technology for the DOD; this is similar to the private sector. In industry, the CTO is a contributing member to the corporate board; which is the same within the DOD.

Department of Defense

DIRECTIVE

NUMBER 5134.3

November 3, 2003

DA&M

SUBJECT: Director of Defense Research and Engineering (DDR&E)

References: (a) Sections 137 and 113 of title 10, United States Code
(b) DoD Directive 5134.3, "Director of Defense Research and Engineering (DDR&E)," August 31, 1994 (hereby canceled)
(c) DoD 7000.14-R, "DoD Financial Management Regulation," Volume 2, "Budget Formulation and Presentation," July 1996
(d) DoD Instruction 5000.2, "Operation of the Defense Acquisition System," May 12, 2003
(e) through (g), see enclosure 1

1. REISSUANCE AND PURPOSE

Pursuant to section 137 of reference (a) and the authorities vested in the Secretary of Defense by section 113 of reference (a), this Directive reissues reference (b) to update the responsibilities, functions, relationships, and authorities of the Director of Defense Research and Engineering (DDR&E).

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as "the DoD Components").

3. DEFINITION

Research and Engineering. Research and Engineering (R&E) includes Science and Technology programs (consisting of Basic Research, Applied Research, and Advanced Technology Development) and Advanced Component Development and Prototypes programs, which are identified as Budget Activities 1, 2, 3, and 4, respectively, in reference (c).

4. RESPONSIBILITIES AND FUNCTIONS

The DDR&E is the principal staff advisor to the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) and the Secretary and Deputy Secretary of Defense for research and engineering matters. In this capacity, the DDR&E shall:

4.1. Serve as the Chief Technology Officer for the Department of Defense.

4.2. Develop the strategies and supporting plans that exploit technology and prototypes to respond to the needs of the Department of Defense and ensure U.S. technological superiority.

4.3. Conduct analyses and studies; develop policies; provide technical leadership, oversight and advice; make recommendations; and issue guidance for the DoD R&E plans and programs.

4.4. Recommend approval, modification, or disapproval of programs and projects of the Military Departments and other DoD Components in assigned fields to eliminate unpromising or unnecessarily duplicative programs, and initiation or support of promising ones for R&E.

4.5. Actively participate in the Planning, Programming, Budgeting, and Execution process by providing guidance throughout budget development, and:

4.5.1. Oversee a process, that includes the DoD Components, as appropriate, to identify critical technology areas. Provide input into the Defense Planning Guidance and Transformation Planning Guidance concerning these critical technology areas and overall content of the R&E Program, consistent with a capabilities-based planning approach.

4.5.2. In coordination with the DoD Components, develop the Technology Planning Guidance for the Secretary of Defenses approval early in the budget

preparation cycle. The Technology Planning Guidance shall outline programmatic investment priorities consistent with DoD policy and DoD Component transformational objectives.

4.5.3. Recommend, through the USD(AT&L) to the Secretary of Defense, appropriate funding levels for R&E.

4.5.4. Represent the R&E Program as a member of the Program Review Group or equal management structure during the Program Review.

4.5.5. Recommend, through the USD(AT&L) to the Under Secretary of Defense (Comptroller) (USD(C))/Chief Financial Officer (CFO), resource and programmatic adjustments to the Budget Estimate Submission for the Presidents Budget Request on specific R&E programs and technology areas to meet military goals and objectives, as determined by the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments.

4.5.6. Advise the Secretary of Defense whether the Presidents Budget Request meets the Department's goals and objectives and is the best allocation of resources for R&E. If not, identify reallocations required to achieve the desired results.

4.6. Oversee matters associated with R&E at DoD laboratories operated by the Military Departments or other DoD Components.

4.7. Promote coordination, cooperation, and mutual understanding of R&E within the Department of Defense and between the Department of Defense and other Federal Agencies and the civilian community.

4.8. Ensure R&E interchange with Allied and friendly nations, in coordination with the Under Secretary of Defense for Policy, the USD(AT&L), and the Military Departments.

4.9. Provide support to the Defense Technology Security Administration on technological issues pertaining to international acquisition and export activities.

4.10. In cooperation with the Deputy Under Secretary of Defense for Acquisition and Technology, provide advice and assistance in developing policies for rapid technology transition.

4.11. Develop and maintain an R&E metrics program to measure and assess the quality and progress for the Department of Defense's R&E program.

4.12. Provide specific technical evaluation of DoD Component R&E Special Access Programs, as directed by the USD(AT&L) and in coordination with the OUSD(AT&L) Director, Special Programs.

4.13. Provide technical support to the USD(AT&L) on:

4.13.1. R&E aspects of programs subject to review by the Defense Acquisition Board, to include conduct of a complete assessment of technology readiness consistent with DoD Instruction 5000.2 (reference (d)); and

4.13.2. R&E matters pertaining to maintenance of a strong defense industrial base.

4.14. Serve on boards, committees, and other groups pertaining to the DDR&E's functional areas, and represent the Secretary of Defense, the Deputy Secretary of Defense, and the USD(AT&L) on DDR&E matters outside the Department of Defense.

4.15. Carry out such other functions and responsibilities as the Secretary and Deputy Secretary of Defense, or the USD(AT&L), may direct.

5. RELATIONSHIPS

5.1. In the performance of assigned functions and responsibilities, the DDR&E shall:

5.1.1. Serve under the authority, direction, and control of the USD(AT&L) in accordance with DoD Directive 5134.1 (reference (e)).

5.1.2. Exercise authority, direction, and control over the Director of the Defense Advanced Research Projects Agency.

5.1.3. Use existing facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance among modernization, readiness, sustainability, efficiency, and economy.

5.1.4. Coordinate and exchange information with other OSD officials, the Heads of the DoD Components, and Federal officials having collateral or related functions.

5.2. The USD(C)/CFO shall coordinate with the DDR&E prior to approving the transfer or reprogramming of funds into or from a program supported by funds from Budget Activities 1 through 4.

5.3. Other OSD officials and the Heads of the DoD Components shall coordinate with the DDR&E on all matters related to the responsibilities and functions cited in section 4., above.

6. AUTHORITIES

The DDR&E is hereby delegated authority to:

6.1. Issue DoD Instructions, DoD Publications, and one-time directive-type memoranda, consistent with DoD 5025.1-M (reference (f)), that implement policy approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of the Military Departments. Instructions to the Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

6.2. Obtain reports and information, consistent with the policies and criteria of DoD Directive 8910.1 (reference (g)), as necessary, to carry out assigned functions.

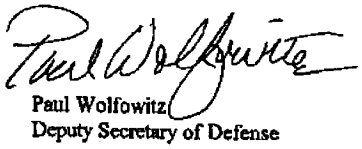
6.3. Communicate directly with the Heads of the DoD Components, as necessary to carry out assigned functions, including the transmission of requests for advice and assistance. Communications to the Military Departments shall be transmitted through the Secretaries of the Military Departments, their designees, or as otherwise provided in law or directed by the Secretary of Defense in other DoD issuances. Communications to the Commanders of the Combatant Commands, except in unusual circumstances, shall be transmitted through the Chairman of the Joint Chiefs of Staff.

6.4. Communicate with other Federal Agencies, representatives of the Legislative Branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

6.5. Establish arrangements for DoD participation in those non-defense governmental programs for which the DDR&E has been assigned primary cognizance.

7. EFFECTIVE DATE

This Directive is effective immediately.



Paul Wolfowitz
Deputy Secretary of Defense

Enclosures - 1
E1. References, continued

E1. ENCLOSURE 1

REFERENCES, continued

(e) DoD Directive 5134.1, "Under Secretary of Defense for Acquisition, Technology, and Logistics," April 21, 2000
(f) DoD 5025.1-M, "DoD Directives System Procedures," March 5, 2003
(g) DoD Directive 8910.1, "Management and Control of Information Requirements," June 11, 1993

SMALL BUSINESS INNOVATIVE RESEARCH PHASE III

44. Senator REED. Secretary Rumsfeld, are you requesting any funds to establish a formal Small Business Innovative Research (SBIR) Phase III program that would serve to transition successful programs out of Phase II SBIR programs and into formal acquisition programs? What programs exist to help small businesses transition their technologies out of the SBIR program?

Secretary RUMSFELD. The Department's fiscal year 2006 budget does not request dedicated funds for a SBIR Phase III program. By public law, SBIR is a two-phase program funded by a 2.5-percent set-aside of the DOD RDT&E budget; funding has increased from $640 million in fiscal year 2001 to over $1 billion in fiscal years 2004

and 2005. The DOD has always been a proponent of small business, a key source of innovation for the warfighter. The SBIR program is an important part of overall DOD research investment.

It is always a challenge to transition technology to acquisition programs. The DOD recognizes this and encourages communication between the successful SBIR contractors and the DOD acquisition community. To address this challenge and help improve technology transition within the Department, we are sponsoring a new conference this summer in San Diego to bring together technology and acquisition decisionmakers from government and industry to discuss all aspects of transitioning SBIR research into products for the warfighter, and other government and non-military markets. The conference will showcase hundreds of SBIR projects that are ready to transition into acquisition programs. Acquisition program managers and major prime contractors will attend the conference, which will feature one-on-one meetings to facilitate effective technology matchmaking—a precursor to effective transition.

It is also important to note that the DOD SBIR program has had recent successes in transitioning technology to acquisition programs which in turn have been fielded in the Iraq theater. Among many examples, components for miniature portable power supplies, developed by Mesoscopic Devices, were recently fielded in the Iraq theater of operations, as was the Phraselator, a handheld speech translation device, made by a team led by Marine Acoustics.

DEVOLVED UNIVERSITY RESEARCH INITIATIVE PROGRAMS

45. Senator REED. Secretary Rumsfeld, the fiscal year 2006 budget request calls for a combined $248.1 million in the Service University Research Initiatives. This program invests in university research projects in areas such as nanotechnology, robotics, and artificial intelligence that create the transformational technologies and military capabilities, and train the next generation of scientists, engineers, and technology entrepreneurs in defense technology disciplines.

In constant dollars, this is below the total fiscal year 2004 request for this important program. As a result, you are required to submit a report to Congress on the effect of this funding reduction on defense technology and research capabilities, as described in the NDAA Conference Report for Fiscal Year 2004. What is the reason for the reduced request in University Research Initiatives?

Secretary RUMSFELD. The decline in funding for the University Research Initiative is about 3 percent relative to the fiscal year 2004 DOD budget request and reflects the very difficult choices we had to make in preparing this year's budget. The University Research Initiative is one of several important basic research programs of the military departments. Basic research is a source of new knowledge and understanding that underpins the long-term development of future military capabilities. Basic research also helps train future scientists and engineers for the defense workforce. The DOD also must maintain a good balance among its investments in all components of RDT&E.

46. Senator REED. Secretary Rumsfeld, what is the status of the development of the required report to Congress on this issue?

Secretary RUMSFELD. We are refining the report and expect to provide it to Congress in May 2005.

TEST AND EVALUATION IN A SPIRAL DEVELOPMENT ENVIRONMENT

47. Senator REED. Secretary Rumsfeld, I am concerned that there is a growing trend of fielding systems without adequate developmental or operational testing. How are you working to balance the need to quickly field new capabilities, while preserving the important role of developmental and operational testing into our acquisition process?

Secretary RUMSFELD. The Department has been using spiral development acquisition to provide increments of capability to the warfighter, while development of the full capability continues. Each spiral or increment is fully tested, both developmentally and operationally, in accordance with the statutory requirements. This ensures that systems are operationally effective, suitable, survivable, and safe for the intended use. We see every day the impact and significance this approach has for our men and women in uniform.

Occasionally, the Department also fields developmental items to meet an urgent warfighter need. In this case, sufficient testing is conducted to demonstrate that the developmental item meets that warfighter's need and is safe for the intended use.

48. Senator REED. Secretary Rumsfeld, do you believe that there should be a reexamination of the regulations and statutes regarding testing and reporting with respect to full rate production of systems, given the fact that the military is now consistently operating in a "rapid-fielding," "Fly-Before-You-Buy" mode? What changes would you recommend in testing and reporting of defense systems to ensure that new systems are sufficiently tested before fielding?

Secretary RUMSFELD. Current policy and statutes provide an effective framework while allowing the flexibility to address both the testing and reporting of our military systems with respect to the full-rate production decision.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

ARMY END STRENGTH

49. Senator AKAKA. General Myers, the fiscal year 2006 budget contains a $13 billion Army baseline budget as well as an additional $35 billion over 7 years to restructure the Army. The fiscal year 2005 supplemental spending request just submitted by the President on February 14 includes $5 billion to restructure the Army.

Assuming that much of this is intended to fund the Army transformation initiative of modularity, which would result in improved rotation schedules for the active duty as well as National Guard and Reserve troops, why is the DOD postponing a decision on increasing the size of the Army's Active-Duty Force until 2006 as indicated by senior Pentagon officials last week?

General MYERS. Adding end strength is the most expensive option and should not be taken lightly. There are several initiatives underway within the Army to relieve stress on the force and improve rotation schedules that make more of our current force available for deployments and high demand activities. These include, but are not limited to, military-to-civilian conversions; rebalancing of the Reserve components (RC); and Army modularity. Additionally, a comprehensive review of the Army's force structure, Active component (AC)/RC mix, and modernization will be conducted during the QDR.

All of these efforts will have a significant impact on the force and greatly increase warfighting capabilities where gaps currently exist. The impact is significant for the operational force as we increase capabilities in high demand specialties. The resulting effect is an increase in the rotation base of units available for deployment, which reduces the burden on AC and RC soldiers. Giving these initiatives the opportunity to impact the force and thoroughly reviewing the Army's force structure in the QDR is the prudent course of action for the Department and the Army before adding additional permanent end strength.

VETERANS' BENEFITS

50. Senator AKAKA. Secretary Rumsfeld, the President's fiscal year 2006 budget submission proposes freezing non-DOD discretionary spending for the next 5 years. This could have a significant impact on veterans' health benefits. With the anticipated return of thousands of troops from Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), and Operation Noble Eagle (ONE) and their eventual retirement from active duty, what actions is the DOD prepared to take in order to ensure that these servicemembers are taken care of appropriately?

Secretary RUMSFELD. The Department is already working hard to make sure that all servicemembers are taken care of as they become veterans. The DOD partners with the Department of Veterans Affairs (VA) at many organizational levels to ensure continuity of care from DOD to VA health care providers. Our goal is to provide clear and comprehensive benefit information to all servicemembers and their families and proper transfer of medical records and results of separation physicals from DOD to VA.

To ensure OEF and OIF veterans experience continuity of care, the DOD participates on the VA's Seamless Transition Task Force. In 2003, the VA established a new office to facilitate transition support for DOD veterans of OEF and OIF. In August 2003, a joint DOD/VA program was established to provide case management for combat veterans at Walter Reed Army Medical Center and has expanded to other facilities, including the National Naval Medical Center and five additional Army Medical Centers (Brooke, Eisenhower, Fort Hood, Madigan, and Evans).

Reserve component members serving in a contingency operation are eligible for 180 days of TRICARE coverage after the date of discharge from Active-Duty. Veterans who have served in a theater of combat operations are eligible for free VA

medical care for illnesses and injuries that are possibly related to military service for 2 years after the date of discharge from Active-Duty.

In April 2004, the Army and the VA announced the Disabled Soldier Support System, a new program designed to assist severely disabled soldiers and their families during their transition from military service to civilian life. Soldiers will be followed-up for 5 years after their medical retirement to ensure they receive the TRICARE and VA benefits for which they are eligible. Working with the Services, the VA, and other government and non-government agencies, the Department is operating a Military Severely Injured Joint Operations Center. The Joint Operations Center complements the Services' efforts to reach out to their severely injured and will give members a long-term support system wherever they decide to live. Personalized assistance will be tailored to meet an individual's unique needs during recovery and rehabilitation.

SUPPLEMENTAL REQUESTS

51. Senator AKAKA. Secretary Rumsfeld, there has been much discussion over the continued funding of the war in Iraq and operations in Afghanistan through supplemental spending requests rather than in base budgets. You have indicated that the supplemental spending requests make the needed funds available sooner than funding in the normal budget cycle that can take 2 years or more.

The administration has been reluctant to speculate on how long the war in Iraq will last, but earlier this week Claude Bolton, Senior Acquisition Executive (SAE) for the Army, stated that the Army will continue to need supplemental appropriations for 2 years after the war ends. Mr. Bolton said the Army needs a certain level of funding to enable its restructuring to happen. "That level of funding is what we have right now—with supplementals. So if the war stops today, I'd still need 2 years' worth of funding, which is supplemental."

If the cost of this transformation to modularity is known and the Army SAE is identifying this need now, why would this not be requested in the base budget for future years rather than continuing to rely on supplemental requests?

Secretary RUMSFELD. Army restructuring will indeed be funded in the base budget, beginning with the fiscal year 2007 budget, which we will be preparing over the next several months. Restructuring in fiscal year 2005 and 2006 will be funded by supplemental appropriations because its acceleration is urgent and vital to our war effort.

BASE CLOSURES

52. Senator AKAKA. Secretary Rumsfeld, in November 2002 you announced the first steps in implementing a new 2006 Base Realignment and Closure (BRAC) law. These included development of a force structure plan, comprehensive inventory of military installations, and establishment of criteria for selecting bases for closure and realignment. Under the BRAC law, it is my understanding that the conferees of the NDAA did not give the DOD the authority to waive the depot laws through BRAC. Does the Department realize that it does not have the authority to waive the depot laws through BRAC?

Secretary RUMSFELD. For BRAC to be a truly comprehensive process and to achieve our objective in support of the warfighter, the process must involve all of our installations, including those that perform depot-level maintenance and repair. As provided for by law, the Department will treat all installations equally and fairly, making military value the primary consideration.

10 USC 2466 provides that not more than 50 percent of funds available in a fiscal year to a military department or a defense agency for depot-level maintenance and repair be used to contract for the performance of such workload. The Department's BRAC recommendations will comply with all applicable statutory requirements.

[Whereupon, at 12:47 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

TUESDAY, MARCH 1, 2005

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

COMBATANT COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

The committee met, pursuant to notice, at 9:30 a.m. in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, Inhofe, Collins, Talent, Chambliss, Cornyn, Thune, Levin, Kennedy, Lieberman, Reed, Bill Nelson, E. Benjamin Nelson, and Clinton.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Gregory T. Kiley, professional staff member; Thomas L. MacKenzie, professional staff member; Lucian L. Niemeyer, professional staff member; Lynn F. Rusten, professional staff member; and Scott W. Stucky, general counsel.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Daniel J. Cox, Jr., professional staff member; Evelyn N. Farkas, professional staff member; Bridget W. Higgins, research assistant; Michael J. McCord, professional staff member; and William G.P. Monahan, minority counsel.

Staff assistants present: Andrew W. Florell, Catherine E. Sendak, and Pendred K. Wilson.

Committee members' assistants present: Cord Sterling, assistant to Senator Warner; John A. Bonsell, assistant to Senator Inhofe; Chris Arnold, assistant to Senator Roberts; Arch Galloway II, assistant to Senator Sessions; Mackenzie M. Eaglen, assistant to Senator Collins; Lindsey R. Neas, assistant to Senator Talent; Clyde A. Taylor IV, assistant to Senator Chambliss; Russell J. Thomasson, assistant to Senator Cornyn; and Bob Taylor, assistant to Senator Thune; Sharon L. Waxman and Mieke Y. Eoyang, assistants to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; William K. Sutey, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; and Andrew Shapiro, assistant to Senator Clinton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, everyone. The committee meets today to receive testimony from three of the most accomplished, distinguished military leaders we have in our Nation, the commanders of the U.S. Central Command (CENTCOM), the U.S. European Command (EUCOM), and the U.S. Special Operations Command (SOCOM), on the posture of the U.S. Armed Forces in their areas of responsibilities, their current role in the global war on terrorism, and their operational requirements in review of President Bush's Defense Budget Request for fiscal year 2006 and the future out years. Each of you are responsible for our forces that are at the very focal point in the worldwide struggle against terrorism.

General Abizaid, General Jones, General Brown, we welcome each you back before the committee, and commend you once again for the outstanding leadership that you continue to provide our Nation and the free world, particularly to the men and women, and their families, in uniform. You serve in an era of unprecedented challenges and demands on our Armed Forces. Americans, all Americans, appreciate how honorably each of you has measured up to the task.

As we meet this morning, hundreds of thousands of our servicemembers are engaged in operations around the world, deterring and defending our Nation in Operation Enduring Freedom, Operation Iraqi Freedom, and in other military operations in the ongoing global war on terrorism. These brave men and women, and their families here at home, deserve our continued support. They'll get it. Get it in the form of the finest equipment, the adequacy of the resources, and the support otherwise that they need to perform their missions. Our forward-deployed forces are, and will remain, our first line of defense.

As I travel back into my State and across America, I know that our citizens are fully aware that these sacrifices of the men and women in uniform abroad—particularly those who've lost their lives and bear the wounds of war—Americans understand that by so deterring and defeating terrorists abroad lessens the likelihood of that terrorism being brought to the shores of America, and there's a profound and deep appreciation.

I want to pay special recognition to the men and women of our Armed Forces, their coalition partners, and the Iraqi security forces. They perform their duties under the most difficult and challenging of circumstances; thereby, enabling the conduct of the successful elections in Iraq just a month ago. This remarkable accomplishment is proof of the professionalism and dedication of our military forces, their ability to work not only with the coalition forces, but the growing—and I emphasize "the growing"—capacity to work with the Iraqi security forces, the great tribute to the people of Iraq, in their courage, in the course of that election.

Iraq is a nation that, for decades, has known only tyranny and oppression, but it appears now to be on a path toward some elements of democracy, freedom, and opportunity for its people. The extent those elements grow and flourish is largely up to the Iraqi people, at this point.

Much has been accomplished in the 3½ years since our Nation was attacked on September 11, 2001. It is clear that much remains to be done to defeat terrorists who would bring harm to our shores. Each of our witnesses today, in past appearances before Congress and in the public, have very carefully cautioned America about the long-term threat of Islamic extremism, what has caused it, and the comprehensive military, diplomatic, economic, social, and humanitarian efforts which will be required to address the fundamental causes of extremism.

General Abizaid, you've been in the very forefront of that interpretation of the complexities of that region for the American people, as you describe your responsibilities.

The most visible focal point for extremism in the Middle East has, over the years, been the long conflict between Israel and Palestine. Many, myself included, believe that lasting peace in the Middle East, throughout the region, will not be achieved until this longstanding conflict is resolved. Based on recent developments, the opportunity for such resolution may well be within reach.

President Bush, on his recent trip to Europe, stated, "America and Europe have made a moral commitment. We will not stand by as another generation in the Holy Land grows up in an atmosphere of violence and hopelessness."

I hope, General Jones, that you will have the opportunity to talk today about the potential for, possibly, the North Atlantic Treaty Organization (NATO) participating in a peacekeeping role in that conflict. As you well know, NATO is comprised of both European and U.S. forces—the Europeans have had a longstanding relationship with the Palestinian interests, and we have had a longstanding situation and linkage with Israel. That provides a balance, such a NATO force, if it were to be utilized as peacekeepers.

Beyond this conflict, NATO, especially in Iraq and Afghanistan, but also elsewhere—and republics in Iran and the African continent—all of this is the areas of responsibility (AORs) in which we are anxious to hear your report. Each of you play a critical role, in these areas, in the global war on terrorism. We look forward to your assessment.

I will put the balance of my statement in the record so we can get on to the testimony.

[The prepared statement of Chairman Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

The committee meets today to receive testimony from the Commanders of the U.S. Central Command, the U.S. European Command, and the U.S. Special Operations Command on the posture of U.S. Armed Forces in their areas of responsibility, their current role in the global war on terrorism, and their operational requirements, in review of President Bush's defense budget request for fiscal year 2006 and the future years defense program.

Our witnesses today command the forces that are the focal point in the global struggle against terrorism.

General Abizaid, General Jones, General Brown, we welcome you back before the committee and commend you for the outstanding leadership you all continue to provide to our Nation, and to our men and women in uniform and their families. You serve in an era of unprecedented challenges and demands on our Armed Forces, and we appreciate how honorably each of you has measured up to the task.

As we meet this morning, hundreds of thousands of our servicemembers are engaged in operations around the world defending our Nation in Operation Enduring Freedom, in Operation Iraqi Freedom, and in other military operations in the ongo-

ing global war on terrorism. These brave men and women, and their families, deserve our continued support. They will get it—the equipment, the resources, and the support they need to perform their missions. Our forward deployed forces are—and will remain—our first line of defense. We extend our thanks to those who serve, and our thoughts and prayers are with the families and friends of those who have been lost or wounded, defending liberty around the world.

I want to pay special recognition to the men and women of our Armed Forces, their coalition partners and the Iraqi security forces. They performed their duties, under the most difficult and challenging of circumstances, thereby enabling the conduct of the successful elections in Iraq one month ago. This remarkable accomplishment is proof of the professionalism and dedication of our military forces. Iraq, a nation that for decades had known only tyranny and oppression, is now on a path toward democracy, freedom, and opportunity for its people.

Much has been accomplished in the 3½ years since our Nation was attacked on September 11, 2001. But it is clear that much remains to be done to defeat terrorists who would bring harm to our shores. In past testimony, General Abizaid has described the long term threat of Islamic extremism, what has caused it, and the comprehensive military, diplomatic, economic, social, and humanitarian efforts which will be required to address the fundamental causes of extremism.

The most visible focal point for extremism in the Middle East has long been the conflict between Israel and the Palestinians. Many, myself included, believe that real peace in the Middle East will not be achieved until this longstanding conflict is resolved. Based on recent developments, the opportunity for peace may be within reach. As President Bush stated on his recent trip to Europe, "America and Europe have made a moral commitment: We will not stand by as another generation in the Holy Land grows up in an atmosphere of violence and hopelessness."

I strongly believe we must seize this moment of opportunity in the Middle East to build a lasting peace. There have not been so many promising signs in this region in generations—a ceasefire between Israel and the Palestinians; multi-lateral pressure on Syria to end its sponsorship of terrorism; calls for reform and an end to foreign domination in Lebanon; potential democratic-reform in Egypt, Saudi Arabia, and elsewhere; and successful elections and an ongoing political process in Iraq and Afghanistan. Now is the time for NATO to step forward to play a role in bringing about a resolution to this conflict—a conflict which fans the flames of discontent across the entire region. I have long been an advocate of a NATO peacekeeping mission to enforce a ceasefire. It is time for us to consider this option.

General Abizaid, continuing military operations in Iraq, the overall security situation there, and the recent elections are, clearly, of great interest to this committee. As we speak, the newly elected Transitional National Assembly is in the process of forming a new government, our forces are transitioning to a new role, with more focus on training and assisting Iraqi security forces, and the security situation continues to inhibit reconstruction and economic development. We seek your views on how this new Iraqi government will evolve; the progress achieved in training and preparing Iraqi security forces to assume principal responsibility for security in Iraq; and what level of effort will be required of U.S. forces in the weeks and months ahead.

While much attention is focused on Iraq, we must not lose sight of the other challenges in your area of responsibility. The security situation in Afghanistan, following successful elections in October, is much improved; reconstruction is progressing, but uneven; and drug cultivation and trafficking are very significant problems. The committee looks forward to your assessment of the current situation in Afghanistan, as well as your views on NATO's contribution, and that of other coalition nations, to military operations in the region.

General Jones, there has been significant activity in NATO since you appeared before this committee last year. NATO has now grown to 26 members, having added 7 new members to the alliance on April 2, 2004.

The committee seeks your assessment of how the alliance "at 26" is functioning. NATO is evolving not only in size, but also in the scope and reach of its activities. At a moment in history when Europe is largely stable, and the threats to international stability are increasingly global, NATO is assuming critical out-of-area missions in Afghanistan and Iraq.

As you well know, this committee is interested in NATO's commitment to help train Iraqi security forces. While the commitment was first made at the Istanbul Summit in June 2004, the follow through has been much slower than we had hoped. I was encouraged by NATO's reinvigorated commitment to the Iraq training mission during President Bush's visit to NATO headquarters last week. We look forward to your views on how to ensure that the promised NATO training mission in Iraq gets off the ground and is successful.

General Brown, we have all been amazed and proud of the accomplishments of our Special Operations Forces. Before the first shots were fired in Iraq and Afghanistan, the silent warriors of SOCOM were on the battlefield, in harm's way, preparing the way for major combat operations. The courage and dedication of your forces is legendary.

Over the past 3½ years the role of SOCOM in the global war on terrorism has evolved considerably, and you are now the lead combatant commander in planning, directing and executing counterterrorism operations in the global war on terrorism. The operational tempo for our Special Operations Forces has been very high, leading to considerable stress on your force and calls to significantly increase the size of Special Operations Forces. Your assessment of the readiness of SOCOM to successfully accomplish its new missions as well as support other combatant commanders, the challenges you see in recruiting and retaining special operators, and the capabilities you will need in the future are subjects of great interest to the committee.

Again, gentlemen, I thank you for your service. We have much ground to cover today. We are fortunate to have such capable military officers leading our forces in these important commands.

Chairman WARNER. Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman. let me join you in welcoming—giving a very warm welcome, indeed, to General Abizaid, General Brown, and General Jones.

Our witnesses represent strikingly different commands, with General Abizaid being responsible for a region stretching from the Horn of Africa to Central Asia; with General Jones being responsible for a region spanning most of Europe, part of the Middle East, and all of the African continent, except the Horn; and General Brown being responsible not for a geographic area, but for Special Operations Forces, in general, and for the planning, directing, and executing of special operations in the war on terror.

Despite those differences, all three commands intersect in Afghanistan and Iraq. As Central Command commander, General Abizaid exercises command of the combat and supporting operations in Afghanistan and Iraq and their surrounding countries. As European Command Commander, and as NATO's Supreme Allied Commander Operations, General Jones exercises strategic command and control over NATO's International Security Assistance Force, or ISAF, in Afghanistan, and NATO's training mission in Iraq. As Special Operations Command commander, General Brown provides the Special Operations Forces, whose unique skills are so important to mission accomplishment in both of those countries.

We are grateful to our witnesses for their devotion to duty and for their dedicated service. We request that they express our gratitude to all of our service men and women who are serving our Nation with bravery and distinction, and to the families of those service men and women.

While this hearing is broader than Afghanistan and Iraq, those two countries are totally intertwined with the missions of our witnesses and with the fiscal year 2005 supplemental and the fiscal year 2006 budget that are before Congress.

In Afghanistan, NATO has embarked on an expansion of its first mission outside the Euro-Atlantic area to a wider role in support of the Afghan Government, beyond Kabul, including, with new Provisional Reconstruction Teams (PRTs), in the north and, soon, the west of the country. There are even initial discussions of NATO taking over the U.S.-led coalition's mission in Afghanistan. The

training of new Afghan army proceeds apace, as the numbers reportedly topped 20,000.

Several NATO countries who disagreed with U.S. policies in other areas have been very supportive of the Afghanistan effort, including France, which provides Special Forces that are fighting alongside U.S. forces against the remnants of the Taliban and provides the second-largest number of troops to the NATO's International Security Assistance Force; and Germany, which provides the largest contingent of troops to that force.

Despite these encouraging developments, there is talk of a delay in the Afghan parliamentary elections that were planned for this spring. Poppy production has reached record heights. The United Nations Development Program has concluded that, without addressing basic human needs by providing jobs, health services, and education, Afghanistan could once again become a failed state. Some NATO member countries have been slow to provide the necessary personnel and resources to fulfill the alliance's commitment to expand its mission.

Moreover, while there have been discussions about NATO taking over the U.S.-led coalition's mission, it remains to be seen if NATO's national capitals will allow the aggressive rules of engagement that are necessary to carry out a counterterrorism mission.

In Iraq, the fact that every NATO member has now decided to contribute something to NATO's training of Iraqi security forces—either in Iraq, outside of Iraq, through financial contributions or donations of equipment—is important, at least symbolically. The main training mission for Iraqi security forces is ongoing.

Prime Minister Allawi's comment in yesterday's Wall Street Journal regarding the process of national reconciliation that, "Early decisions to disband the army and to engage in a doctrinal, as opposed to a more pragmatic, de-Baathification process, have made the task harder." That comment also applies to the effort to train and equip Iraqi combat units capable of dealing with the insurgency throughout Iraq. That effort is exceedingly important, as the Iraqis have to take the lead in dealing with the insurgency before U.S. and coalition forces can be substantially drawn down and ultimately depart Iraq.

Unfortunately, we have been receiving conflicting information concerning the status and capability of Iraqi security forces. For instance, President Bush announced, last September, that, "Nearly 100,000 fully-trained and equipped Iraqi soldiers, police officers, and other security personnel are working today, and that that total will rise to 125,000 by the end of this year."

However, on January 26, George Casey, the commander of the Multinational Force Iraq, said that, "When Prime Minister Allawi took office on June 28, he had one deployable battalion. Today, he has 40 battalions." Well, 40 battalions are about 30,000 personnel, not 100,000, not 125,000.

On February 3rd, General Myers told us that, "Of those numbers that are deployable around the Nation to meet the most pressing needs, General Petreus says 48 battalions. That's police and ministry-of-defense battalions, and that about 40,000 can go anywhere in the country and take on almost any threat."

But the material that was recently provided to Congress to justify the fiscal year 2005 supplemental appropriations request stated that 89 of 90 battalions of Iraqi security forces that have been fielded are "lightly equipped and armed, and have very limited mobility and sustainment capabilities."

It is essential that we get reliable numbers on this most critical issue so the American people, our troops, and their families get a straight story. We also need a metric, perhaps similar to that for U.S. forces, to be developed to measure the readiness and capability of Iraqi security forces.

There are a number of pending decisions that will have a major bearing on the situation in Iraq. For example, the decision on who will become the first post-election prime minister and how that selection will be received by the various Iraqi ethnic and religious groups, and what impact it will have on the insurgency. Perhaps more importantly, how will the new government in Iraq deal with the U.S.-led coalition? Will it invite the international community, including the United States, to stay on in Iraq? Will that invitation result in a change in the perception that we are an occupying force to one of an invited partner—a change from the one perception, that of an occupying force, to a very different perception, that of being an invited partner that works with the Iraqi security forces to bring stability to the country? Will the new government reach out to other Muslim nations for assistance? Will it accept the offers of all countries to train Iraqi security forces—even those countries like France that opposed the U.S. invasion—that have offered out-of-country training for up to 1,500 personnel? Such actions could significantly improve the existing dynamic in Iraq.

I look forward to the testimony of our witnesses and the opportunity to discuss these issues with them. Thank you very much, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin.

We'll start off with General Jones. Each of your statements, in the entirety, will be placed in the record.

General Jones.

STATEMENT OF GEN. JAMES L. JONES, JR., USMC, COMMANDER, U.S. EUROPEAN COMMAND AND SUPREME ALLIED COMMANDER, EUROPE

General JONES. Mr. Chairman, Senator Levin, and members of the committee, it's always a great pleasure and an honor to be here before you to talk about the EUCOM theater and also to give you a brief update on the current evolutions in the North Atlantic Treaty Organization, which consumes quite a bit of my time. I'm delighted that my colleagues are here at the table with me, because I think the thing that I need to say up front is that there isn't a thing that goes on in the European Command's theater of operation that isn't in partnership and support of the very important missions that both General Abizaid and General Brown carry on. The lines between—the physical lines on the maps that I've put on your desk—please consider them to be extremely soft lines. We work across those lines very efficiently, very carefully. I believe that what the European Command brings to our global operations is now a matter of record, in terms of its strategic value and the ease

in which we can move men, money, and materiel to support the Nation's business, wherever it might be called.

I'd just like to say a few words about EUCOM. EUCOM is a full participant in not only all ongoing U.S. operations in Iraq and Afghanistan, but also in support of NATO's four major operations—five, if you count the successful deployment in support of the Olympics last year.

EUCOM continues to refine its transformational objectives. The plan was submitted some time ago, and we still are getting more definition, more understanding, more refinement of costs, and making good ideas better while we await guidance and funding to move ahead. We are negotiating with sovereign nations to explain what it is we wish to do. We are getting a lot of support for our ideas. We are tying our movements and our emphasis to NATO's own transformation, which has seen its center of gravity move to the east.

We are deeply involved in all aspects of our Nation's operations committed to not only security operations, but also the global war on terrorism, the search for the prevention of weapons of mass destruction, narcoterrorism, human trafficking, but also, and, I think, equally importantly, in enabling struggling democracies to the east of our traditionally eastern boundaries of our theater, and to the southern boundaries of our theater, in sub-Saharan Africa, to achieve a measure of democratic stability through very high-payoff, but low-investment type of programs that I hope to talk to a little bit later.

Our Army, Navy, Air Force, Marine, and Special Operations components are engaged bilaterally across all of Europe and a lot of Africa, where we're in support of active NATO operations or are supporting the two unified commanders at the table with me.

In my statement, Mr. Chairman, I have gone to some trouble—we've gone to some trouble this year to list the very essential programs that support our theater initiatives. While I won't go through a long list and how important they are, I was struck by the sheer number of them, from state partnership programs to security assistance programs, foreign military financing, foreign military sales, International Military Exchange and Training (IMET), Electronic International Military Exchange and Training (E–IMET), multinational education, the Marshall Center, NATO schools, African regional initiatives and programs, Gulf of Guinea guard, the Global Peace Operations initiative, Joint Task Force Aztec Silence, Trans-Sahara Counterterrorism Initiative, three types of clearinghouses in Southeast Europe, the South Caucasus and in Africa, involving dozens and dozens of nations seeking stability and seeking a better way of life in a struggling move towards democracy, which is to be supported; Joint Combined Exchange and Training (JCETs)—12 in Africa, 3 in Europe; United States Marine Corps Counterterrorism Training Teams—7 in Africa, Georgia, and the Ukraine; 30 Partnership for Peace Programs, Senator, that you all are well—fully aware of—it started with 30 nations in 1994, and has produced 10 new member nations, and still a very active program in NATO by which nations go through the process of attempting to qualify for NATO membership; the rejuvenation of the Mediterranean dialogue by NATO; very active Rus-

sia and Ukraine relations in both the European Command and NATO.

Perhaps one that escapes all of our attention, but is really fundamental, because it's a very human one, I would like to take a moment to introduce Sergeant Major Al McMichael, who is with me this morning. In addition to being the 14th sergeant major of the Marine Corps who I had the privilege to serve with as the 32nd Commandant, when he was getting close to what would have been his retirement, I asked him if he'd be willing to stay on a little bit longer, and come over and be posted as the first sergeant major of the Allied Command for Operations in NATO. He has done so. He and his wife have done unbelievable work in support of the Alliance. Today, I'm—as a direct result of the sergeant major's leadership and an international coalition of like-minded sergeants major from different countries in Europe, they have actually succeeded in transforming or aiding in the transformation of eight other nations who never had any noncommissioned officer (NCO) experience or staff NCO experience. The Warsaw Pact countries didn't have that structure. But his patience and his guidance and his enthusiasm and his quiet effect and his manner have already yielded eight new nations with active NCO programs. Ladies and gentlemen, that's as transformational as anything else, and will have, I predict, longer-lasting results than perhaps many of the things I've ticked off this morning.

Chairman WARNER. I thank you, General Jones. Sergeant Major, we welcome you today. Thank you for your service. Congratulations on being the first sergeant major of the NATO Command.

General JONES. Mr. Chairman, in NATO the impact of the summit is certainly being evaluated. From my standpoint, I'm very appreciative of the commander in chief coming over and so forcefully and eloquently stating our positions, restating the fact that we're willing to negotiate and that we're interested in listening to other viewpoints. Preceded by the Secretary of State and the Secretary of Defense, this team managed to, in a very short period of time, I think, rejuvenate the Alliance, and I think the effects of this visit will be felt for a considerable period of time.

In NATO we have about 26,000 soldiers, sailors, airmen, marines, and Special Forces engaged in four main operations. My partnership with Ed Giambastiani, the Supreme Allied Commander for Transformation (ACT), is the most fundamental basis of the new direction of NATO, which is transformational. He is the transformational enabler. Allied Command Operations, which I lead, is enhanced by virtue of what ACT does to make us successful.

In terms of transformation, we've reduced the number of headquarters, simplified the command structure, and established the broad capabilities commitments, as well as the NATO Response Force (NRF), which will come into full maturity next year as it reaches full operational capability.

In our operational world, we are active in the Balkans, in both Bosnia and Kosovo. We're very active in NATO's only Article V mission in the Mediterranean, Operation Active Endeavor, a very successful counterterrorism mission. We're active, and will become much more active as the months go on, in Afghanistan, under

International Security and Assistance Force (ISAF). General Abizaid and I are always looking for ways to partner in this gradual expansion, which is, I think, going to have the potential to accelerate significantly this year. We are also involved now in rounding out NATO's training mission, under General Dave Petraeus, in Iraq.

The NRF remains the true way ahead for NATO's transformation. To support the NRF when it comes into full operational maturity, we need to establish things like the NATO Intelligence Fusion Center, which you and I have discussed. We need to bring into the Alliance a concept for multinational logistics. We need to do some work on simplifying our command and control of the NRF. We need to tackle issues that relate to common funding for such operations. It is still very, very difficult to get our missions funded through the existing systems. We need to refine and modernize our acquisition process so that it can be quicker and more effective. We need to continue to do some more work on force generation.

But, in the main, the Alliance is very proud of what it's been able to do. I think that in the wake of the President's visit, that there's a new energy and a new willingness to get onboard and make greater contributions, make them in a more timely way, and reach out to complete this transformation that is so fundamentally essential for the success of the Alliance.

Thank you, Mr. Chairman.

[The prepared statement of General Jones follows:]

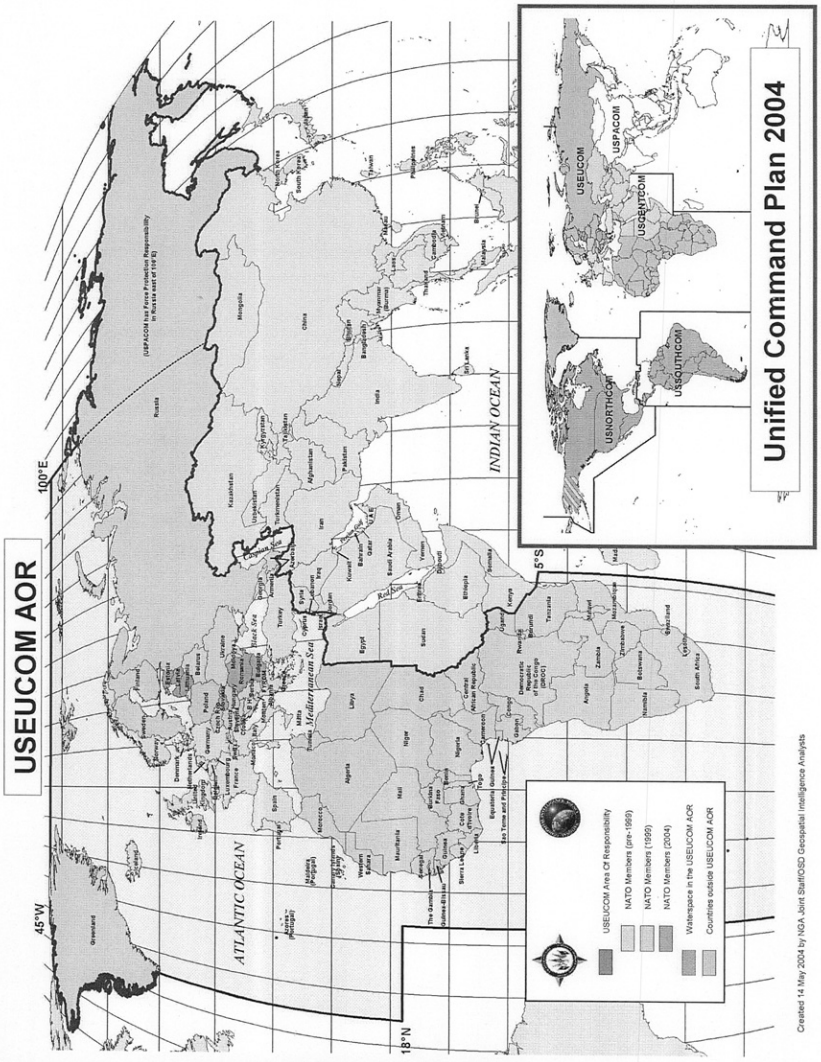
PREPARED STATEMENT BY GEN. JAMES L. JONES, USMC

I. INTRODUCTION

Mr. Chairman, Senator Levin, and distinguished members of the committee, thank you for the opportunity to appear before you today to discuss the posture of the United States European Command (EUCOM). On behalf of the soldiers, sailors, airmen, marines, and Department of Defense civil servants of EUCOM, and their family members, I want to express our gratitude for your continued support.

This year's hearing marks the fourth time that I have testified before the committee as the EUCOM Commander. During my initial appearance I articulated the critical importance of U.S. leadership and engagement as a means to achieve our overarching national security objectives. My experiences over the past 2 years have reaffirmed the intrinsic value of these principles as we build on the successes of time tested alliances, recognize the benefits of an expanded sphere of influence, and develop new relationships that will bring about greater stability in the world. EUCOM, in concert with the other geographically focused combatant commands, is a visible means by which the United States demonstrates its global commitment. At EUCOM, we continually assess our capabilities to ensure that we can prevent conflict and defeat aggression in a complex theater that includes 91 countries, 46 million square miles, 28 percent of the Earth's oceans (enclosure 1), and several areas of regional conflict. Our current theater posture directly reflects the wise investments in our security dictated by the realities of 20th century; however, the 21st Century has presented us all with a markedly different set of challenges which must be addressed.

Enclosure 1: United States European Command Area of Responsibility



During subsequent appearances before this committee, I provided my views on the compelling need to transform the command and discussed the scope of this transformation. When I met with you in September, I presented the specific planned changes to both forces and facilities in the EUCOM Theater. The challenge before us now is to begin to resource and execute this transformation.

With the support of Congress, we have taken initial steps to transform the theater. Our tasks remain to complete the realignment of forces, to divest ourselves of unnecessary facilities, and to establish a more appropriate infrastructure which will allow us to be more responsive throughout the EUCOM area of responsibility (AOR), all while providing a high level of quality of life for our servicemembers and their families. We need your continued support to achieve these objectives.

The North Atlantic Treaty Organization (NATO) remains our most important strategic partnership. The extended period of peace and prosperity in Europe is the result of our engagement in the Alliance. The United States is a direct beneficiary of this stability. The economic, social, and security ties between the United States and the countries of Europe are longstanding and firmly rooted in shared ideals. Just as our presence in Europe since the end of the Second World War helped create the conditions for security, prosperity and multinational cooperation to flourish, it is my firm belief that a transformed U.S. military posture in an expanded NATO alliance can broaden this sphere of stability beyond the borders of "Western Europe." It is a strategic imperative that the United States remain engaged in Europe and maintains its influential role within the NATO framework. We will share in the developing benefits of a transformed alliance that has the political will and sustainable expeditionary military capability to act beyond the traditional boundaries of its member states.

Our history of bringing stability to areas plagued by ethnic and cultural conflict has prepared us to extend our focus to the east and south. Checking the spread of radical fundamentalism in the largely ungoverned spaces in Northern and Central Africa will require patience and sustained effort. Our goal is to assist nations of the region in building and sustaining effective and responsive governments and to develop security structures responsive to emerging democratic governments. Our success depends on maintaining relevant, focused, and complementary security cooperation, tailored to the social, economic, and military realities in both Europe and Africa.

As we work together to improve our capabilities and to advance U.S. policy objectives, we must also recognize that today's complex security environment requires a greater degree of coordination within the U.S. Government and with our allies. EUCOM's plan to promote cooperative security relationships, enhance the capacity of foreign partners, and expand cohesion within the interagency team is consistent with the four core pillars (Building Partnerships to Defeat Terrorist Extremism, Defending the Homeland In-Depth, Shaping the Choices of Countries at Strategic Crossroads, Preventing the Acquisition or Use of Weapons of Mass Destruction by a Hostile State or Non-State Actors) of the Department of Defense Quadrennial Defense Review. We must leverage the full spectrum of diplomatic, economic, and military options to advance our national interests and improve our ability to prevent conflict and enhance post-conflict stability.

II. STRATEGIC ASSESSMENT

As we shift our focus east and south we must continue to adjust the capabilities of our force to enhance our strategic effectiveness, to retain our historical leadership role in NATO to build a reformed and deployable Alliance, and nurture developing relationships. The global war on terrorism; increasing Theater Security Cooperation (TSC) requirements; instability in Africa, Eastern Europe, and the Caucasus, as well as NATO's expansion and transformation, all shape the direction of EUCOM's ongoing transformation to succeed in not only our traditional mission but also to meet the challenges of irregular, cataclysmic, or disruptive threats to our security and freedom.

The new security menace is transnational and characterized by enemies without territory, borders, or fixed bases. Threats include the export and franchising of terrorism, proliferation of weapons of mass destruction, narcotrafficking, uncontrolled refugee flow, illegal immigration, and piracy on the seas. Many of these threats are nurtured in undergoverned regions where terrorists and extremist organizations seek new havens from which to recruit and to operate. We are evolving our strategic posture to reflect the new security reality. EUCOM's greatest contribution to security and stability lies as much in preventing conflict as it does in prevailing on the battlefield. This is accomplished through influence, forward presence, and engaged leadership. It is sustained only through our enduring and visible presence and commitment in the theater.

Our 21st century center of gravity reflects the continuing importance of the Greater Middle East, the Caucasus, the Levant, and the "ungoverned" regions of North and West Africa. As a result of U.S. military operations in Afghanistan and Iraq, transnational extremists are increasingly denied their former sanctuaries. Subsequently, they are more reliant on leveraging and franchising indigenous and affiliated terrorist groups worldwide. Further, transnational extremists have demonstrated an interest in exploiting areas where nations are already struggling with resource scarcity, weak national institutions, poverty and inexperienced militaries. These regions are defined by endemic imbalances in the distribution of wealth, staggering health problems, fragile political systems, regressive social systems and

disenfranchised youth susceptible to the lure of extremism. They contain equal potential for either positive growth, or catastrophic failure.

Europe

The end of the Cold War rapidly and fundamentally altered the landscape of Europe, creating opportunities for new relationships, new partnerships, and new capabilities for confronting new security challenges. We have witnessed an eastward shift in the center of gravity, along with the emergence of an invigorated European Union and a corresponding European Security Defense Policy. All are key developments that influence the scope, direction, and pace of changes to the forward presence of the United States.

The countries of Eastern Europe have emerged from decades of communist domination with a refreshing enthusiasm for the value of full participation in the global community where human rights, the rule of law, and free and open societies can flourish. Their hard won freedoms have provided a unique appreciation of the threat posed by terrorism and extremism on a global scale and their recent participation in our global military operations is reflective of their becoming some of our most stalwart and reliable allies. Many of these nations have already made important contributions in Afghanistan and Iraq. Their continued willingness and desire to develop the military capabilities necessary to be fully integrated into NATO is key to preventing Eastern Europe from becoming either a safe haven or transit route to terrorist groups. Collectively, they are important to the forward defense of the U.S. homeland.

NATO's recent expansion has moved the Alliance's influence eastward to match the shifting center of gravity, and underscores the need for EUCOM to change its directional emphasis. EUCOM's forward presence in Eastern Europe increases security cooperation engagement and bolsters NATO's newest members' military capabilities, paving the way for significantly developed future contributions to NATO. Although EUCOM will maintain an important presence in Western Europe, an eastward expansion will concurrently develop our constructive influence with the newer NATO members and allow the United States and our Alliance partners to achieve the goals of the 2002 Prague Summit.

Balkans

The fragmentation of Yugoslavia has produced a multi-faceted and extraordinarily challenging security environment. Certain regions within the Balkans are rife with crime and corruption which exacerbate unresolved, simmering ethnic tensions, as a result of the uneven progression of the establishment of democratic institutions in Bosnia and Herzegovina, Macedonia, and Kosovo. Social reforms and reconciliation efforts are taking root unevenly and remain susceptible to ethnic violence and armed conflict.

On the one hand, the military success in Bosnia and Herzegovina has enabled NATO to successfully conclude the Stabilization Force Mission and has allowed the European Union to start a new and distinct mission. There is, however, a continued requirement for U.S. leadership and participation in the NATO mission in Bosnia. Ethnic violence has been halted and re-integration is underway; however, Bosnia faces long-term difficulties associated with narcotics trafficking and the hunt for war criminals. Bosnia's commitment to stability and infrastructure maturity means that our continued presence in Bosnia, even on a reduced but sustained basis, will be necessary.

The situation in Kosovo is more complex and lasting peace remains elusive. Due to the impact of the Balkans on Europe as a whole, the United States must remain committed to the region until political stability is achieved. The near-term goal for Bosnia and Herzegovina, and Serbia and Montenegro is gradual integration into the Partnership for Peace Program, conditional on improvement of their cooperation with the International Criminal Tribunal for the former Yugoslavia. Albania, Macedonia and Croatia continue to work toward NATO membership.

Caucasus

Although the Caucasus is torn by ethnic conflict and is also plagued with corruption and crime, some parts of the region have made remarkable progress toward democracy and sound governance in the last year. The Caucasus is increasingly important to our interests. Its air corridor has become a crucial lifeline between coalition forces in Afghanistan and our bases in Europe. Caspian oil, carried through the Caucasus, may constitute as much as 25 percent of the world's growth in oil production over the next 5 years, while Caspian hydrocarbons will diversify Europe's sources of energy. This region is a geographical pivot point in the spread of democracy and free market economies to the states of Central and Southwest Asia.

Russia / Ukraine

As NATO and the European Union continue to assess new members, we must prevent a new line of demarcation from being created on the continent. We seek a Europe that is "whole and free" and which includes Russia, Ukraine, Belarus and Moldova as partners for peace and security. We must ensure that they continue their integration into Euro-Atlantic security structures and become full and vital contributors to regional security. EUCOM's military cooperation programs with Russia focus on increasing dialogue with senior Russian commanders and staffs and enhancing the NATO interoperability of Russian units to increase their ability to participate in cooperative operations. The annual French-Russian-United Kingdom-United States (FRUKUS) Joint Task Force exercise, which will be conducted at sea this summer, is an example of this progress. Ukraine is currently a regular contributor to coalition operations. We are working hard to assist Ukraine in meeting the ambitious defense reform goals outlined in its Defense Bulletin 2015 and in enhancing its ability to join future military coalitions through the development of a fully NATO-interoperable Joint Rapid Reaction Force. As Mr. Victor Yushchenko, the newly elected President of Ukraine tackles problems of corruption and accountable governance, it is our hope that democratic and institutional reform will foster continued Euro-Atlantic integration.

Africa

The United States faces strategic options and competition in Africa. According to the 2004 report of the U.N. Organization for Industrial Development, "Sub-Saharan Africa is the only region of the world where, for the last 20 years, extreme poverty hasn't stopped gaining ground." Continued poverty is but one of the many effects of years of tragic violence and instability in certain regions of Africa.

Violence from numerous crises has created areas of lawlessness that transcend state borders and cause instability. High population growth rates, poor land management, desertification and agricultural disruptions caused by economic shifts, internal conflicts, and refugee influxes are making it increasingly difficult for several countries to feed themselves. This is especially true in Chad, where drought and refugees from the conflict in the Darfur region of Sudan have created a humanitarian catastrophe. In many areas of Central Africa, such as the vast interior of the Democratic Republic of the Congo and the northern sections of Chad, there is very little military or police presence, and often no central government influence. These problems, aggravated by difficult terrain and a lack of infrastructure, have allowed smuggling and conflict to flourish.

Fragile democracies are having to combat serious challenges to include security concerns, social pressures, teachings of radical fundamentalism, disease, and criminality that imperil the future hopes for the people of Africa. Again, the broad expanses of ungoverned or poorly governed regions, as well as the proximity and ease of movement to population centers in Europe, are increasingly attractive to transnational terrorists interested in exploiting the region for recruiting, logistics, and safe-havens. The breading grounds of terrorism and illicit activity on the continent of Africa require our attention at both the National and regional security level.

III. U.S. EUROPEAN COMMAND STRATEGY

In a world of uncertainty and unpredictability, EUCOM must have the agility to rapidly respond to a range of threats that were largely unforeseen just a few years ago. Geographically, EUCOM is ideally positioned to disrupt and prevent terrorists from using their lines of communication and methods of resourcing that are crucial to their operations and sustainment.

The ability to rapidly project military power during times of crises or contingencies is the central premise for the forward stationing of forces, and determines their necessary size and capabilities. The presence of such forces either forward based or rotational, and the military capabilities they possess, are powerful instruments of national influence. Forward forces serve to strengthen U.S. diplomacy and foreign policy; signal U.S. commitment to the security of friends and allies; demonstrate the resolve of the United States to meet its commitments; and bolster regional security through theater security cooperation programs. In addition to maintaining our traditional lines of communication and access, we seek access to new facilities and routine freedom of transit to the Black Sea, the Caucasus, the Levant, and Africa in order to advance U.S. national interests.

EUCOM's ability to pursue, engage, and win decisively on the modern battlefield requires a highly responsive force which is properly equipped, well-trained, and maintained at a high state of readiness. It must be agile, deployable, and sustain-

able. The investment in these capabilities will allow forces to operate flexibly across a broader portion of our area of responsibility and provide a significant advantage in addressing a volatile world situation.

Strategic Theater Transformation

EUCOM's Strategic Theater Transformation plan is a component of the Department of Defense Global Posture Strategy announced in August 2004. Our objective is to increase strategic effectiveness through the realignment of bases and the improvement of access and force capabilities. In no way should the change in our posture be interpreted as a reduced commitment to the region. It is, rather, a shift to better methods of promoting our interests in today's international security environment.

In previous testimony before this committee, I outlined the eight assumptions (enclosure 2) upon which the EUCOM transformation plan is based. The need to transform is a result of the successful integration of former Warsaw Pact nations into an overall European security framework, recognizes our growing strategic interests, and addresses the new operational requirements of the global war on terrorism. These developments have mandated the most significant changes to the U.S. force posture in Europe since EUCOM's founding.

ENCLOSURE 2: EIGHT ASSUMPTIONS

EUCOM's theater transformation is based on the assumptions that the United States:

1. Desires to maintain its current position as a nation of global influence through leadership and the efficient and effective application of informational, military, economic, and diplomatic power.
2. Remains committed to its friends and allies through global, regional, and bilateral organizations and institutions, and supports treaties and international agreements to which it is a signatory.
3. Pursues a global strategy, a cornerstone of which is increased access and forward presence in key areas, which contributes to the first line of defense for peace, stability, and order.
4. Supports in depth transformation of its Armed Forces and basing structure to respond to 21st century asymmetrical threats and challenges.
5. Seeks ways to mitigate or offset obstacles posed by 21st century sovereignty realities through a reorientation of its land, maritime, air, and space presence.
6. Recognizes current U.S. basing within EUCOM may not adequately support either the strategic changes attendant to an expanded NATO Alliance, or the national requirements of a rapidly changing AOR.
7. Seeks to preserve those assets which have enduring value to its missions, goals, and national interests.
8. Continues to enhance and build defense relationships enabling the United States, allies, and friends to respond effectively.

These assumptions serve as the cornerstone which underpins EUCOM's Strategic Theater Transformation Plan.

Certain elements of the EUCOM Transformation plan, including force levels, training, access to facilities and protocols to assure freedom of action for our forward forces, continue to be negotiated with host nations. Further, EUCOM's transformation is being synchronized with the efforts of the other combatant commands, the Services, NATO, and the Base Realignment and Closure (BRAC) process in the United States. Simultaneous Service transformations will impact unit capability and availability. For example, the modularization of the U.S. Army will change the size, equipment sets, and capabilities of units stationed in Europe and on rotation to the command. Prepositioned stocks must be transformed to fit the units that might draw them either in a planned rotation or in a crisis.

EUCOM's success hinges on maintaining critical assets and capabilities as both a supported and a supporting combatant command, including mobility; power projection platforms; bases for our operations; Command, Control, Communications, Computers and Intelligence (C^4I); alliances and coalition partners; and theater-based and rotational forces. We will capitalize on our long history of employing expeditionary and rotational forces. Naval Carrier Strike Groups, Expeditionary Strike Groups, and the entire range of Marine Corps forces available to the command are by their very nature rotational. The Air Force has adopted a similar model with the Air Expeditionary Force and the Army's emerging Eastern European Task Force will also use an expeditionary construct which incorporates rotational forces.

Our evaluation of joint, theater, and global infrastructure requirements resulted in a proposed network of four types of facilities: Main Operating Bases (MOB), Forward Operating Sites (FOS); Cooperative Security Locations (CSL); and Prepositioned Sites (PS) (defined in enclosure 3). We will preserve our critical capabilities by maintaining select installations which support the rapid deployment and sustainment of expeditionary forces. In addition, a new family of FOSs and CSLs established throughout the AOR will provide essential facilities and equipment for expeditionary forces near areas of interest, crisis, or conflict and avoid saturation at key nodes along lines of communication.

ENCLOSURE 3: LEXICON OF TERMS

Our Main Operating Base (MOB) is an enduring strategic asset established in friendly territory with permanently stationed combat forces, command and control structures, and family support facilities. MOBs serve as the anchor points for throughput, training, engagement, and U.S. commitment to NATO. MOBs have: robust infrastructure; strategic access; established command and control; forward operating sites and cooperative security location support capability; and enduring family support facilities. As previously stated, these are already in existence.

A Forward Operating Site (FOS) is an expandable host-nation "warm site" with a limited U.S. military support presence and possibly prepositioned equipment. It can host rotational forces and be a focus for bilateral and regional training. These sites will be tailored to meet anticipated requirements and can be used for an extended time period. Backup support by a MOB may be required.

A Cooperative Security Location (CSL) is a host-nation facility with little or no permanent U.S. presence. CSLs will require periodic service, contractor and/or host nation support. CSLs provide contingency access and are a focal point for security cooperation activities. They may contain prepositioned equipment. CSLs are: rapidly scalable and located for tactical use, expandable to become a FOS, forward and expeditionary. They will have no family support system.

A Preposition Site (PS), by definition, is a secure site containing prepositioned war reserve materiel (Combat, Combat support, Combat Service Support), tailored and strategically positioned to enable rotational and expeditionary forces. They may be collocated with a MOB or FOS. PSs are usually maintained by contractor support and may be sea based. They are an important component to our transformation efforts.

"En Route" Infrastructure (ERI), is a strategically located, enduring asset with infrastructure that provides the ability to rapidly expand, project, and sustain military power during times of crises and contingencies. ERI bases serve as anchor points for throughput, training, engagement, and U.S. commitment. They may also be a MOB or FOS.

The combination of installations and prepositioned war reserve material provides the scalability and agility needed for EUCOM to support a global strategy. En Route Infrastructure and Prepositioned Sites enable the movement, equipping, and engagement of rotational forces and provide the ability to rapidly project equipment to crisis areas and sustain military power. EUCOM's En Route Infrastructure in the United Kingdom, Germany, Spain, Portugal, Turkey, and Italy has played a critical role in our ability to prosecute the global war on terrorism and provides logistical support to forces participating in Operations Enduring Freedom and Iraqi Freedom.

Theater Investment Needs

EUCOM is working closely with our component commands to obtain Service investments to support our theater requirements, most notably military construction (MILCON). A listing of EUCOM's MILCON projects, to include other theater investment needs, is provided at enclosure 4. We are eliminating unneeded facilities and investing resources in infrastructure that supports expeditionary forces arrayed throughout the European and African theaters. U.S. Air Forces in Europe (USAFE) is continuing to recapitalize critical base infrastructure at their enduring facilities, including Ramstein, Spangdahlem, Aviano, Incirlik, Lajes, Lakenheath, and Mildenhall. Simultaneously, U.S. Naval Forces Europe (NAVEUR) continues work on previously funded recapitalization programs in Rota and Sigonella. U.S. Army Europe's (USAREUR) major focus remains the completion of the Efficient Basing Grafenwoehr (EBG) project; expansion of facilities and infrastructure at Vicenza, Italy to support the Southern European Task Force and the modularization of the 173rd Airborne Brigade; and the establishment of forward operating sites in Eastern Europe for the Eastern European Task Force.

Enclosure 4: Theater Investment Needs

Component	Country	Location	Project	FY 2006 Request ($ millions)
LINE-ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS				
AMC[1]	Italy	Livorno	Ammunition Storage Facilities (AMC)	5.3
DLA[2]	Greece	Souda Bay	Marathi Fuel Depot, P120	7.1
DoDEA[3]	Germany	Grafenwoehr/Vilseck	Expand/renovate Elementary School	2.3
DoDEA	Germany	Landstuhl Regional Medical Center	Classroom Addition Elementary/Middle Schools	5.6
DoDEA	Spain	Naval Station Rota	Multipurpose Bldg Elementary School/High School	8.0
USAFE	Germany	Ramstein	Munitions Maintenance Facility (USAF)	3.1
USAFE	Germany	Ramstein	Replace Family Housing (101 units)	63.0
USAFE	Germany	Ramstein	Airfield Maintenance Compound	8.6
USAFE	Germany	Spangdahlem	Replace Family Housing (79 units)	45.4
USAFE	Germany	Spangdahlem	Large Vehicle Inspection Station Gate	5.4
USAFE	Germany	Spangdahlem	Control Tower	7.1
USAFE	Italy	Aviano	Consolidated Support Center	10.9
USAFE	Italy	Aviano	Family Support Center	4.0
USAFE	Italy	Aviano	Air Control Squadron Warehouse	7.8
USAFE	Portugal	Lajes	Fire/Crash Rescue Station and Tower	12.0
USAFE	Turkey	Incirlik	Consolidated Communications Facility	5.8
USAFE	Turkey	Incirlik	Replace Family Housing (100 units)	22.7
USAFE	UK	Lakenheath	Small Dia Bomb Facility Storage (ACC[4])	2.5
USAFE	UK	Lakenheath	Small Dia Bomb Maint Facility (ACC)	2.6
USAFE	UK	Lakenheath	Replace Family Housing (107 units)	48.4
USAFE	UK	Mildenhall	Base Civil Eng Complex	13.5
USAREUR	Germany	Grafenwoehr/Vilseck	Urban Assault Course	1.6
USAREUR	Germany	Grafenwoehr/Vilseck	Shoot House	1.8
USAREUR	Germany	Grafenwoehr/Vilseck	Barracks Complex	13.6
USAREUR	Germany	Grafenwoehr/Vilseck	Barracks Bn 1	40.0
USAREUR	Germany	Grafenwoehr/Vilseck	Brigade Complex Forward Support	41.0
NSA	UK	Menwith Hill Station	Operations and Technical Building	41.7
LINE ITEM MILCON TOTAL				**430.2**

[1] Army Materiel Command
[2] Defense Logistics Agency
[3] Department of Defense Education Activity
[4] Air Combat Command (US Air Force)

Enclosure 4: Theater Investment Needs

Component	Country	Location	Project	FY 2006 Request ($ millions)
NON LINE-ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS				
USAFE	Portugal	Lajes	Improve Family Housing	16.2
USAFE	Spain	Moron	Replace Family Housing	7.1
USAFE	Turkey	Incirlik	Improve Family Housing	20.1
USAFE	UK	Mildenhall	Improve Family Housing	2.0
USAREUR	Germany	Bleidorn	Ansbach (WNR[5] 60 units)	9.0
USAREUR	Germany	Garmisch	Garmisch (WNR 25 units)	5.0
USAFE	Germany	Ramstein	Improve Family Housing	4.5
USAREUR	Germany	Grafenwoehr/Vilseck	South Camp--Family Housing (WNR 134 Units)	11.4
USAREUR	Germany	Stuttgart	Robinson Barracks (WNR 108 unts)	17.5
USAREUR	Germany	Stuttgart	Moehringen (WNR 96 units)	23.0
USAREUR	Germany	Stuttgart	Robinson Barracks (Bath/laundry 126 units)	4.7
USAREUR	Germany	Wiesbaden	Aukamm (WNR 80 units)	13.2
USAREUR	Germany	Wiesbaden	Crestview (WNR 96units)	13.8
USAREUR	Germany	Wiesbaden	Aukamm (WNR 95units)	15.5
USAREUR	Germany	Wiesbaden	Hainerberg (WNR 108 units+ sporting facilities for 506units)	20.0
NON LINE ITEM TOTAL				183.0
TOTAL MILTARY CONSTRUCTION/FAMILY HOSUING PROJECT FUNDING REQUEST				613.2

[5] Whole Neighborhood Revitalization

Enclosure 4: Theater Investment Needs

ADDITIONAL KEY THEATER INVESTMENT NEEDS		
Description	Component/Program	Page #
Cooperative Security Locations	(EUCOM–All Components)	9;14-15;19
Forward Operating Sites	(EUCOM–All Components)	8-9;13-14
Efficient Basing Grafenwoeher (EBG)	U.S. Army Europe	9,12
Full Modular Airborne Brigade Combat Team (173rd Airborne)	U.S. Army Europe	9,13
Establish Rotational Task Force in Eastern Europe	U.S. Army Europe	12-13
Deployment of Stryker Brigade in Germany	U.S. Army Europe	12-13
Radar network in Gulf of Guinea	U.S. Naval Forces Europe	16
Reconstitute and Modernize Maritime Preposition Force	U.S. Marine Forces Europe	17-18
Reconstitute and Modernize Marine Corps Preposition Program-Norway	U.S. Marine Forces Europe	17-18
Trans-Sahara Counter Terrorism Initiative	U.S. Marine Forces Europe	17,28,39
SOF Consolidation (Planning and design funds)	U.S. Special Operations Cmd	18-19
Strategic Airlift/Mobility	Strategic Mobility Maneuver	19
Theater Support Vessel	U.S. Naval Forces Europe	19-20
Littoral Combat Ship	U.S. Naval Forces Europe	20
C4 Upgrades	Theater C4ISR	20
Intelligence, Surveillance & Reconnaissance Assets	Theater C4ISR	20
NATO Intelligence Fusion Center	Theater C4ISR	20-21,38
Long-Range Precision Non-Lethal Capabilities	Non-Lethal Capabilities	21

Military Construction—Family Housing

Continuing to provide adequate housing for our servicemembers and their families is critical to ensuring combat readiness and quality of life. Presently, 58 percent of our families live in inadequate housing. This is the direct result of drastic reductions in MILCON funding between 1991 and 1999 and the significant refurbishment and maintenance backlog that resulted.

EUCOM and the Services have an aggressive plan to address this situation by way of Build-to-Lease initiatives, renovations, and new construction at our enduring facilities. Significant Family Housing MILCON investments are included in the President's budget request for fiscal year 2006. USAREUR is requesting $133.1 million in MILCON funds to fully renovate more than 900 family housing units at enduring communities in Stuttgart, Garmisch, Wiesbaden, Ansbach, and Vilseck. USAFE requests $229.4 million for improvements to over 800 family housing units at Incirlik, Ramstein, Spangdahlem, Lajes, Moron, and Lakenheath. NAVEUR continues to improve its housing inventory through Build-to-Lease projects. With greater fidelity in our transformation plan, EUCOM has been able to more precisely refine its long term basing strategy and the infrastructure needed to support our plan.

Quality of Life Programs

Quality people are the bedrock of EUCOM's warfighting effectiveness. Of all our military assets, there are none more important than our troops and their families. The quality of our force is key to achieving our theater goals and is the direct result of our strong and sustained commitment to Quality of Life (QoL) issues. The global war on terrorism has called for tremendous sacrifices by our servicemembers and placed a considerable burden on their families. Our ability to support them during this period of extended deployments is inextricably linked to these QoL programs.

In our QoL strategy we recognize that our forces deserve fair compensation, good places to live, quality educational opportunities, meaningful work, challenging off-duty opportunities and access to quality health care. This command is committed to supporting all members of the EUCOM team (Active Duty, Reserves, DOD civilians, DOD contractors, retirees, and family members) with a standard of living comparable to their counterparts in continental United States (CONUS). Through a series of initiatives we continue to seek ways to enhance the educational opportunities for our family members and to improve spousal career development opportunities. At the same time, we remain dedicated to an excellent education system. EUCOM is grateful for the support that Congress provides in investing in our children's fu-

ture. These schools, which educate nearly 48,000 of our children, need and deserve your continued support and funding to maintain high educational standards.

We urge Congress to favorably consider the EUCOM QoL construction projects in the President's budget: the three Grafenwoehr and Vilseck barracks projects ($53.6 million); housing projects throughout EUCOM ($362.5 million); a Consolidated Community Center at Incirlik ($5.8 million); a Family Support Center at Aviano ($4 million); an elementary school at Vilseck ($2.3 million); and room additions for Department of Defense Dependant Schools at Landstuhl ($5.6 million) and Rota ($7.9 million). We also ask your support in safeguarding the recent accomplishments in Quality of Life and base infrastructure that have enabled our forces to maintain a high state of readiness. These investments are invaluable resources that affirm our commitment to our fighting men and women, aptly recognize our most precious asset, and contribute to the future viability of the high quality force our mission demands.

U.S. Army Europe

The most ambitious and challenging aspect of EUCOM's transformation involves the realignment of forces and bases for U.S. Army Europe (USAREUR). The goal is to establish a more agile strategically positioned land force that has a greater capability to shape the security environment and to respond to crises throughout the theater. As we tailor the existing force structure, the combination of permanent forces in the AOR and rotational forces from CONUS will satisfy the full spectrum of operational requirements. Our objective is to complete this transformation by September 2010.

The transformed USAREUR will consist of two echelons of command. USAREUR and V Corps headquarters will merge into a single headquarters, to be called USAREUR & Task Force 5, which will include appropriate Intelligence, Communications and Logistics capabilities. It will function as the higher echelon and will include the capability to deploy and operate two standing Joint Task Force (JTF) Headquarters simultaneously. The second echelon will be comprised of modular Brigade Combat Teams and tactical enabler units such as Combat Engineers and Aviation. This construct will significantly enhance EUCOM's deployable warfighting capabilities and our ability to carry out the Theater Security Cooperation (TSC) requirements. The primary combat forces will include a fully structured Airborne Infantry Brigade Combat Team stationed in Italy, a Stryker brigade stationed in Germany, a rotational brigade deployed in Eastern Europe, two AH–64D Longbow Attack Helicopter Battalions, and a High Mobility Artillery Rocket System (HIMARS) Rocket Battalion stationed in Germany.

USAREUR will return approximately two-thirds of the Army's current inventory of 239 installations, located in 16 major communities, to host nations. In Germany, 14 major Army communities will be reduced to four. The consolidation of our bases will occur on a timeline that is linked to the re-deployment of approximately 60 percent of our 62,000 soldiers to CONUS and the transformation of remaining forces. We seek to minimize the need for units to relocate more than once while ensuring continuity of soldier and family support.

The cornerstone of USAREUR's transformation is the deployment of a Stryker Brigade Combat Team to the EUCOM AOR. This unit, which will be stationed at the Vilseck facilities of the Grafenwoehr MOB to take advantage of the world class facilities and infrastructure of the Army's Joint and Combined Expeditionary Training Center, will likely achieve full operational capability in Europe by the end of fiscal year 2007.

Efficient Basing Grafenwoehr (EBG) is another key component of USAREUR's transformation plans. We will use these new facilities to station a brigade sized equivalent of our deployable, combat enabler units (including Artillery, Engineer, Military Police, Signal and Logistic units) adjacent to the Army's best training area in Europe. This project has received over 50 percent of its funding to date. The barracks are our highest priority and must be completed as soon as possible to allow consolidation of the soldiers. Family housing is being provided through build-to-lease arrangements. The required community support, maintenance and operations facilities to complete the initiative are included in the Department's Future Years Defense Plan.

As you have seen during your visits, Grafenwoehr is strategically located in southeastern Germany and enjoys a superb deployment infrastructure. Grafenwoehr also serves as a gateway to Eastern Europe for both training with Allies and to conduct land deployments into potential crises areas farther east and south. USAREUR will consolidate its aviation assets into a Multi-Function Aviation Brigade located in the Ansbach/Illesheim area. These are our best rotary wing training facilities and their proximity to Grafenwoehr Training Area will enable combined arms training with the Stryker brigade and other units.

The 173rd Airborne Brigade will expand to a full modular Airborne Brigade Combat Team and remain in Italy. This expansion will provide greater capability for rapid deployment and forced entry operations and enhance the brigade's ability to sustain itself during joint and coalition operations. We plan to begin converting the 173rd when it returns from combat operations in Afghanistan. The brigade will remain in close proximity to Aviano Airbase, its primary deployment center. USAREUR has plans to expand the facilities and infrastructure in the Vicenza area, including the U.S. Army facilities at Dal Molin Airfield, to accommodate the growth associated with this restructuring.

Another major element of USAREUR's transformation will be the addition of a rotational brigade combat team to form the Eastern European Task Force (EETAF). Operating out of Forward Operating Sites (FOS) in Eastern Europe, this force will conduct Theater Security Cooperation (TSC) exercises, to include joint/combined training activities. Operating from FOSs will improve regional security, improve joint and combined logistics capabilities, enhance integration with our NATO allies, and dramatically decrease deployment timelines of expeditionary forces to areas of contention before they become areas of crises. The Initial Operational Capability of the Eastern European Task Force will be provided by using a battalion from the Europe-Based Stryker brigade after its arrival. The next sequence would commence with brigade-sized units rotating from CONUS.

Our expeditionary posture will be characterized not only by the types of forces we will forward-deploy, but also by the way we organize our command and control structure. As we reorganize units, return forces to CONUS and co-locate our remaining units at the enduring locations in Europe, the stability and effectiveness of our command and control structure is vitally important. USAREUR headquarters must be able to execute title 10 and force provider responsibilities while achieving our transformation objectives. At the same time, V Corps must remain prepared to reassume a major role in U.S. combat operations as it did in Iraq. For those reasons, the consolidation of USAREUR and V Corps will be the last major step in transforming Army Forces in Europe.

USAREUR will begin to return heavy forces to CONUS at approximately the same time the Stryker brigade is deployed in Germany. EUCOM is recommending that elements of the 1st Infantry Division begin returning to CONUS, followed by the re-deployment of the 1st Armored Division in the out years. The merger of USAREUR Headquarters and V Corps is expected to follow the return of the two heavy divisions to CONUS. EUCOM is working within DOD to ensure these movements are coordinated with the BRAC process. We are also committed to informing Congress about our progress and requirements as these and other planned movements within the theater are executed. These major force structure changes have been coordinated to meet our anticipated requirements to prosecute the global war on terrorism.

U.S. Air Forces Europe

Aggressive streamlining has postured U.S. Air Forces Europe (USAFE) with the appropriate permanent force structure to conduct future operations as an integral part of EUCOM. USAFE continues to orient its existing forces to increase responsiveness and enhance force projection as it supports the changed strategic environment.

Even with its in-theater responsibilities, USAFE maintains an expeditionary mindset. As an inherently expeditionary force, USAFE assets are postured to deploy and deliver specific combat capability to any combatant command in any theater. Currently, USAFE has four of its ten flying squadrons conducting operations in support of U.S. Central Command. The USAFE Basing Strategy maintains theater presence while adjusting operating sites and locations to better support current and future missions. USAFE Main Operating Bases (MOB) provide visible presence and form the baseline for our strategic power projection capability, while Forward Operating Sites (FOS) and Cooperative Security Locations (CSL) enable expeditionary operations and extend our reach.

USAFE continues to invest in developing the capability of current main operating bases. For example, Ramstein Air Base and Spangdahlem Air Base are being developed to replace the capability lost with the closure of Rhein Main Air Base. At the same time, USAFE will close 41 of 203 current sites in theater, including Sembach Air Base, and Bitburg Air Base. USAFE has a graduated plan for the remaining closures to be completed and is also reviewing potential sites to locate permanent combat forces farther south and east in order to deal with the challenges of the future. Safeguarding freedom of action to deploy our aircraft during contingency and crisis operations is a key consideration in the relocation of forces.

Additionally, rotational forces are part of USAFE's future plans. Forward-basing rotational forces allows daily interaction with partner nations. The "face of America" offers immense contributions toward theater security cooperation. This methodology has worked well, as the many exercises and visits conducted under the Partnership for Peace program contributed to the rapid entry of 10 new nations into NATO since the dissolution of the Warsaw Pact. The use of rotational forces to augment permanently stationed forces will allow a comprehensive and successful cooperation program.

The use of CSLs throughout the theater is a critical part of the basing plan. In addition to their operational benefit, they are also critical to conducting Theater Security Cooperation. USAFE intends to improve critical CSLs during the conduct of deployments and engagement events. Such a strategy minimizes up front costs, provides investment commensurate with capability derived from the site and allows plans to be adjusted as relations develop. These facilities will take advantage of local or contracted support where possible, thereby permitting the use of smaller force packages to meet a variety of contingencies.

USAFE has established a warfighting headquarters which directly supports EUCOM's Standing Joint Force Headquarters and provides theater planning, sustainment and execution of ongoing operations. We have also started the process of expeditionary support planning at a multitude of forward operating and support locations in the AOR based on projected threat analysis. Accordingly, analysis is underway to identify locations where USAFE can strategically locate and secure prepositioned assets to rapidly meet emerging threats. These new expeditionary combat support planning processes ensure readiness to project airpower where and when needed.

U.S. Naval Forces Europe

NAVEUR is realigning its infrastructure to support operations to the south and east in a transformed EUCOM. The result will be a more effective, efficient, and focused naval force which provides increased flexibility and reduces reliance on host nation approval. This force will be more responsive to surge, more efficient to sustain, and better able to reconstitute rapidly.

NAVEUR's transformation is supported by the U.S. Navy's Fleet Response Plan. This plan prepares forces to deploy earlier in their work-up cycle, if needed, and allows them to stay in a ready posture longer after completing scheduled deployments. This scalable, global force will more effectively satisfy EUCOM's operational, exercise and security cooperation requirements.

The Fleet Response Plan was successfully demonstrated during Exercise Majestic Eagle/Summer Pulsex 2004. The Secretary of Defense directed the execution of Global Carrier Strike Group Operations and Pulse Deployments to the EUCOM, CENTCOM, U.S. Pacific Command and U.S. Southern Command AORs during June and July of 2004, with four of the seven Carrier Strike Groups deploying to the EUCOM AOR. This successful effort clearly demonstrated the maritime force capability available in a national emergency.

NAVEUR will play a key role in maritime security to advance EUCOM's security cooperation objectives in the increasingly important west coast of Africa. With the discovery of large oil Reserves in the Gulf of Guinea there is tremendous economic potential for the region that has heretofore been absent. The energy potential is, in a sense, a double-edged sword: While it provides economic development value for the region, it is also a lightning rod for conflict that simmers below the surface of an ethnically and culturally diverse region. NAVEUR is working to coordinate deployments of primarily Navy, Marine Corps and Coast Guard assets to support Gulf of Guinea maritime forces as they address crises that can undermine future growth. Our presence and security cooperative measures can help mitigate instability, assist fragile democracies to confront threats, and provide the basis for real progress and economic prosperity in the region.

In addition, for minimal investment by the United States and other developed countries, a multinational network of radars to monitor surface ship and air traffic in the Gulf of Guinea would establish the operational foundation for multinational cooperation and regional solutions to inherently regional threats. Such an investment would not only enable our friends to avoid falling prey to terrorists and organized criminals who will eventually threaten U.S. interests, but would also contribute to the President's homeland security concept of extending maritime domain awareness to remote regions. Nigeria's recent purchase of 15 U.S.-built patrol boats demonstrates a commitment to increasing maritime security. Such commitments should be supported and developed in ways that produce mutual benefits.

The infrastructure at NAVEUR bases sustains the combat readiness of permanent, rotational and surge naval forces, as well as that of other service component

forces transiting, temporarily assigned, or permanently stationed at NAVEUR bases. Bases at Rota, Spain, Sigonella, Italy and Souda Bay, Greece are strategically located across the Mediterranean to provide flexible and highly capable logistic support. NAVEUR is leveraging more than a decade of investment in these bases to ensure they are optimally structured for the future. Upgrades to Souda Bay facilities are complete. Improvements to our bases in Naples and Sigonella are well underway, while La Maddalena and Rota have just begun their long-range recapitalization.

As part of transformation, NAVEUR has made considerable improvements to overall force protection, including significant progress towards comprehensive electronic waterside security systems which complement existing barrier systems at several primary ports. NAVEUR also conducted its first theater-wide antiterrorism/force protection exercise, simulating simultaneous attacks and incorporating host nation security personnel in Italy, Spain, and the United Kingdom.

Consolidation and collocation of NAVEUR's command structure will improve effectiveness and yield efficiencies. NAVEUR is shedding excess infrastructure by closing its headquarters in London and moving its command functions to Naples. A parallel effort to reduce Naples-based staff by streamlining functions in NAVEUR, Sixth Fleet, and fleet task force staffs will result in significant billet reductions. By reducing the combined staff size from over 1,000 billets to the target of 487, NAVEUR will be able to relocate to Naples without additional funding for facilities or services. A substantial core of the staff is already working in Naples, with the remainder utilizing technology and various collaborative tools to work together from locations in London and Gaeta.

NAVEUR will maintain required NATO alignment and improve integration with the NATO command structure by consolidating Flag Officer billets in a transformed U.S./NATO command structure. Near-term relocation and stand-up costs are minimal and being funded within the current Navy total obligation authority.

U.S. Marine Forces Europe

Marine Forces Europe (MARFOREUR) facilitates the conduct of joint and combined Marine operations, exercises, training, and Theater Security Cooperation (TSC) activities in the EUCOM AOR by utilizing expeditionary prepositioned theater assets and task organized rotational forces sourced from active and Reserve Marine components. These forces will deploy as Marine Ground Task Forces embarked in naval shipping operating from either a sea base or locations ashore. MARFOREUR is focused south on Western Sub-Saharan Africa and east to the Caucasus in support of USEUCOM TSC objectives, highlighted by past successes in the Trans-Sahara Counterterrorism Initiative (TSCTI), Africa Contingency Operations Training and Assistance (ACOTA) program, and Georgia Security Assistance, as well as other theater and inter-agency initiatives. MARFOREUR continues to work with EUCOM and Headquarters U.S. Marine Corps to reconstitute and transform the Maritime Prepositioned Force (MPF), and the Marine Corps Preposition Program-Norway (MCPP–N), to ensure the flexible and relevant capabilities these strategic programs provide. Over the next 5 years, the USMC plans to spend $46.3 million on MPF and $36.3 million on MCPP–N reconstitution and modernization. These prepositioning programs support not only EUCOM operational requirements but, as seen over the last 3 years, directly support Operations Enduring Freedom and Iraqi Freedom.

MARFOREUR is also working closely with NAVEUR to coordinate Expeditionary Strike Group (ESG)/Marine Expeditionary Unit (MEU) operations in nontraditional places such as North Africa, western Sub-Saharan Africa and the Gulf of Guinea. ESGs will conduct operations and training with African partner nations to develop and sustain relationships, enable African military forces to operate as peacekeeper and encourage the establishment of maritime security forces. During the past 3 years ESG presence in USEUCOM AOR has been minimized by ongoing operations in the Middle East. MARFOREUR will also continue to leverage future ship technologies, such as the High Speed Connector (HSC), to enhance current capabilities and expand future expeditionary capabilities of joint and combined forces.

Special Operations Command Europe

EUCOM and Special Operations Command Europe (SOCEUR) are coordinating with U.S. Special Operations Command (SOCOM) to source a combination of permanent and rotational forces to be based in Southern Europe. The details of the plan are classified because of ongoing negotiations with host nations. Basing all theater-assigned SOF (i.e., air, ground, and sea) south of the Alps will enhance interoperability, training, and responsiveness to crises in the Caucasus and Africa. The plan calls for permanently relocating and consolidating SOCEUR with its ground, mari-

time (command and control only) and air SOF components, currently stationed in three countries, as well as one additional Army and maritime SOF units to be provided to the theater on a rotational basis. The increased SOF presence will improve our capability to accomplish Theater Security Cooperation objectives to increase our operational flexibility to fight the global war on terrorism, and to support operations in adjacent theaters as required.

The intent is to move south and east in the AOR in two phases. Current funding has already been requested to complete the first phase of this plan, which will provide for the move of the SOCEUR headquarters and portions of in-theater and rotational SOF. To support this plan, the President's budget request includes $3.2 million in fiscal year 2006 and $5.9 million in fiscal year 2007 to fund planning and design requirements. In addition, SOCOM and the Service Departments have programmed more than $200 million for fiscal years 2008–2011 to execute this critical transformation. The second phase of the plan will request additional funding in fiscal years 2011 to 2015 in order to move the 352nd Special Operations Group (Air Force SOF), currently located at Royal Air Force Base Mildenhall in the United Kingdom. This move will complete the strategic relocation and essential consolidation of EUCOM's Special Operations Forces.

Strategic Mobility and Maneuver

EUCOM's experience in the global war on terrorism demonstrates the value of our European infrastructure. Over 295,000 short tons of equipment and 60,000 passengers, plus an additional 17,000 troops from 16 coalition partner nations, have been transported from EUCOM to the CENTCOM AOR since December 2003. This represents 75 percent of all coalition troops moved into that theater.

Our en route system has evolved with the realization that the global war on terrorism requires fighting the enemy in places unforeseen before September 11. The U.S. Transportation Command (TRANSCOM) relies increasingly on southern tier routes, such as Lajes Air Base, Naval Station Rota, Naval Air Station Sigonella, and Incirlik Air Base, to project U.S. forces to crises areas in the Middle East, Northern Africa, Eastern Europe, and the Caucasus. Modest investments in these four strategically located bases will ensure we maintain critical southern air mobility routes for TRANSCOM and an "air-bridge" to expand operational reach. As we look even further south, we envision expanding the EUCOM en route system so we can engage future threats in sub-Saharan Africa. This new system will consist of a series of CSLs located across Africa's western and central regions to enable the rapid deployment of forces.

The combination of mature en route infrastructure and the requisite strategic and theater lift will enable EUCOM to support the U.S. global force posture. Continued C–17 procurement is crucial to fulfill EUCOM's strategic and theater lift requirements. Current airlift and air refueling assets do not satisfy the minimum requirements set forth in the "Mobility Requirements Study 2005" completed in 2001. The shortfall in air mobility assets is accentuated by the increasing demand on these assets driven by the global war on terrorism and the decreasing reliability of our aging fleet.

Investment in high speed intra-theater sealift capability, such as provided by the Theater Support Vessel (TSV), will provide EUCOM a viable alternative to intra-theater airlift for the operational movement and sustainment of combat forces at every point of the spectrum of operations. Complementing Army Transformation, it will create an opportunity to achieve operations throughput, provide a means to counter unanticipated anti-access threats. Of equal importance is our ability to move and maneuver in littoral regions, the launching point for most expeditionary operations. Current efforts to deliver the Littoral Combat Ship to the fleet will help secure our dominance of that critical battlespace. Speed and agility in littoral operations are often the key to success and future missions will become increasingly reliant on these capabilities.

Theater C^4ISR

An additional theater investment need is the upgrade of EUCOM's Network Centric Command, Control, Communication, and Computers (C4) infrastructure. The Department of Defense has made enormous strides in enhancing bandwidth to the warfighter with programs such as the Global Information Grid Bandwidth Expansion (GIG–BE) and Transformational Satellite (TSAT). Unfortunately, many of our current installations and military communities do not have the infrastructure necessary to support these two vital projects, thus limiting our ability to achieve information and decision superiority.

Additionally, EUCOM continues coordination with the Services to increase intelligence, surveillance, and reconnaissance (ISR) assets and analytical resources to ef-

fectively prosecute the global war on terrorism. Persistent ISR would improve our ability to find, track, and interdict mobile and technically competent terrorist groups operating within the vast, ungoverned regions of our AOR. Unmanned air, surface and subsurface persistent surveillance platforms will be essential to forward operations based on our reduced footprint in theater. A major EUCOM focus is joint and combined interoperability of ISR systems to optimize information collection by NATO and non-NATO partners and to complement Department of Defense intelligence capabilities.

EUCOM is also leading efforts within NATO to establish an intelligence fusion center to improve integration. A shortfall exists within the Alliance for theater strategic and operational intelligence. The NATO Intelligence Fusion Center (NIFC) proposal has been spearheaded by EUCOM leadership to create an Alliance-focused capability to overcome the stove-piped means by which individual nations currently support their own forces. The NIFC will support NATO with timely, fused, and predictive network-enabled intelligence. The current goal is to achieve full operational capability by 2007.

The Joint Analysis Center (JAC) at RAF Molesworth in the United Kingdom is EUCOM's theater intelligence analysis center. It has provided support for peacekeeping operations in the Balkans, U.S. policymakers in the Caucasus, and supported crises response and counterterrorism operations in Africa. It also provides intelligence products for U.S. Central Command. The JAC aggressively supports the global war on terrorism with counterterrorism analysis and has almost a quarter of its analysts temporarily deployed to Iraq and Afghanistan. Many successful counterterrorist operations have resulted from innovative analysis, close cooperation and information sharing with allies. EUCOM's integration of U.S. and multi-national law enforcement and intelligence reporting has given us insight into terrorist support infrastructure, recruitment, and training. We are working closely with interagency representatives, coalition partners, and U.S. Embassy teams to further develop these relationships.

Non-Lethal Capabilities

Non-lethal capabilities are an emergent requirement and challenge for EUCOM. Current and developing technologies promise a set of non-lethal disabling and incapacitating force response options which will enhance force protection and deterrence capabilities. Current non-lethal capability is focused on tactical, short range, crowd control equipment and techniques. Future non-lethal capabilities promise precision, range and effective payloads to neutralize threats at stand-off distances while minimizing friendly casualties, particularly in the urban environment. Further development and acquisition of long-range precision non-lethal systems will provide the capability to clear personnel from facilities and structures; to deny access to areas to both personnel and vehicles; and to conduct non-invasive searches of vessels using imaging, acoustical, and chemical, biological, and radiological detection devices. These capabilities have application across the spectrum of conflict and offer alternatives to traditional manpower intensive means of physical security, crowd control, force protection, and search and seizure.

Supporting U.S. Central Command

EUCOM provides vital support to U.S. Central Command (CENTCOM) in its prosecution of Operation Enduring Freedom and Operation Iraqi Freedom. Over 16,000 EUCOM-based personnel are currently deployed to the CENTCOM AOR. Since September 11, EUCOM has continuously maintained a Joint Operations Center (JOC) to monitor ongoing OEF and OIF activities and rapidly respond to global war on terrorism missions. In addition to providing combat and support forces (including V Corps, 1st Armored Division, 1st Infantry Division, and the 173rd Airborne Brigade), EUCOM contributions to OEF and OIF have included humanitarian airlift support, logistics support, evacuation and treatment of casualties, surveillance, compliant boarding of suspect merchant vessels, movement of detainees to Guantanamo Bay, and training and equipping coalition forces. Of particular significance is recent coalition support to provide security to the successful elections in Afghanistan and Iraq. A large percentage of all Iraqi theater communications are routed through EUCOM links.

As many members of Congress and this committee have seen, Landstuhl Regional Medical Center (LRMC) is vital to caring for our servicemembers and their families as we prosecute the global war on terrorism. LRMC is the principal tertiary medical facility outside the United States. Over 21,000 patients from Afghanistan and Iraq have been treated at this critical facility that serves as the main evacuation site for 37 of our coalition partners since 2003. LRMC's strategic location astride our en

route infrastructure and near the combat area of operations directly contributes to the 98 percent survival rate for soldiers wounded in action.

Additionally, as the largest American tertiary medical facility outside the U.S., LRMC has responsibility for a beneficiary population of 508,000 uniformed members, civilian employees and family members in the EUCOM and CENTCOM AORs. Two Fisher Houses, opened since 18 June 2001 and 4 December 2002 respectively, offer critical support to the LRMC community. Located on the LRMC grounds, these temporary residences provide a home away from home for families during medical treatment and have been 100 percent occupied since opening.

Relationship with Joint Forces Command

The U.S. Joint Forces Command (JFCOM) plays a pivotal role in the transformation of the U.S. Armed Forces. As the advocate for Combatant Commanders, JFCOM promotes the infusion of future technologies, manages the sourcing of forces necessary to carry out peacetime as well as combat operations, and establishes tactics, techniques, and procedures for shifting to a capability-based force. The importance of the close cooperation between EUCOM and JFCOM can be seen in the Advanced Concept Technologies Demonstration (ACTD) program.

As EUCOM identifies capability gaps, JFCOM provides access to emerging technologies to meet these shortfalls and provides opportunities for the combatant commanders to assess these technologies in field conditions. JFCOM's lead in the ACTD efforts is critical to bringing technology to the warfighter as quickly as possible. Ongoing efforts include several projects to demonstrate net-centric Intelligence, Surveillance and Reconnaissance (ISR) interoperability, as well as Coalition Combat Identification systems.

JFCOM is also laying the foundation for the implementation of the Global Force Management (GFM) concept. This is especially vital to EUCOM as we balance our capabilities between permanently assigned and rotational forces. As a significant portion of standing forces return to the Continental United States (CONUS) from Europe, EUCOM will be increasingly dependant upon rotational force deployments to execute our Theater Security Cooperation (TSC) strategy. Our close coordination with JFCOM ensures that we are developing methodologies to identify global force requirements while enhancing EUCOM's strategic posture. By maintaining the delicate balance between resourcing current operational requirements and future capabilities commitments, we are posturing for our future success.

Theater Security Cooperation

EUCOM's Theater Security Cooperation (TSC) programs are the centerpiece of our efforts to promote security and stability by building and strengthening relationships with our allies and regional partners and are an indispensable component of our overarching theater strategy. They are regionally focused and assist our allies with the development of capabilities required to conduct peacekeeping and contingency operations with U.S. forces. Well trained, disciplined allied and friendly forces reduce the conditions that lead to conflict, prepare the way for warfighting success, and ultimately mitigate the burden on U.S. forces. Most importantly, Theater Security Cooperation efforts support the long-term strategic objectives of the global war on terrorism by building understanding and consensus on the terrorist threat; laying foundations for future "coalitions of the willing;" and extending our country's security perimeter.

Security Cooperation Activities

Security Cooperation Activities are managed programs planned and executed for the purpose of shaping the future security environment in ways favorable to U.S. interests. Key among EUCOM's TSC tools are Foreign Military Financing, Foreign Military Sales, Direct Commercial Sales, and International Military Education and Training. These programs provide access and influence, help build professional, capable militaries in allied and friendly nations, and promote interoperability with U.S. forces. We execute the larger security assistance programs using our 44 Offices of Defense Cooperation in concert with U.S. Embassy Country Teams, while smaller programs are executed by Defense Attachés and Embassy Offices.

Security Assistance. Foreign Military Financing (FMF) provides critical resources to assist nations without the financial means to acquire U.S. military equipment and training. It is an essential instrument of influence; builds allied and coalition military capabilities; and improves interoperability between forces. Poland, Georgia, Romania, and Bulgaria are among our top FMF recipients and all are effectively serving beside our forces in Operations Enduring Freedom and Iraqi Freedom. This years FMF request for countries in the EUCOM AOR, included in the International Affairs (Function 150) account, totals $2.51 billion.

Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) demonstrate our Nation's continued commitment to the security of our allies and friends by allowing them to acquire superior U.S. military equipment and training. FMS and DCS sales are vital to improving interoperability with U.S. forces, closing NATO capability gaps, and modernizing the military forces of our new allies and partners. The F–16 and High Mobility Multipurpose Wheeled Vehicle (HMMWV) sales to Poland and C–17 lease to the United Kingdom illustrate the crucial importance of these programs.

International Military Education and Training (IMET) and Expanded IMET (E–IMET) provide education and training opportunities for foreign military (IMET) and civilian personnel (E–IMET). These programs enhance coalition operations by improving military-to-military cooperation and interoperability; reinforcing civilian control of the military; advancing the principles of responsible governance; and supporting the stability of newly-formed democracies. As a result of the relationships that develop from this program, our return on investment in long-term access and influence is significantly enhanced. Consequently, our interests are disproportionally injured if this program is reduced or sanctioned. Today's IMET participants are tomorrow's senior foreign military and civilian leaders. In Africa, IMET and E–IMET have been the most successful programs in promoting professional militaries that respect democracy and human rights. The EUCOM portion of the fiscal year 2006 IMET request is $12.935 million and like FMF, is also included in the International Affairs (Function 150) account.

Defense and Military Contacts. Another viable influencing activity is Defense and Military Contacts. Under this program professional military contacts build valuable, often life-long relationships at all levels that serve to enhance cooperation and advance U.S. strategic interests. One of the most successful and influential programs employed by EUCOM is the National Guard State Partnership Program (SPP). The SPP links U.S. states and territories with partner countries for the purpose of supporting EUCOM's security cooperation objectives and assists partner nations in making the transition from authoritarian to democratic governments. The unique civil-military nature of the Guard allows it to actively participate in a wide range of security cooperation activities that provide great flexibility in meeting our Theater Security Cooperation objectives. Currently there are 25 States partnered with 23 foreign nations in the EUCOM AOR.

This past year was extremely successful as National Guard soldiers and airmen conducted over 115 events with partner nations. Indeed, SPP has been so successful that EUCOM is aggressively seeking funding to expand the program in Africa. In the last 2 years, four partnerships have been added: South Africa—New York; Morocco—Utah; Ghana—North Dakota; Tunisia—Wyoming. SPP is a key Theater Security Cooperation tool that supports U.S. Government objectives by promoting access, bolstering capabilities, and enhancing interoperability.

Multinational Education. Another important security cooperation tool is the Multinational Education activities that provide instruction to foreign defense and military personnel by U.S. institutions and programs, both in CONUS and overseas:

- The Africa Center for Strategic Studies (ACSS), since its foundation in 1998, developed into an institution that addresses the challenging strategic issues of the continent's weak political institutions, arms proliferation, the impact of migration and ethnic and religious conflict;
- The Near East-South Asia Center for Strategic Studies conducts executive and senior executive seminars to foster professional defense planning and emphasizes the functions of a military establishment in a pluralistic society. Israeli, Tunisian, Algerian, Moroccan, and Mauritanian military personnel routinely participate in these seminars;
- The George C. Marshall European Center for Security Studies continues to be at the core of EUCOM's engagement strategy by building trust and cooperative relationships with the leaders (current and future) of over 50 nations across Europe and Eurasia. On the front line in the "Battle of Ideas," the Center endures as an asset EUCOM can count on to engage even seemingly impenetrable countries. Its ever deepening and widening network of resident course graduates and Conference Center participants now totals nearly 16,000, many of whom move into key positions of influence, and recently included members of the new Afghan military. The German-American character of the institution allows the U.S. to promote our policies and ideas with an implicit European stamp of approval. The Marshall Center has increased its focus on the Caucasus and the Central Asian States. Congress can amplify the already great impact of the Marshall Center by supporting submitted legislative changes that will clarify and

streamline funding of participants from strategically vital areas of the world including Iraq;

• The NATO School is a EUCOM-supported activity in Oberammergau, Germany, which falls under the operational control of the Allied Command, Transformation. Its primary mission is to conduct courses, training and seminars in support of NATO strategy and policy, including cooperation and dialogue with military and civilian personnel from non-NATO countries. Most recently it has been engaged in the delivery of out-of-country training to members of the fledgling Iraqi National Army.

Regional Approach to Theater Security Cooperation

EUCOM's TSC strategy is derived from regional priority and policy themes stated in the Secretary of Defense's Security Cooperation Guidance. EUCOM has taken a regional approach that links individual country objectives to broader theater goals. In Africa, EUCOM's priorities are to increase the capability of African nations to conduct peacekeeping and contingency operations in their regions, particularly through the African Union and other regional organizations; to protect natural resources; and to promote stability by assisting medical advice and assistance progress on health issues such as HIV/AIDS, cholera, malaria and other diseases that have humanitarian and strategic consequences.

In Europe, EUCOM's priorities are to assist our allies in developing capabilities to deploy rapidly and operate with U.S. forces; to deepen and strengthen our relations with Poland, Hungary, Romania, Bulgaria, and Turkey as NATO transforms and increasingly becomes a source for building coalition forces; to shift U.S. focus in Europe to the east and south to strengthen our ability to conduct out-of-area operations; to increase U.S. influence with new NATO members; and to improve partner interoperability. EUCOM will also focus on enhancing stability in the Caucasus and Black Sea regions and assisting Western Balkan countries in their integration into EURO-Atlantic institutions. Multinational training and exercises are essential elements of our regional approach to build military-to-military cooperation, to improve interoperability, and to facilitate the development of professional militaries.

African Regional Initiatives and Programs. The Gulf of Guinea Guard is a EUCOM initiative to assist Ghana, Togo, Benin, Nigeria, Cameroon, Equatorial Guinea, Sao Tome and Principe, Gabon, Republic of the Congo, and Angola in protecting their natural resources and achieving long-term security and stability. The focus of this initiative is to prevent the region's political, economic, and social issues from becoming regional stability problems requiring international involvement. NAVEUR hosted the first Gulf of Guinea Maritime Security Conference in October 2004, which provided momentum to this ongoing initiative.

The Global Peace Operations Initiative (GPOI), enacted as part of the Consolidated Appropriations Act, 2005 (PL 108–447), is designed to meet the world's growing need for well-trained peace operations forces by enabling the United States to work with lead nations and selected international organizations to support, equip and train other countries' forces. In Africa, GPOI will supplement the existing Africa Contingency Operations Training and Assistance program and fund an exercise program which meets international peace operations standards. In Europe, we will leverage GPOI funding to help the militaries of Eastern Europe and the Caucasus develop their peacekeeping capabilities.

EUCOM established Joint Task Force Aztec Silence under the Commander of the U.S. Sixth Fleet in December 2003 to countertransnational terrorism in the undergoverned areas of Northern Africa and to build closer alliances with those governments. In support of this, U.S. Navy intelligence, surveillance and reconnaissance assets based in Sigonella, Sicily were used to collect and share information with partner nations and their militaries. This robust cooperative ISR effort was augmented by the release of intelligence collected by national assets.

The Trans-Sahara Counterterrorism Initiative (TSCTI) is a proposal to develop the internal security forces necessary to control borders and combat terrorism. This program will focus on Algeria, Morocco, Tunisia, Senegal, Ghana, and Nigeria. As follow-on to the Pan-Sahel Initiative completed in early 2004, TSCTI increases assistance with detection and response to the migration of asymmetric threats throughout the region. The initiative will also help these nations maintain security by building the capacity to prevent conflict at its inception. TSCTI seeks to maximize the return on investment by implementing reforms to help nations become more self-reliant.

EUCOM has aggressively worked with regional organizations, such as the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), and the East African Community (EAC), to develop a regional ability to respond to crises. Under the EUCOM TSC Strategy, ECOWAS

is a regional stability partner. Within West Africa, ECOWAS has continued to champion economic and peace building efforts. The ECOWAS Standby Force will be a model for other regional organizations.

The U.S. needs to continue engagement with nations that are supportive of regional initiatives leading to peace and stability. Regional leaders like Senegal, Ghana, and Uganda have not only been willing to support the global war on terrorism, but also have been proactive in facilitating dialogue between nations within their area of influence that were once in conflict. Their approach to curbing HIV/AIDS and providing economic stimulus are models that are proven to work in the African context for African nations.

European Regional Initiatives and Programs

During the past year, EUCOM maintained dialogue with European and Eurasian nations. In addition to a variety of conferences conducted, some completed and ongoing programs include:

- In the Caspian Basin, we have made tremendous progress in the last year moving from concept development to full implementation of the Caspian Guard initiative which established an integrated airspace, maritime and border control regime for the nations of Azerbaijan and Kazakhstan.
- In Georgia, the Sustainment and Stability Operations Program (SSOP) is geared to training two peacekeeping battalions for service in Iraq. The program combines funding from several sources, including Foreign Military Financing. SSOP also will provide the country with a trained cadre of trainers and staff to support additional sustainment personnel and peacekeeping units. Finally, SSOP will help solidify the progress made during the Georgia Train and Equip program and continue to assist in the implementation of western standards in the Georgian armed forces.
- In Poland, we provided assistance with the successful bed-down of F–16s purchased through the Foreign Military Sales Program. U.S. Air Force experts are assisting their Polish counterparts with developing plans to make these new weapons systems fully operational.
- With Russia, the U.S. conducted Exercise Northern Eagle in the North Sea in September 2004. This bilateral maritime exercise focused on maritime interdiction operations and was designed to share naval tactics and techniques in order to increase interoperability and develop common operating baselines. Additionally, our USAREUR Army Forces conducted Exercise Torgau 2004 with the Russian Land Forces north of Moscow in the summer of 2004. We will build on Torgau 2004 with Torgau 2005, an ambitious Russian—U.S. land exercise to be conducted sequentially in Russia then concluding in Germany in the summer of 2005. This will be the largest, most ambitious land exercise we have conducted with the Russians since the end of the Cold War. Torgau 2005 will exercise expansive echelons of U.S. and Russian commands, ranging from combat vehicle interoperability with crew exchanges, all the way to a large scale senior command combined arms peace enforcement / security and stability simulation.
- In Turkey, we are helping promote the Center of Excellence-Defense Against Terrorism (CoE-DaT) into a world-class center in the fight against terrorism. The Turkish CoE-DaT directly supports U.S. security goals by building a common understanding of the operational and strategic terms and objectives in the global war on terrorism. The Center will also provide a key venue for NATO outreach to the broader Middle East and North African countries. Active participation in this center will give the United States the ability to shape the curriculum of the CoE-DaT. The United States will also have direct influence on the perceptions and motivations of the students attending the training; students who by design will be shaping anti-terrorism programs and policies in their own countries.
- In Ukraine, we are working to establish a comprehensive interoperability program for that nation's Joint Rapid Reaction Force. The goal is to establish two fully NATO-interoperable Ukrainian brigade task forces, which will greatly enhance its capability to participate in international coalition and peacekeeping operations.

Coordination of Theater Security Cooperation: The Clearinghouse Approach

A regional TSC approach is being refined, in part, through clearinghouse initiatives. Clearinghouses, created for Africa, the South Caucasus, and Southeast Europe, allow the United States to coordinate its actions with other nations involved in security cooperation in the same region. Each serves as a multi-national forum for interested countries to share information about their security assistance pro-

grams for specific regions. The objective is to optimize the use of limited resources by merging the various security cooperation programs into a comprehensive, synchronized regional effort. Clearinghouses provide a medium for deconflicting programs, avoiding duplication and finding ways to collaborate and cooperate.

- The Southeast Europe Clearinghouse, aimed at the three Adriatic Charter nations (Albania, Croatia, Macedonia) plus Bosnia and Herzegovina, and Serbia and Montenegro, is open to all NATO, European Union, and partner countries (Russia and Ukraine specifically) that have engagement programs in Southeastern Europe. The objectives of this clearinghouse are to assist the Adriatic Charter nations in their efforts toward NATO membership and to speed the integration of Bosnia and Herzegovina and Serbia and Montenegro into the Euro-Atlantic Community.
- The South Caucasus Clearinghouse is now firmly established as a forum for EUCOM, our European partners, and international organizations like NATO and the Organization for Security and Cooperation in Europe to coordinate security cooperation programs with Armenia, Azerbaijan, and Georgia. This clearinghouse focuses on defense reform, energy security, maritime security, disaster response, peacekeeping, and training and education.
- The Africa Clearinghouse, EUCOM's most recent initiative has brought thirteen African countries together with NATO, the United Nations, and the European Union. The inaugural conference, held in May 2004, focused on West Africa and the Economic Community of West African States (ECOWAS). The regional approach continued in December 2004 with a conference concentrated on east Africa.

IV. GROWING STRATEGIC IMPORTANCE OF AFRICA

Torn apart by war, disease, and poverty, and marked by vast ungoverned spaces, Africa can be a haven for our enemies in the global war on terrorism. That is why stability on that continent has emerged as such a key goal of EUCOM's strategic plan. Despite obvious problems, African nations are joining together and making progress in their quest to provide security and stability for Africans. The United States should concentrate resources and efforts to assist our African partners in building their regional capabilities.

EUCOM has created relationships with, and actively assists three major multinational organizations in Africa: the African Union (AU); the Economic Community of West African States (ECOWAS); and the United Nations (U.N.). The African Union, formed in 1999, comprises more than 50 nations, and is progressing toward establishment of the Africa Standby Force. It is envisioned that this force will be comprised of five regional brigades that can support the type of challenging security requirements the continent offers. Our investment in AU capabilities today will reap tremendous benefits in the future by giving Africans the capability to deal with challenging issues before they require international intervention.

ECOWAS is a regional organization of 16 West African nations formed in 1975. Its military intervention in Liberia in 2003 proved to be a successful undertaking, but not without substantial multinational support. Working collectively with the United Kingdom, France, Canada, and several other countries, EUCOM has sought to help build ECOWAS' capacity for conducting peacekeeping operations to a level which requires limited U.S. and European logistic support, and no U.S. troop support, during any regional crisis. With coordinated support and encouragement from the United States, allied donor nations including non-governmental organizations and international corporations, ECOWAS has measurably improved its capacity to respond to regionally supported operations.

We have worked closely with Uganda in the prosecution of a local terrorist organization, resulting in a country more prepared to counternsurgencies that threaten internal and regional stability. Other nations in the region have not only expressed interest in similar activities, but also provide capabilities that are found only within their region.

Many other countries in Africa have shown both the willingness and the capability to support peacekeeping operations. Angola and Nigeria provided strategic airlift for crucial peacekeeping operations in Cote d'Ivoire and Sudan. Gabon has taken a lead role in the U.N. mission in the Central African Republic. South Africa has supported several international military missions. Although the African Union continues to improve its peace keeping operations capacity, the U.N. remains very active on the continent. For example, there are currently more than 43,000 United Nations military peace keepers involved in operations in Sierra Leone, Liberia, Cote d'Ivoire, the Democratic Republic of Congo and Burundi.

The major U.S. security objectives in Africa should be to eliminate ungoverned areas, to counterextremism, and to reduce the chronic instability that hampers and often extinguishes hope for political and economic development. Development of effective security structures in Africa will lay the foundation for future success; however, they are dependent upon on a new level of commitment to devote the manpower, financial, and institutional resources necessary to establish and sustain real progress. We must craft a policy that recognizes the growing strategic importance of Africa and its potential to become the next front in the global war on terrorism. African security issues will continue to directly affect our homeland security. It appears that we have a small window of opportunity to make relatively modest near-term investments to avoid massive problems requiring U.S. intervention in the future that could prove costly.

V. NATO ALLIANCE

The North Atlantic Treaty Organization (NATO) remains the most successful political-military alliance in history and provides our Nation a critical link to Europe at a time when cooperation is essential to our success in the global war on terrorism. The meaningful participation by the United States in the Alliance continues to yield benefits far beyond the costs of our contribution. NATO transformation efforts, begun in earnest following the Prague Summit in 2002, continue apace today, and are yielding tangible results in the form of an enhanced military capability that is deployable to the trouble spots of the globe.

As we continue to refine the critical relationship between Allied Command Operations (ACO) in Mons, Belgium, and Allied Command Transformation (ACT) in Norfolk, Virginia, we have already made great strides in doctrine development and process improvement. As ACO articulates operational requirements as identified by commanders serving in Afghanistan and participating in NATO exercises throughout Europe, ACT has begun developing the framework to turn this vision into measurable capabilities. This close cooperation enables the infusion of research and technology to address training, equipment, or doctrine shortfalls and provides the first ever process by which to certify NATO forces as ready to conduct the full spectrum of military operations.

We have seen similar success in recent NATO's commitment to conduct operations beyond the traditional boundaries of the Alliance. NATO has embarked upon an expansion of the International Security Assistance Force (ISAF) mission in Afghanistan, has begun the NATO Training Mission in Iraq (NMT–I) to provide assistance to the Iraqi Interim Government, and has completed the largest round of expansion since its inception. All these accomplishments have been achieved since testimony before this committee last March.

Value of U.S. Leadership

U.S. contributions of forces and resources to the Alliance, despite a gradual decline in relative levels, still comprise the largest share when measured by dollars and capabilities. This sustained level of commitment permits the United States to occupy the key military leadership posts of the Alliance, which include Supreme Allied Commander Europe and Supreme Allied Commander Transformation. The advantages of leadership within NATO's military structure are clear and provide an avenue by which to suggest changes for the direction of the Alliance. Unfortunately, if the level of U.S. contributions continues to decline, our claim to leadership posts will inevitably be challenged.

The recognized linkage of EUCOM and NATO transformation efforts is a clear dividend brought about by our persistence, focus, and leadership within the Alliance. NATO's force structure has begun to transform from a reflection of 20th century realities, when massive armies were necessary to blunt a Warsaw Pact thrust into Central Europe, to a more agile, expeditionary and responsive force. These formations were manned by conscript soldiers who served in units that were almost purely defensive and located in their own homelands. As a result, they were not designed with expeditionary capabilities, strategic lift or robust support infrastructure. Few nations have trained, equipped, or organized their forces to operate beyond their own borders. Since ships and aircraft possess inherent mobility, the transformation of NATO naval and air forces has been much easier to accomplish than the armies of Europe; therefore, the focus has been, and must remain, on the transformation of ground force components. NATO's recognition of this challenge was clearly expressed at the Prague Summit in 2002 and re-affirmed at the Istanbul Summit in June 2004.

The initial round of NATO transformation began with the elimination of unnecessary layers of command structure, including the deactivation of 12 sub-regional Headquarters during 2004. Another major step occurred in March 2004 in Lisbon,

when Joint Headquarters Lisbon was established under the command of U.S. Vice Admiral Harry Ulrich, Commander of the U.S. Sixth Fleet.

NATO also made remarkable progress in creating and developing the NATO Response Force (NRF), the primary vehicle for transforming the Alliance's force structure. With the critical assistance of Allied Command Transformation, the NRF reached initial operating capability in October 2004 and conducted its first significant command-post exercise, Exercise Allied Warrior 04, in November 2004. As a result of these dramatic changes to NATO's command and force structure, and the overall willingness of Allies to support commitments to the NRF, NATO stands poised to act on the global stage, as an operationally-focused, mobile and deployable force.

Transformation Initiatives and Operations

NATO has made encouraging progress this past year. Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia became full members of the Alliance. The Istanbul Summit produced an agreement to begin training Iraqi security forces. Following a September 2004 decision by the North Atlantic Council (NAC), initial training commenced in November 2004 in Stavanger, Norway. Following the successful Iraqi elections there has been a renewed interest within the Alliance to increase the commitment to train the Iraqi security forces. This year, NATO will open a Training, Education, and Doctrine Center in Iraq to provide mid-grade to senior officer training courses, with plans to expand training to senior noncommissioned officers. This is the institution we expect to produce the Guardians of the Iraqi people's government and through which a liaison to the West is established and maintained. Another significant development was the NATO Chemical Biological Radiological Nuclear Task Force deployment to Greece during the 2004 Summer Olympic Games, manned by troops from Belgium, the Czech Republic, Hungary, Italy, Poland, and Spain.

Finally, the decision to expand the ISAF mission in Afghanistan further underscores the level of transformation occurring in the Alliance. The generation of forces required for the implementation of Stage 2 expansion in Western Afghanistan has been achieved. National contributions will facilitate the establishment of several more Provincial Reconstruction Teams (PRTs) and Forward Support Base requirements. Additionally, several nations have informally offered to establish PRTs in the Southern part of the country (Stage 3). Based on these developments we can be optimistic that upon NAC approval, and with continued support of the Member Nations, the expansion of NATO operations will complete its final expansion to Eastern Afghanistan (Stage 4) in due time.

NATO member nations have begun to examine important facets of their tactics, techniques, and procedures, including the professionalization of their noncommissioned officer (NCO) corps. The backbone of the American military is our NCO leadership. Our NATO partners have begun to realize that they can increase capability by capitalizing on the experience of the U.S. military. Under the leadership of the Allied Command Operations Sergeant Major Alford L. McMichael, USMC, the former Sergeant Major of the U.S. Marine Corps, NATO has established three levels of NCO leadership training: preliminary, intermediate, and advanced. Working with the Marshall Center, an International Senior NCO course is being developed for Sergeants Major. The appetite for this training is far greater than we envisioned.

Another major development in the Alliance was the result of 2 years of concentrated effort to improve the manner by which the Alliance matches political will with actual military capabilities. Forces for NATO operations and missions, such as the Kosovo Force, Stabilization Force, and ISAF, have traditionally been provided by Alliance members through individual force generation conferences. The growing demands on NATO's military forces have made balancing the varying requirements of each operation increasingly difficult. To address this inefficiency, NATO held the first ever Global Force Generation Conference in late November 2004. Led by the Deputy Supreme Allied Commander, General Sir John Reith, British Army, this conference accomplished two important objectives: identifying long-term requirements, including current gaps; and establishing the ability for individual nations to accomplish more effective long-term force planning. Additionally, this initiative bolstered the case for Alliance transformation by highlighting capability shortfalls in a timelier manner, and spotlights the limitations, or "national caveats," that nations use to limit the "usability" of their force contributions.

NATO continues to promote security in other ways. One of its most successful outreach programs is the Partnership for Peace (PfP). PfP has increased stability and built stronger security relationships in Europe, the Caucasus, and Central Asia through political consultations and individual national programs. EUCOM involve-

ment and leadership in PfP training, exercises, and bilateral programs with participating nations help make this program a success.

Thirty nations have joined the PfP since it was launched in 1994, with 10 achieving NATO membership. Seven of these 10 nations were accessed via the NATO Membership Action Plan (MAP). The MAP provides for concrete feedback and advice from NATO to aspiring countries on their own preparations directed at achieving future membership. Currently, EUCOM continues to help three MAP nations (Albania, Croatia, and Macedonia) meet membership requirements, especially in the areas of civil-military relations and making appropriate military contributions to the Alliance.

NATO has also reached out to the nations of North Africa and the Middle East through the Mediterranean Dialogue program and the recently announced Istanbul Cooperation Initiative. These programs, though less extensive than PfP, provide for political dialogue and practical cooperation with participating countries and help foster democratic and military development with countries important to the U.S. and NATO in the war on terrorism.

NATO continues to strengthen relationships with Russia and Ukraine. The NATO-Russia Council and the NATO-Ukraine Commission focus on a variety of issues including counterproliferation, peacekeeping, theater missile defense, civil emergency response and responses to terrorism. At the military level, the NATO-Russia Interoperability Program explores avenues to facilitate meaningful Russian participation in NATO-led operations. A recent agreement on the modalities for Russian naval support to NATO's anti-terrorist maritime interdiction mission, Operation Active Endeavor, is expected to yield Russian participation beginning later this year.

NATO successfully concluded the Stabilization Force mission in Bosnia and Herzegovina on 2 December 2004 after achieving the military objectives outlined in the Dayton Peace Accords. The European Union mission comprised of approximately 7,000 troops has assumed the predominately police enforcement mission to ensure continued stability in the country. The United States continues to demonstrate its firm commitment to the region by sourcing a portion of a new NATO Headquarters (NHQ) in Sarajevo. The new mission requirements for NHQ Sarajevo decrease NATO sourcing levels to less than 250 personnel, including a one-star general/flag officer who will serve as the senior military representative. NHQ Sarajevo will focus on the execution of defense reform, partnership for peace activities, counterterrorism operations, and apprehension of persons indicted for war crimes (PIFWC). The United States acceptance of the Bosnia and Herzegovina offer to allow continued use of Eagle Base is another sign of commitment to the country and to the region.

NATO's Kosovo Force continues to provide critical security to this region in support of the United Nations' Interim Administration in Kosovo. Currently, Task Force Falcon has approximately 1900 soldiers from both the active and Reserve components deployed as part of Multi-National Brigade-East to enforce the "Military Technical Agreement" and to conduct operations to further deter hostilities and promote a stable environment. NATO's troop strength was reduced to 17,730 in 2004 with U.S. forces contributing nearly 12 percent (2,010) of the personnel. While it is anticipated that the U.S. footprint will be adjusted in the coming the year as part of the NATO Periodic Mission Review process, continued U.S. presence remains essential.

Challenges for NATO

The development of the European Union's (EU) Security and Defense Policy (ESDP) requires that the EU and NATO coordinate closely their plan and operations. The development of greater European capabilities in support of peace and security is to be welcomed, and a good working relationship has developed between the NATO Staff at Supreme Headquarters Allied Powers Europe (SHAPE) and the EU planning cell. But their remains only one set of forces, regardless of the number of assigned missions or institutional affiliations, a truth applicable to both European and to U.S. forces. We seek to ensure that unnecessary duplication of NATO capabilities by the EU is kept to a minimum and that EU missions not degrade NATO readiness.

While political ambition is expanding and improvements are being made in important military aspects of NATO, cumulative Alliance defense spending has declined over the past few years. Seventeen of the 26 member nations spend less than the agreed upon benchmark of a minimum of 2 percent of their gross domestic product on defense. Additionally, antiquated acquisition processes seriously impede progress and limit operational effectiveness. The Alliance is being inhibited by funding difficulties, lack of suitable investment in new technologies, and business practices that are outdated and inefficient. Sharing industrial benefits and open competition

are desirable but must be balanced against the risks of operational failure. True transformation cannot be achieved until these conditions are addressed.

A shortfall exists within the Alliance for theater strategic and operational intelligence. The NATO Intelligence Fusion Center (NIFC) proposal, discussed previously, has been spearheaded by EUCOM leadership to address this capability deficiency. As NATO creates more permanent standing formations, the NIFC will support the NRF with timely, fused, and predictive network-enabled intelligence.

The ongoing transformations in EUCOM and NATO are inextricably linked to the challenges of today's security environment and are complementary and mutually supporting. Together, they will produce an effect greater than the sum of its parts. By leadership and example, EUCOM supports NATO transformation and serves as a model for the Alliance and its member nations.

VI. CHALLENGES FOR TOMORROW'S MILITARY

The complexity of today's security environment requires new methodologies to promote conflict prevention and conduct post-conflict operations. A military approach alone will not deliver the desired outcome in countries or regions where there is little or no experience in responsible governance. Integrated interagency and international action is necessary to achieve long-term strategic goals.

Afghanistan, Iraq, the Balkans, and Liberia provide numerous examples of the post-conflict challenges that present themselves and require the resources and skill sets of multiple U.S. Government agencies and the international community. Regardless of scope or scale of any given conflict, U.S. involvement encompasses elements codified in interagency coordination doctrine.

While the requirements for successful post-conflict resolution are not easy to predict, our experience in operations in Somalia and Iraq reaffirms the axiom that success requires unity of effort, both within the U.S. Government and the international community. It hinges upon the long-term stability of the social, political, and economic systems of societies. The absence of a comprehensive, integrated strategy can prolong conflict or even a regression to pre-conflict conditions.

As we increase the agility and responsiveness of our military capabilities through transformation, we must also adjust our decisionmaking process. Interagency coordination and cooperation are key to attaining desired end states. Each solution must be tailored to the existing geo-political and demographic situation of the given region or conflict.

Integration of EUCOM and other U.S. agency activities throughout our AOR continues to mature and is a key element of theater transformation. By including representatives of governmental and non-governmental agencies and organizations early in the planning process, military planners have been able to develop more comprehensive plans at the strategic and operational levels. Additionally, these representatives gain a better understanding of the military and its operational techniques, capabilities and limitations.

EUCOM has already implemented the Standing Joint Force Headquarters (SJFHQ). The EUCOM SJFHQ has largely been carved from existing staff to provide a standing, cross-functional command and control element that maintains a daily focus across the full spectrum of warfighting. EUCOM has elected to call our SJFHQ the European Plans and Operations Center or EPOC. The EPOC has brought intelligence, logistics, communications, political military affairs, and operations closer together and serves as a vital component to our transformation as we move toward a more agile, cross-functional headquarters, synchronized with interagency and multi-national partners in support of our U.S. national policy and strategic objectives.

On the counterterrorism front, EUCOM and other government agencies have worked together to develop the Trans-Sahara Counterterrorism Initiative, a long-term strategy to counterterrorism in the Sahel region of Africa. In preparation for the 2004 Summer Olympic Games in Athens, the State and Justice Department representatives to EUCOM's Joint Interagency Coordination Group (JIACG) shaped operational planning and support mechanisms for the U.S. intelligence and operational fusion element in Athens. They also worked to educate the EUCOM planners and operators regarding potential counterterrorism and consequence management operations in the event of a terrorist attack. At the same time, the Treasury Department's representative from the Office of Foreign Assets Control provided substantial sustained support to the theater's counterterrorism efforts and the apprehension of persons indicted for war crimes in the Balkans and elsewhere.

EUCOM has already begun to modify our JIACG to better integrate all the elements of national power. We have developed strong ties with the Office of the Coordinator for Reconstruction and Stabilization at the Department of State, sharing de-

liberate planning information on several areas of concern and jointly developing doctrine, techniques and procedures for mutual operational and planning support. Exercise Flexible Leader 05 validated our standing joint force headquarters and transformational planning constructs by exercising participation by State, Justice, Treasury, Commerce, and Agriculture departments. The lessons learned during this exercise will help shape the nature of collaboration between non-traditional partners in military planning and operations. EUCOM is also pursuing closer coordination with the Department of Homeland Security to reinforce its ability to defend the homeland from forward locations.

Unprecedented challenges and change are the only consistent characteristics of the post-Cold War. Institutions that are not adequately equipped or organized to confront the realities of an extremely fluid and complex security landscape will become increasingly unsuccessful in protecting U.S. interests. The application of national power must include the widest array of national resources and capabilities. The determination of requirements, the development of policies, and the implementation of strategies require the synchronization of all of the elements of the government that have a stake in the success or failure of the outcome. As the combatant commands of the U.S. military become increasingly involved in a broadening range of national security activities, we must be organized in a manner that is reflective of the inter-agency process that produces the strategies to be implemented.

At EUCOM we continue to seek new and innovative ways to transform not only our force posture, but also our thinking. We will continue to reach out to multiple stake-holders in governmental, as well as non-governmental activities in our broad, diverse, and challenging AOR, to maximize our ability to achieve our national objectives. Preparing for the urgent challenges before us will require institutional innovations and the creation of new capabilities which will yield a more comprehensive security apparatus and enable greater coordination and cooperation throughout the United States Government and the international community.

VII. CONCLUSION

Today's security environment requires operational capabilities that are more agile, expeditionary, and responsive. The implementation of EUCOM's Strategic Theater Transformation Plan, which arrays forces throughout a much wider portion of Europe and Africa, will increase our strategic effectiveness within our own area of responsibility while simultaneously enhancing our ability to support adjacent commands.

NATO, which has been at the center of trans-Atlantic and inter-European security since its inception, continues to transform in order to remain the preeminent security alliance. NATO and U.S. presence in this important theater must continue to evolve in order to shape and influence an uncertain world.

It is a privilege to represent this proud nation. The challenges we now face are enormous, yet our past is replete with examples of how we have overcome daunting, seemingly insurmountable barriers that tested our resolve. Our history demonstrates our commitment to the principles of freedom. What lies before us is the opportunity to advance our leadership role in global affairs, define the 21st century, and extend peace and prosperity throughout the world. The indispensable influence attained by our forward presence provides the best chance for success in meeting these goals and fighting the global war on terrorism.

We look forward to working with the members of this committee as we continue to refine our plans for transformation and improve our capabilities in the new strategic era.

Chairman WARNER. That's a very good report, General Jones. Thank you.

General Abizaid.

STATEMENT OF GEN JOHN P. ABIZAID, USA, COMMANDER, U.S. CENTRAL COMMAND

General ABIZAID. Thank you, Mr. Chairman.

Chairman Warner and Senator Levin, thanks for the opportunity to be here to testify.

I'd also like to express my thanks to my two colleagues that are sitting next to me here. General Jones and I have a long history together in the Middle East, and now we continue to have a long history together in the Middle East, and in Afghanistan, in par-

ticular. The support that we get from the United States European Command in every step of our operational endeavors in CENTCOM is absolutely essential to success. For Doug Brown, his forces that fight under our command and control in the Central Command area of operations are unbelievably professional and effective. I am honored to be here with both of them today.

Mr. Chairman, over 1,500 young American men and women have given their lives in this endeavor over the past nearly 4 years of war that we've been fighting in CENTCOM's area of operations. Thousands more have made the sacrifice by wounds, some of which are, as you well know from being up to Walter Reed many times, are life-changing wounds. Millions—nearly a million American servicemen have served in the CENTCOM area of operations, and we honor all of their sacrifice, all of their courage, and we thank their families for what they have allowed us to do there.

When I step back and I look at where we are today, I am, quite frankly, amazed to see the Middle East the way it is. Elections in Afghanistan. Elections in Iraq. Elections in Saudi Arabia, of all places. Lebanese in the streets demanding the resignation of a government, and getting the resignation of a government. Progress in the Palestinian/Israeli theater. I could cite many more changes that are monumental, if not revolutionary.

When I think of our forces deployed in the region, I know that being deployed in the region has helped protect the Nation here at home from attack, but it has also given moderates in the region a chance for hope and a chance to change their own future. So, the sacrifices that our young people have made out there should not be underestimated. I am extremely proud of what they have done and what they will do.

I'm very optimistic, as I look to the future, about the way ahead. 2005 can be a decisive year for us. We can make progress in the Arab/Israeli front. We can make progress in the withdrawal of troops from Lebanon, giving Lebanon back its full sovereignty. We can make progress towards representational government in Iraq and in Afghanistan. We can help Pakistan fight its own battle against extremists. We can help Saudi Arabia fight their battle against the terrorists.

As I look out to these challenges, I'm given a pretty good feeling that we can meet these challenges. But we also have to be mindful of the fact that there are dangers ahead as we move forward. The political process in Iraq can lead to violence. The political process in Afghanistan can lead to violence. There are unpredictable activities in Lebanon that could lead to violence. There are moves in the Arab/Israeli arena that could lead to more violence.

So, while we may be optimistic, we also have to be mindful of the challenges, and be patient. We will not solve the problems of the Middle East with military forces alone. But in combination with good economic, diplomatic, political, and military activities, we stand a very good chance of helping the people in the region, the vast majority of whom want a more moderate future, to become successful.

So rather than outlining what all we have been doing, Mr. Chairman, I think it's best to await your questions.

Chairman WARNER. Well advised. Thank you, again, for a very interesting report. I draw the attention of all colleagues to your word "optimism."

[The prepared statement of General Abizaid follows:]

PREPARED STATEMENT BY GEN JOHN P. ABIZAID, USA

I. INTRODUCTION

United States Central Command (CENTCOM) is in the middle of a fourth consecutive year of sustained warfare in its area of operations. The Command remains engaged in three principal activities: defeating extremist networks throughout the region, countering the insurgencies in Afghanistan and Iraq, and building indigenous military capacity so that local governments can defeat terrorists and extremists on their own. Our activities span three subregions. To the east, Combined Forces Command-Afghanistan (CFC–A) oversees U.S. and coalition activities in Afghanistan, Pakistan and the Central Asian States to their north. Multi-National Forces-Iraq (MNF–I) heads these efforts in Iraq. In the west, Combined Joint Task Force—Horn of Africa (CJTF–HOA) directs our efforts in the states of Sudan, Somalia, Ethiopia, Eritrea, Djibouti, Yemen, Kenya, and Seychelles. Combined with CENTCOM-led programs with other regional partners, these commands employ military forces, directly and indirectly, to deny the establishment of terrorist safe havens and grow regional military capabilities. Sustained CENTCOM military pressure on extremist networks complements U.S. national programs that encourage social, economic and political reforms across the region—programs that address the underlying factors that foster and sustain extremist ideologies.

During 2004, CENTCOM regional activities centered on several major actions. We focused on stabilizing Afghanistan and Iraq. We worked to help Pakistan and Saudi Arabia help themselves combat their internal extremist threats. We provided regional military capability that deterred Syria and Iran. We patrolled key air space and waterways in the region to ensure the free flow of commerce. Simultaneously, we worked with regional governments to deny our extremist enemies access to ungoverned spaces and safe-havens from which to plan and execute terrorist strikes.

We achieved noteworthy successes during the past year. The counterinsurgency campaigns in Afghanistan and Pakistan put great pressure on al Qaeda and associated movements. Pakistan's military operations in its western frontier areas are particularly noteworthy as they generate considerable direct pressure against extremist networks. Successful elections in Afghanistan dealt a blow to Taliban and extremist objectives. In Iraq, we learned that any uncontested enemy safe-haven, such as Fallujah, becomes a center of terrorist-inspired violence. Thus, the November offensive there eliminated a key enemy support area and restored Iraqi government control to an important city. Iraq's elections early this year give Iraq a real opportunity to develop a constitution and electoral process that moves the country towards peace and prosperity. In both Iraq and Afghanistan, emerging security forces played key roles in defending the people's right to vote in the face of extremist threats and violence. Indeed, throughout the region, governments and the people of the 27 nations that make up the CENTCOM area confront extremist ideology and violence.

In 2005, we must capitalize on success and deny our enemies the chance to reverse the progress made. We must help safeguard upcoming parliamentary elections in Afghanistan, and the constitutional referendum and national elections in Iraq. We must strengthen programs that build the Afghan National Army (ANA) and Iraqi security forces (ISF) into formations that can take the lead against insurgents and extremists. We must expand and enhance Afghan, Iraqi, and other regional intelligence skills and collection capabilities. We must assist Pakistan to continue its military offensive against al Qaeda and related extremists; and must assist Saudi Arabia to win its fight against its extremist factions. We must continue to deter Iran and Syria and safeguard the free flow of oil across the region. Finally, we must deny the acquisition or transfer of WMD into the hands of extremists.

We enter 2005 with some 260,000 coalition soldiers, sailors, airmen, marines, coastguardsmen, DOD civilian employees, and contractor personnel in the CENTCOM region. Coalition countries contribute more than 27,000 to this overall total, and their contributions remain indispensable. The sacrifices of our forces and their families have been great, yet there remains much to be done. We should not underestimate the challenges ahead. We operate in a volatile and dangerous region of the world where extremists battle moderates in a revolutionary struggle of ideas. With the continuing support of this Congress and sustained national resolve, our

courageous young men and women will help set the conditions for moderation to defeat extremism in this vital region. Their efforts will empower the states of the region to increasingly fight and win this battle on their own.

II. MISSION

U.S. Central Command conducts joint and combined operations in our area of responsibility (AOR) to defeat adversaries, promote regional security and stability, support our allies and friends, and protect vital U.S. interests.

III. VISION

As a Unified Command, CENTCOM may operate as a Combined Command, synchronizing joint and combined forces to decisively defeat enemies within our assigned area of responsibility. CENTCOM promotes regional security and stability through a robust program of military cooperation; exercises; frequent contacts; and, when directed, military operations. We support our allies' and friends' efforts to build and sustain the individual and collective defense capabilities which are necessary to allow them to prosper free from terrorism, war, or oppression. American and coalition presence will deter adversaries through demonstrated resolve to protect our national interests and those of our partners.

IV. NATURE OF THE REGION AND THE FIGHT AGAINST EXTREMISM

With the addition of Syria and Lebanon, the CENTCOM region now spans 6.5 million square miles and 27 countries including: Egypt, portions of the Levant, the Horn of Africa, the Arabian Peninsula, Pakistan in South Asia, and the Central Asian states as far north as Kazakhstan. It incorporates a nexus of key transportation and trade routes, including the Red Sea, the Northern Indian Ocean, and the Arabian Gulf. It is also home to the key maritime choke points of the Suez Canal, the Bab el Mandeb, and the Strait of Hormuz. The Arabian Gulf region alone accounts for 57 percent the world's crude oil reserves, 27 percent of the world's oil production, and 32 percent of the world's natural gas reserves. The region has more than 500 million people and at least 18 major ethnic groups. While predominantly Muslim, it is home to adherents of all of the world's major religions.

Economic, social, and political conditions vary greatly from one nation to another, with per capita incomes ranging from $200 to near $40,000. Many states in the region suffer from low economic growth, rampant unemployment and population growth rates that make economic improvement unlikely. Some governments remain hard pressed to meet popular demands for social services, for better integration into the global economy, and for more representative political participation. These underlying trends make a dangerous few in the region vulnerable to extremist ideologies and those who promote violent change.

Extremist ideologies generate the main enemy in our region. This enemy seeks to topple local governments, establish a repressive and intolerant regional theocracy, and then extend its violence to the rest of the world. To effect such change, this enemy believes it must evict the United States and our coalition allies from the region. Masking their true intentions with propaganda, rhetoric, and a sophisticated use of the mass media and the internet, this enemy exploits regional tensions and popular grievances. Led by al Qaeda, but encompassing a number of ideologically-linked groups such as Ansar al Islam (AI), the Islamic Movement of Uzbekistan (IMU), Al-Ittihad Al-Islami (AIAI), and Jemaah Islamiya (JI) among others, this extremist enemy exhibits strategic patience. It is willing to wait decades to achieve its goals.

The extremists defame the religion of Islam by glorifying suicide bombing, by the taking and beheading of hostages, and by the wanton use of explosive devices that kill innocent people in the scores. Their false jihad kills indiscriminately and runs contrary to any standard of moral conduct and behavior. The enemy's vision of the future would create a region-wide zone that would look like Afghanistan under the Taliban. Music would be banned, women ostracized, basic liberties banished, and soccer stadiums used for public executions. The people of the region do not want the future these extremists desire. The more we talk about this enemy, the more its bankrupt ideology will become known. But more importantly, the more that regional leaders talk about and act against this enemy, the less attractive it will be. Osama bin Laden and Abu Musab al Zarqawi cannot represent the future of Islam.

This enemy's vision of the future is unappealing and a backward step in time. Yet, this enemy is a master at using modern communications techniques to spread its ideological message of hatred. The global internet has enabled not only propaganda, but has allowed this stateless enemy to recruit, finance, coordinate, and organize terrorist activity to an unprecedented degree. While the enemy struggles to

gain safe-haven in the physical world, it has established itself a sanctuary in the virtual world. Moreover, al Qaeda and associated movements certainly do not limit cell formation to the CENTCOM region. They have global reach with dangerous nodes of activity in Europe and Southeast Asia.

Working with our friends and allies in the region, and with our coalition partners from around the globe, we participate in an important effort to kill and capture terrorists, attack their infrastructure, restrict their movement, disrupt their financial support, and deny them safe haven.

However, we also know that the underlying vulnerability of the people in the region to extremism and violence stems from causes that require nonmilitary solutions. Interagency and international political, diplomatic, financial, and social efforts are all essential to isolating extremists from their sources of strength. For example, renewed diplomatic attention to the Palestinian-Israeli Middle East Peace Process has already done much to put extremists on the defensive. This and similar nonmilitary initiatives will not sway the small, extremist hard core, but can deprive them of the popular passions they exploit to advance their otherwise unattractive cause.

The international military effort in much of our region is synchronized in Tampa at CENTCOM's main headquarters where, as of mid-February 2005, 61 coalition nations man full time liaison and coordination teams. As always, the key to destroying the terrorist networks rests in thorough intelligence gathering and analysis that results in precise law enforcement or military action against the cellular structure. While we have made great strides in our international targeting of this enemy, much work remains to be done.

The Middle East and Central Asia have a low tolerance for any large foreign military presence, no matter how well-intentioned. Thus, our forces must be tailored for effective but not overbearing assistance. Over time, our military forces must give way to local military capacity. Ultimately, our regional partnerships, backed by smaller numbers of very capable U.S. military forces, will foster cooperative communities of moderate nations willing to provide mutual support against extremist-inspired violence and other threats to regional stability.

This region also has the potential for strategic surprise. We must guard against unexpected events and be alert to unintended consequences. Examples include a major terrorist strike against oil infrastructure, or closure of the one of the strategic sea lanes. Guarding against strategic surprise is especially critical with respect to the proliferation of WMD. Iran and Syria both have longstanding chemical weapons programs, and Iran has obvious aspirations to develop nuclear weapons. In a region already debilitated with numerous threats to regional stability, a nuclear-armed Iran increases instability and encourages further nuclear proliferation in other states. The obvious problem of WMD technology falling into the hands of terrorist groups requires considerable effort to identify proliferation risks, deter proliferation opportunities, and retain the capabilities for prompt and decisive action. Simultaneously, local government measures to effectively control borders, conduct interdiction operations, and detect proliferation of WMD related materials and technology must be assisted and strengthened.

Our ongoing maritime interdiction operations are key to protecting oil infrastructure and countering potential proliferation of WMD. These operations feature major contributions by many coalition partners and are a critical ingredient to regional stability.

V. IRAQ

At the height of the January elections there were over 159,000 U.S. forces, over 24,500 coalition forces, and about 136,000 trained and equipped (ISF) operating across Iraq. Sizeable air, naval, and Special Operations Forces supported these forces from within Iraq and across the region. Nearly 33 percent of our forces in Iraq are drawn from the National Guard and Reserve components. Overseeing all operations in Iraq, Multi-National Force-Iraq (MNF–I), headquartered in Baghdad, commands the Multi-National Corps-Iraq (MNC–I) which consists of six divisions and a separate brigade-size command. MNC–I oversees two U.S. Army divisions, one separate U.S. Army brigade, one U.S. Marine Expeditionary Force (MEF) and three coalition multinational divisions. Coalition divisions control zones in southern and northern Iraq. Poland and the United Kingdom lead a 14-nation and 11-nation effort, respectively, in the south while the Republic of Korea's 'Zaytun Division' conducts operations from Irbil, in northeast Iraq. Multi-National Security Training Command-Iraq (MNSTC–I) leads coalition efforts to train and equip Iraqi security forces (ISF). The MNSTC–I commander also serves as the commander of the NATO effort to build ISF and associated supporting structures.

For much of 2004, MNF–I maintained a capability of 17 U.S. brigades in Iraq. This number increased to 20 brigades during the December 2004 to February 2005 period to counter anticipated violence surrounding the January 30, 2005 elections. Currently, MNF–I is undergoing a major U.S. force rotation and will return to the 17 brigade baseline capability by mid-March. Incoming U.S. forces are task-organized for combating the Iraqi insurgency, and trained in the tactics, techniques, and procedures developed by departing units. They will spend significant time overlapping with outgoing units to assure maximum continuity.

The Iraqi insurgency is predominantly Sunni Arab. The insurgency consists of three major elements: Former Regime Elements (FRE), indigenous religious extremists and criminal gangs, and al Qaeda-affiliated transnational terrorists. These disparate groups have varying motivations, but are unified in opposition to coalition presence and a refusal to accept the legitimacy of the new Iraqi government. They loosely coordinate anti-coalition attacks, but do not display centralized command and control, or a shared vision for Iraq's future. This Sunni insurgency is limited in scope, and mainly confined to 4 of Iraq's 18 provinces. It is led by FRE from Saddam's old security and intelligence Services. The FRE is loosely affiliated with junior partners from Iraq's extremist and criminal communities and with the ideologically-driven foreign fighters who come to Iraq committed to terrorism in the name of false jihad.

FRE dominate the insurgency and seek a return to power. They employ a campaign of mass intimidation against the Sunni population coupled with stand-off attacks against coalition forces, Iraqi security forces, governmental figures and international assistants to the Iraqi government. They predominantly attack targets in and around Sunni-majority areas with weapons such as rockets, mortars, small missiles and improvised explosive devices (IEDs). FRE collaborate with other insurgent forces, and also exploit criminal elements in Iraq to advance their aims. FRE efforts to delegitimize Iraq's interim government and to halt the January 2005 elections failed. This failure may open the door for political accommodation between the transitional Iraqi government and the Sunni population, putting support for the FRE in that community at risk. As Iraq's January 2005 elections demonstrated, the wider Iraqi insurgency lacks true national support, rarely manifests itself outside of Sunni Arab areas, and focuses more on terrorizing and intimidating its own Sunni community.

Indigenous Iraqi extremists and criminal organizations also participate in the insurgency. Their numbers are limited and their motivations range from profiteering to a deep desire to evict foreign forces from Iraqi soil. Criminal elements exploit the money available to the FRE, offering Services ranging from kidnapping to stand-off attacks for compensation. Indigenous Iraqi extremists work loosely with FRE and foreign Jihadists, and include home-grown terrorist groups like Ansar al Islam and Ansar al Sunna. They are more likely to use suicide bombers and vehicle-borne improvised explosive devices, and also conduct attacks against targets in the Iraqi Kurdish and Shia communities. They have claimed credit for suicide attacks against a Kurdish party gathering in Irbil that killed over 100 in February 2004, and for the December 2004 attack against the coalition base in Mosul.

Finally, foreign terrorists under the banner of a false Islamic-jihad have gravitated to Iraq to kill coalition forces and to establish an extremist state, or at least an extremist safe-haven. Small in number, but zealous in their methods, these ideologically-driven terrorists are the most dangerous to Iraqi peace and stability over the long-haul, and are orchestrated by Jordanian expatriate Abu Musab al Zarqawi and his followers. A longstanding adherent to the radical ideology underpinning the al Qaeda terrorist movement, Zarqawi gained formal accreditation for his Iraq terrorist network from al Qaeda's senior leadership in late 2004. Osama bin Laden's announcement of Zarqawi as al Qaeda's 'Emir' in Iraq merely formalized a longstanding relationship, and confirmed that Zarqawi and his terrorists represent the most dangerous brand of extremism confronting the Islamic world today. Zarqawi's al Qaeda subordinate organization conducts high profile attacks against coalition, governmental and non-Sunni Arab targets. It kidnaps foreign and Iraqi citizens working for the new government, subjects them to torture, propaganda manipulation, and beheading in front of cameras. It aims to create general war between Iraqi Sunnis and Shia's and indiscriminately targets innocent civilians throughout Iraq. It relies heavily on external financing and foreign fighters infiltrating into Iraq. Some of these foreign fighters are veterans of prior jihadist campaigns, but others come to Iraq completely untrained and destined only for the suicide missions preferred as a tactic of al Qaeda. Zarqawi's al Qaeda offers the same dark vision for Iraq that the wider extremist movement promises for the region. This vision is rejected by the vast majority of Iraqis.

Two other potential challenges for Iraqi stability cannot be discounted. Radical Shia splinter groups like Muqtada Sadr's Muqtada's Militia (MM) could pose an armed threat to the new Iraqi government. Sadr's extremists were defeated militarily by coalition and Iraqi forces, and isolated politically by the Interim government and Iraqi Shiite leaders during 2004. However, the Muqtada's Militia and other radicalized fringe elements remain a latent threat to Iraqi stability, and must be demobilized by the new Iraqi government to assure national stability. While the Kurdish population is a strong force for democracy and stability in the new Iraq, we are mindful that tensions over the status of Kirkuk could jeopardize internal instability and heighten Turkish concerns about long-term Kurdish goals. Therefore, we support efforts by the new Iraqi government to decide the status of Kirkuk in a fair and equitable manner.

Throughout 2004, Iraqi insurgents made extensive use of IEDs. Nearly 22 percent of all attacks against coalition forces involved IEDs, and they became the number one cause of coalition casualties. MNF–I has established a team in Iraq to develop the intelligence necessary to effectively target those funding and making IEDs, as well as those who actively employ them. We are attempting to deny the enemy access to bomb-making materials, are focusing on technologies that provide persistent surveillance along our likely routes of travel, that help neutralize undiscovered IEDs and detect them outside their intended blast zone. We are also developing new materials that can better protect our troops.

We have done much to counterinsurgent reliance on IEDs and other stand-off weapons, but no place on the battlefield is immune from the effects of enemy actions. CENTCOM requires the very best efforts of the national science and technology community to generate effective counters to IEDs and other threats to our troops. As always, our best success against enemy activity comes in the form of focused, precisely targeted offensive actions designed to destroy enemy fighters and organizational structures.

We have made progress in detainee operations throughout the past year. We expanded senior leader oversight in Iraq and across the theater, intensified training and validation of personnel involved with detainee operations, and conducted frequent inspection visits to assure that proper procedures were fully implemented. Now, we must get the key states of the region to take responsibility for the arrest, detention, trial, and incarceration (if necessary) of those who perpetrate acts of terrorism and criminality within their borders. The key to making this move effectively is the development of rights based, rule of law justice systems in Iraq and Afghanistan. We will strongly encourage more rapid development of these institutions, and will seek to transfer responsibility for detainee operations to these two sovereign governments just as quickly as their legal institutions mature.

Trained, capable, and loyal Iraqi security forces (ISF) are the key to defeating the insurgents and to securing a new Iraq. Training ISF is our main effort for 2005. As the Iraqi Transitional Government (ITG) constitutional process moves forward, coalition military efforts will focus on training, equipping, validating, fielding, and mentoring competent and ready Iraqi Ministry of Defense (MoD), and Ministry of Interior (MoI) forces. Enhanced training and mentoring of these forces is important to assure coalition success.

It is important to understand that Iraqis are fighting and dying to secure a new Iraq. Since June 2004, more ISF have died in action against the insurgents than Americans. Predictably, the employment of newly-formed ISF units produced some disappointments during the past year, including the performances of Iraqi Army units in Fallujah and Ramadi (April-May 2004), police in western Baghdad (August–October 2004), and police in Mosul (November 2004). Conversely, focused training and mentoring of Iraqi Intervention Forces (IIF), Iraqi Special Operating Forces (ISOF), and National Guard (ING) forces generated capable and competent units that contributed to successful coalition operations in Najaf and Kufa (August 2004), Samarra (September 2004) and Fallujah (November 2004). Notably, the ISF turned in an impressive security performance against a determined enemy during the January 2005 elections. ISF success in this major endeavor has boosted confidence, and may serve as a springboard for future growth.

CENTCOM's major effort to adopt lessons learned, and to better coordinate U.S. Government and international efforts to organize, equip, and train Iraqi security forces led to the establishment in June 2004 of the Multi-National Security Training Command-Iraq (MNSTC–I). Despite an active insurgency with great demands for immediate commitment of newly formed Iraqi units, MNSTC–I has made steady progress in developing Iraqi security forces that can fight and win over the long haul.

Upon activation, and in coordination with the new Iraqi Interim Government (IIG), MNSTC–I conducted a comprehensive security requirements review. This re-

view generated requirements for an Iraqi Police Service (IPS) with 135,000 officers; for a Department of Border Enforcement with 28,000 officials; and for an expanded Iraqi National Guard (ING) from 45 battalions under 6 brigade headquarters to 65 battalions under 20 brigade and 6 division headquarters. MNSTC–I enters 2005 focused on a program designed to fully train, equip, and field Iraqi security forces that are competent, loyal and responsive to the Iraqi Ministry of the Interior (MOI) and the Ministry of Defense (MOD). It is also partnering with the U.S. Embassy and the new Iraqi Transitional Government (ITG) to assure that quality security force leaders are selected and that a cohesive chain of command responsive to civilian control is established. It is also helping the ITG to establish intermediate organizations and headquarters to assure security forces at the local level are responsible to elected Iraqi officials at the national level.

Ministry of Interior Forces—Focused on a goal of 135,000 trained and effective police, MNSTC–I is partnering with Jordan and Egypt on a police training program featuring a 3-week transition school for police with prior experience, and an 8-week academy regimen for new entrants. As of early 2005, some 30,000 Iraqi police have completed the 3-week Transition Integration Training Program, and over 12,000 have completed the 8-week Academy Training program. MNSTC–I is expanding the capacity of academy training programs in Jordan and Baghdad and across new regional academies in Iraq. Expansion has increased the police academy graduation rate to approximately 5,000 per month. MNSTC–I is also assisting MOI in the development of a specialized policing capability including Special Police Commandos, an Emergency Response Unit, a Bureau of Dignitary Protection, and a Civil Intervention Force. The Special Police Commandos will eventually consist of six operational battalions. The Emergency Response Unit will augment the regular police with a special operations police capability and be responsible for high-risk arrests, hostage rescue, and explosive ordnance disposal. The Bureau of Dignitary Protection will be responsible for protecting Iraqi government leaders. The Civil Intervention Force will provide a national, high-end, rapid response police capability to counter large-scale civil disobedience and insurgency. Special Police Commandos and the Emergency Response Unit have already been used in operations and have acquitted themselves well. MNSTC–I's efforts include police infrastructure development of nine brigade-sized bases, and over 100 police stations and training academies, most of which will be completed by June of 2005.

In concert with the U.S. Department of Homeland Security (DHS), MNSTC–I also has improved training for the Iraqi Department of Border Enforcement (DBE). Iraqi border control training now features a 4-week training program at the Jordanian International Police Training Center. MNSTC–I is assisting with infrastructure development for over 300 border posts and 15 ports of entry. As of early 2005, 35 border forts are complete, with 74 forts under construction or refurbishment. Four of 15 ports of entry are under construction or rebuild. MNSTC–I and U.S. DHS have also provided Iraqi Border Department with new technologies to control Iraq's lengthy borders.

Ministry of Defense-Iraqi national defense forces incorporate Iraqi Regular Army (RA) formations, IIF, Iraqi Special Operations Forces (ISOF), Iraqi National Guard (ING) elements, and a Presidential (or Muthanna) brigade. A small air force and a coastal defense service round out the Iraqi defense forces.

As of mid-February 2005, Iraq's total Army consists of over 70 battalions. 24 of these are operational regular army (RA) battalions, with 3 in training; 4 separate, special battalions; and a transportation battalion. 42 of these are fielded ING battalions, with another 8 in training. This trained and equipped force has gone from nothing in June 2003 to what we see today. 12 of the 24 operational RA battalions are basic Iraqi army units. The IIF has the other 12 operational battalions, with ISOF and the Muthanna brigade now fielding 2 operational battalions each. Of further note, a first battalion of the initial Iraqi armored brigade stood-up in time to help with security for the January 2005 elections. Mechanized brigade fielding and training will continue throughout 2005.

The Iraqi Air Force (IAF) established a limited capability in September 2004. Designed for tactical support and air mobility missions, the IAF has 3 operational squadrons of 9 aircraft as of February 2005. It will continue development in the coming year. After successful training by our British Coalition partners, the Iraqi Coastal Defense Force (ICDF) is now at full operational capability, with 5 100-foot patrol craft, 34 smaller vessels, and a naval infantry regiment. The ICDF is helping to secure Iraq's maritime oil export infrastructure, oil platforms in the Arabian Gulf and Iraq's coastal waters.

Iraqi Regular Army and Intervention Force battalions have already been deployed as part of coalition missions to combat the insurgency. To date, their missions in a counterinsurgency role have consisted of route security, force protection, and pa-

trol and cordon operations. We have learned that quality mentoring by professional coalition forces is essential to successful Iraqi units, and are committed to assure such mentoring of fielded Iraqi forces continues.

Separately, we work with the Iraqis and our coalition partners to expand and enhance independent training and equipping of Iraq's national security forces. An Iraqi Training Battalion has already trained and graduated soldiers that are part of active Iraqi units, and the first classes have started at two Iraqi military academies. NATO's agreement to provide training to Iraq's security forces will greatly enhance our ISF training efforts. In response to a July 2004 request from Prime Minister Allawi, NATO established a security force Training Implementation Mission Iraq (NTIM–I) to identify options for NATO training of Iraqi security forces. NTIM–I officially changed its name to the NATO Training Mission-Iraq (NTM–I) in December 2004. At the same time, the Commander of MNSTC–I was dual-hatted as Commander of NTM–I to assure consistency and continuity of training effort. NTM–I has been coordinating with Iraq's MOD and MNSTC–I to harmonize the training and equipping of ISF. NATO's contribution will help in establishing an Iraqi Training Command, and an Iraqi Training, Doctrine, and Education Center. In addition, NATO will help establish a War College and assist in the development of the Iraqi Armed Forces Joint Headquarters. As 2005 progresses, NTM–I will help with MNSTC–I's critical missions, help facilitate allied burdensharing, and greatly enhance ISF training.

While demonstrable progress has been made in recruiting, training, and equipping a modern ISF during the latter-part of 2004, MNF–I and MNSTC–I have identified the need for more coalition mentoring and monitoring of fielded Iraqi forces as these units transition to greater self-reliance. Consequently, MNF–I has directed MNC–I units to increase partnering activities with affiliated ISF. This effort will be a component of our commitment to capable, competent, and increasingly self-reliant Iraqi security forces.

Security and reconstruction are interdependent dimensions of building a new Iraq. Coalition troops have contributed to reconstruction and restoration of Iraqi basic services in a number of important ways. Commander's Emergency Response Program (CERP) funds remain the most effective tool for our commanders to facilitate reconstruction, build goodwill, and combat insurgent propaganda that wrongly paints our forces as Iraq's occupiers. CERP funds have allowed coalition commanders to complete thousands of local construction projects during the past year. Due to its flexibility, CERP has been used for projects as diverse as employment of youth in Sadr City to clean-up city blocks and rebuild water and sewage systems, to those aimed at helping local police procure the basic equipment.

We are committed to broadening the international coalition that will assist the ISF move forward. Our OIF coalition remains robust, with 28 countries contributing over 24,000 troops working to stabilize Iraq and build its self-reliance. We are grateful for the assistance of Jordan, Egypt, the United Arab Emirates, and the Federal Republic of Germany who run programs that school and train Iraqi police. We also welcome an expanded NATO presence in the training of Iraqi security forces, and hope to extend further our partnerships with the many Arab nations in the region that share our interest in seeing Iraq emerge as a stable and secure country that respects the rule of law. Iraq's January 2005 national election was an important step toward sovereignty and security, but will remain challenging throughout the coming year. While those working to unify a peaceful new Iraq outnumber those working to break it apart, the enemies of a new Iraq remain determined. The processes of writing an Iraqi constitution and forming a new Iraqi government should remain politically-focused, but we cannot rule-out the possibility that they may trigger more violence. Together with our coalition partners, CENTCOM enters 2005 committed to empower Iraqis to build political institutions, weave the fabric of a tolerant Iraqi society, extend, and expand economic opportunities, and defeat the insurgents who threaten Iraq's emerging new identity.

VI. AFGHANISTAN

CENTCOM currently has about 19,000 coalition forces deployed in Afghanistan as part of Operation Enduring Freedom (OEF). This total includes some 17,300 U.S. and about 1,700 coalition personnel from 17 nations. All are commanded by Combined Forces Command-Afghanistan (CFC–A), which assures unity of effort with the U.S. Ambassador in Kabul and manages the military-to-military relationship with the Governments of Afghanistan, Pakistan, Uzbekistan, Tajikistan and the NATO International Security Assistance Force (ISAF). Combined Joint Task Force—76 (CJTF–76) is a division-level subordinate command with 14 separate task forces; including combat, support, medical, engineering, and training units. CJTF–76 directs

major and routine combat operations throughout Afghanistan. Linked into CJTF–76 is a robust special operations capability from U.S. and coalition nations.

The participation of over 8 million Afghans in the October 2004 Presidential election marked important progress towards stability, sovereignty and representative government. Voters endorsed President Karzai's moderate leadership and, with the help of the international community, viable institutions and governmental structures are being rebuilt. Extremists failed to make good on threats to disrupt the elections. This failure coupled with coalition offensive military efforts in Afghanistan and Pakistani military activity in Waziristan put severe pressure on extremist groups.

While significantly diminished in 2004, threats to stability in Afghanistan come from three groups. In the northeast and the Kabul regions, Hezb-e-Islami Gulbuddin (HiG), an al Qaeda affiliate led by Gulbuddin Hekmatyar, remains active and dangerous. In the southeast, al Qaeda strives to regain an operational foothold through the use of Arab and non-Afghan foreign fighters. In the south and elsewhere around the country, remnants of the Taliban continue sporadic and increasingly ineffective operations. While each is fading, these enemies continue a robust propaganda effort and plot attacks against the Afghan government. As ever, the enemy remains patient, hidden, and dangerous. Continued development of effective Afghan security institutions and a viable political agenda are keys to reducing the enemy's ability to reappear in strength.

The coalition experience in Afghanistan affirms the need for timely, actionable intelligence tied to a flexible, lethal response. CFC–A and other government agencies continue to develop regional intelligence architectures and build command and control systems effective for counterinsurgency and counterterrorist operations. Yet no purely military solution provides the key to stability. Civil-military operations which enable reconstruction progress remain essential to isolate insurgents from their support bases.

While successes in 2004 were noteworthy, the enemy remains elusive and dangerous. In 2005 the coalition must focus on six imperatives: (1) continued direct pressure against enemy sanctuary through offensive operations; (2) building competent, capable Afghan security forces, (3) completing the militia Disarmament, Demobilization and Reintegration (DDR) program: (4) anchoring Afghan control of the countryside, instilling confidence in the Afghan Government, and enabling reconstruction and good governance through coalition regional Provincial Reconstruction Teams (PRTs); 5) facilitating cooperation with neighboring friendly states; and, 6) increasing coalition coordination with an expanding NATO presence. Coalition forces will continue to mentor and accelerate training efforts of the Afghan National Army (ANA) and assist the Afghan police as they assume a larger role in counterinsurgency operations. Coalition forces will target and attack remaining pockets of al Qaeda, HIG, and Taliban to remove the threat they pose to stability.

During 2004, CENTCOM and CFC–A focused our efforts on defeating the insurgents and terrorists, building Afghan security institutions, de-legitimizing Afghan warlords, disarming and demobilizing irregular Afghan militias, and countering Afghanistan's growing drug trade. While our 2004 priorities were directed toward the first three categories, evolving conditions in Afghanistan necessitate that militia disarmament and counternarcotics support will rise to the top in 2005.

The Japanese-led, international community program for Disarmament, Demobilization and Reintegration (DDR) of Afghanistan's irregular militia forces produced good results by the end of 2004. As of early 2005, an estimated 34,000 of 63,000 irregular militia forces had gone through the DDR process. CFC–A will continue its close support of international community efforts to complete the DDR of all Afghan irregular militias during 2005. However, not all militias or armed groups are relics of Afghanistan's violent, fragmented past. Some are engaged in another sort of menace to Afghanistan's goals, the booming narcotics trade in poppy, heroin and opium.

In 2005, the U.K. leads an accelerating international assistance effort for Afghanistan's counternarcotics program. The Department of State's Bureau of International Narcotics and Law Enforcement (INL) leads U.S. national efforts that partner with this UK-led program, and U.S. forces in Afghanistan are in strong support. Unchecked expansion of poppy cultivation and the drug trafficking culture that accompanies it poses a clear threat to Afghan and regional stability. To support INL's assistance of Afghanistan's counternarcotics fight, we have established a Counternarcotics Branch in our Tampa Joint Interagency Coordination Group (JIACG) to better coordinate DOD's support for U.S. national efforts. During 2004 CFC–A also delivered $73 million in fiscal year 2003 DOD supplemental funding in support of INL programs for the Afghan police, border security, and Counter-Narcotics Police (CNPA) equipment and training.

We will continue these counternarcotics support programs and extend all assistance that is legally permissible to build the Afghan infrastructure and security sector capacity to defeat the counternarcotics threat. Our efforts will be earnest, yet our expectations must be realistic. There will be no quick fix to Afghanistan's counternarcotics challenge. Success will require patience, persistence, and the knowledge that successful counternarcotics programs take time, while unsuccessful ones rush to failure. Armed with this knowledge, we can help the Afghans achieve their counternarcotics objectives at a pace that will not jeopardize stability, or fuel the popular unrest that could give Afghan insurgents a second wind. Creating viable alternate livelihoods to counter the 'easy money' of poppy production will take time. Crop substitution, establishment of legitimate cottage industries for employment alternatives, and access to 'drug free' capital will provide Afghans with greater legitimate economic choices. Training, equipping, and mentoring the Afghan National Army (ANA) remains the key component for military activities to stabilize Afghanistan. Coalition teams actively train five new ANA battalions at a time over a 3-month training cycle. As the ANA is fielded, we must continue coalition initiatives to reform the Afghan Ministry of Defense (MOD), the Afghan General Staff, and the ANA Regional Commands. This process gained momentum in late 2004 with establishment of four ANA Regional Commands.

Now almost 20,000 strong, the ANA is earning the trust and confidence of Afghan citizens, and is competent in combat operations. ANA troops played a major role in securing the October Presidential elections. ANA battalions rapidly deployed to restore the peace when factional violence broke out in the western city of Herat last May. American field commanders report that ANA companies perform extremely well in combat against insurgents along Afghanistan's southern borders.

While the ANA has exceeded our expectations in performance and effectiveness, the Afghan National Police (ANP) force requires additional seasoning. The Afghan police suffer from limited access to comprehensive training, improper equipment, leadership by regional authorities often unaccountable to a central ministry, and irregular or substandard pay. Corruption within the police remains a concern for ordinary citizens. Despite a well-intentioned, but limited international program to assist the police, more needs to be done. Although they have grown to over 34,000, many more must still be properly trained and equipped.

Reconstruction remains an important part of isolating our enemies, depriving them of their support base, and giving Afghans hope for a better future. Conceived by the coalition in 2003, Provincial Reconstruction Teams (PRTs) are small civil-military headquarters situated in an Afghan province that brings together Coalition Security Forces and civil affairs teams, U.S. interagency political and reconstruction representatives, Afghan government authorities, and representatives from international assistance organizations and NGOs. Coalition PRTs help enhance local security and extend the authority and visibility of the Afghan government into its provinces, thereby facilitating reconstruction and development. Afghan PRTs number 19 today, with 14 directed by CFC–A, and 5 northeastern sites under the authority of NATO–ISAF. Due to the success of the PRT program, CFC–A and NATO–ISAF plan to expand to another 7 sites, producing a total of 26 PRTs by the end of 2007. As Afghan institutions strengthen, and regional governance capacity grows, these PRTs will phase out of existence in favor of sovereign Afghan institutions and agencies. In the interim, PRTs will help the Afghan people toward a better future.

A final component of our strategy in Afghanistan is increasing coalition coordination with an expanding NATO ISAF presence, now some 8,000 troops strong. NATO has taken steps to expand the ISAF stability and security presence to the west, and then to the south of Afghanistan during the coming 2 years. This expansion will have NATO take ownership of three coalition PRTs in the west of Afghanistan during 2005, and up to four more in the south by 2006. We welcome ISAF's expansion, and are working closely to assure that NATO–ISAF and coalition missions complement each other, and fully address the security needs of the Afghanistan government.

Afghanistan is moving toward stability, but much work still must be done. With coalition and NATO–ISAF partners, we will continue support of Afghan reconstruction and for the growth of competent Afghan security institutions. With an increasingly capable ANA, we will fight to secure Afghanistan and complete the defeat of the diminished, but dangerous extremist-insurgent enemies. Finally, we will set the conditions to turn over more and more of Afghanistan's security to the Afghans, adjusting U.S. force levels as growing Afghan capacity allows.

VII. HORN OF AFRICA (HOA)

CENTCOM continues to refine its operational focus in the Horn of Africa and the surrounding maritime environment. Here, our streamlined efforts are designed to prevent enemy access to regional safe-havens, and to encourage and support the efforts of moderate regional governments. In many ways, the CENTCOM program in the Horn of Africa is a model for how military forces might operate across the wider region in the future.

Combined Joint Task Force—Horn of Africa (CJTF–HOA) is the CENTCOM command element for the Horn of Africa which includes Djibouti, Ethiopia, Eritrea, Kenya, Sudan, Yemen, Somalia, and the Seychelles, and has an area of influence throughout Eastern Africa. With approximately 1,400 assigned forces—1,300 U.S. and about 100 coalition—CJTF–HOA is supported by two subordinate command elements; to include Commander Task Force—150 (CTF–150), which is commanded by a German Flag officer with 9 ships from 5 countries, and the Joint Special Operations Task Force—Horn of Africa (JSOTF–HOA). CJTF–HOA conducts operations and training to assist host nations combat terrorism, and establish greater regional security and stability. CJTF–HOA's IMET program, Disaster Preparedness (DP) program, and intelligence sharing agreements are valuable examples of significant cooperation with regional partners that yields important results.

The Horn of Africa is vulnerable to penetration by regional extremist groups, terrorist activity and ethnic violence. Regional instability is fueled by internal conflicts, border disputes, uncontrolled borders and territorial waters, extreme poverty, unreliable internal security capabilities, natural disasters, lack of dependable food and water sources and an underdeveloped infrastructure. These factors combine to create an environment ripe for exploitation by extremists, terrorists and criminal organizations.

CENTCOM continues to synchronize CJTF–HOA actions with other U.S. agencies and international organizations in order to develop a regional approach to combating terrorism, while increasing local capacity to deal with threats to security. While we prefer an integrated regional approach, we continue to develop bi-lateral relationships in HOA to address mutual security interests and foster long-term goals. The CJTF–HOA strategy aims to increase pressure on existing regional terrorist cells, and to deter migration of terrorist operatives seeking sanctuary in the region. Central to this objective are coalition efforts to enhance HOA nations' capabilities to detect and combat the terrorist threat. This effort requires aggressive intelligence, surveillance, and reconnaissance operations to develop an intricate understanding of extremist activity.

Regional partners are cooperating in the pursuit of our common goals. Djibouti has given extraordinary support for U.S. military basing, training, and counterterrorism operations including maritime interdiction of several terrorist associated dhows. Kenya, a leader in East African regional affairs, is a key ally against terror and has been instrumental in promoting peace in Sudan and access to Somalia. Ethiopia, despite limited resources, is undertaking an ambitious program of security sector reform and is also committed to combating terrorism and countering extremism within its borders. We are effectively reaching out to Eritrea and Yemen, redefining relationships in the process. Instability in the Horn is a long-term problem. Somalia is a failed state that Islamic terrorists continue to use as a transit point and temporary safe haven. Sudan has suffered decades of civil war and retains great potential to become an extremist training and staging location. Border tensions between Ethiopia and Eritrea remain high with renewed conflict a possibility.

Our Theater Security Cooperation (TSC) programs work to increase national capabilities for border and maritime security, counterterrorism, intelligence fusion, and information operations. Programs featuring medical and veterinary assistance, well drilling operations, and various engineering projects that rebuild or refurbish hospitals, schools, pedestrian bridges and public facilities have built considerable goodwill between coalition forces, host nations and the local populace. This goodwill helps discredit extremist propaganda and generates local desires to defeat terrorists before they can become entrenched.

VIII. THEATER SECURITY COOPERATION (TSC) AND OTHER REGIONAL PARTNERSHIPS

TSC and Regional Partnerships

CENTCOM's Theater Security Cooperation (TSC) program builds essential cooperative security relationships with allies throughout the region. Our TSC program improves allied military self-defense capabilities, boosts interoperability with U.S. forces, encourages military transformation, enhances intelligence sharing and information exchange, and reinforces U.S. military access when required. The pillars of our TSC program include: International Military Education and Training (IMET),

Foreign Military Financing/Foreign Military Sales (FMF/FMS), and the Counterterrorism Fellowship Program (CTFP). Each of these initiatives strengthens partner relationships across the region, and merits long-term U.S. commitment.

FMF/FMS initiatives have been especially important in improving the capabilities of the Pakistani Armed Forces by providing the weapons and equipment that allows them to more effectively locate, track, and engage our common enemy along the rugged border with Afghanistan. Last year's regional Foreign Military Financing (FMF) allocation of $2.3 billion provided a vital increase of $150 million over fiscal year 2004's allocation. This helped to strengthen our relationships with Egypt and Jordan, bolster the National armies of Afghanistan and Pakistan, and improve our cooperation with other Central Asian nations.

IMET provides foreign military members the opportunity to attend courses at U.S. military institutions and supports congressionally-mandated democratization programs. Last year's $16.8 million IMET allocation sustained CENTCOM emphasis on Jordan, Pakistan, Egypt, Oman, Yemen, and several Central Asian nations. Our investment in IMET is incredibly important to winning the war on terrorism. Officers and civilian defense leaders exposed to U.S. training and institutions can often help us bridge the all too deep cultural gap that exists in the region. Given the opportunity, we would welcome the chance to train many more regional officers and defense leaders in our school systems.

The new DOD Counterterrorism Fellowship Program (CTFP) is also an important cooperative program. CTFP provides counterterrorism education and training to selected military and paramilitary leaders of our regional partners. This training facilitates improved techniques, processes and procedures for defeating terrorists. It also fosters regional collaboration for countering terrorist threats. Fiscal year 2005's CTFP allocation allowed U.S. CENTCOM to emphasize training for Jordan, Pakistan, Afghanistan, Iraq, Oman, Yemen, Kenya, Ethiopia, and most of the Central Asian nations. CTFP is an important new program for building counterterrorism competence in the region, thereby increasing regional capacity for self-reliance. We strongly support its continuation and expansion.

We also conduct several TSC programs including Cooperative Defense (CD) against weapons of mass destruction (WMD) in the Gulf States, and Disaster Preparedness (DP) in the Horn of Africa and with the Central Asian states. These improve host nation capacity to cope with natural and man-made disasters.

FMF/FMS, IMET, and CTFP are productive and important programs that build independent regional defense capability. While our most pressing priorities for the coming year continues to be the stability of Iraq and Afghanistan, the greatest long-term danger may be from extremist influence in Pakistan, Saudi Arabia, and the small Gulf States. Our TSC program aims to support the efforts of these nations and others to reinforce moderation and implement reforms designed to achieve long-term stability. We should not underestimate the value of these programs. We will support them as a matter of highest priority.

Pakistan

Pakistan is arguably our most important partner in the broad struggle against extremism in the region. Pakistan's military and intelligence campaign against foreign terrorists have produced significant results. Since September 11, 2001, more than 300 al Qaeda terrorists have been killed or captured in Pakistan. Recognizing that the frontier areas along Pakistan's border with Afghanistan had become a safe haven for terrorists, President Musharraf deployed over 70,000 regular Army troops into the border region alone. Improved dialogue and reduced tensions between Pakistan and India has allowed President Musharraf to focus attention on this counterterrorist fight to the west, with less worry about an immediate flashpoint to his east. Equally important, President Musharraf has taken the leading role in the Islamic world as an advocate for moderate, responsible, and tolerant approaches to religion and political expression. His personal efforts are encouraging other regional leaders to take a stand against extremism and for moderation.

The Pakistani Army offensive astride the Afghan border is not yet complete, but has already helped to significantly diminish terrorist forces there. The Army's 2004 offensive into South Waziristan uprooted extremist sanctuaries, disrupted terrorist planning and training, and has put al Qaeda leadership on the run. Pakistan's recent capture of several high profile terrorists including Abu Musab al-Baluchi, a nephew of Khalid Sheikh Mohammad, Abu Talha a-Pakistani, a key facilitator of al Qaeda efforts in the Horn of Africa, and al-Ghailani, an operative wanted in connection with the bombing of the U.S. embassies in East Africa, foiled global terrorists' initiatives and placed al Qaeda on the defensive.

We are supporting Pakistan's efforts with increased intelligence sharing and security assistance. We have greatly improved operational coordination between CFC–

A and the Pakistani military during the past year. We hold regular meetings with Pakistan's military leaders. These meetings have enhanced transparency, situational awareness and military cooperation along the Afghan-Pakistan border. We will continue to support Pakistan with its requests for assistance. Helping Pakistan help itself is an essential element of the plan to help regional states win the war against extremist inspired terrorism. Moreover, it is essential that we continue to develop a long-term partnership with the world's second largest Muslim nation and aid its transition back toward democratic institutions even as it fights against extremism.

Kingdom of Saudi Arabia (KSA)

The Kingdom of Saudi Arabia (KSA) remains a major battleground in the war against terrorists. Al Qaeda and its affiliates in the kingdom attacked a number of Saudi and western targets during this past year. The violence of these attacks, and the revolting cruelty by terrorists against both western and Muslim workers residing in the Kingdom, unmasked the ruthless nature of this enemy, and galvanized a strong response from the Saudi government. Saudi security forces have conducted major operations against al Qaeda cells and operatives, killing and capturing many extremists across the country. Saudi counterterrorist forces improved their capabilities to find, fix, and destroy the al Qaeda network operating within the kingdom. The Saudis also continued their work to disrupt terrorist financial and support networks. They are making progress, but more remains to be done. We continue to work with the Saudis to increase their counterterrorist capabilities and to widen the scope of Riyadh's regional counterterrorist cooperation. The Saudi government took a positive step in this direction when it hosted a Global Counterterrorism Conference in Riyadh during early February 2005.

We plan to continue positive engagement with Saudi Arabia across a wide range of security enhancement initiatives. Building on programs already ongoing between the U.S. Military Training Mission (USMTM) and the Saudis, it is important to support Saudi Arabia's efforts to build capable security structures, enhance counterterrorist organizations, and develop networks to share information. We will continue to do all we can to assist Saudi efforts to defeat terrorist organizations and promote stability.

Arabian Gulf States and Yemen

The Arabian Gulf States of Kuwait, Bahrain, Qatar, UAE, and Oman are valued partners in our struggle against extremist-inspired terror. Their support has been essential in our operations across the region. Kuwait remains host to the Combined Land Forces Component Command (CFLCC) and serves as the primary staging point for our forces operating in Iraq. Bahrain serves as the home to U.S. Naval Forces Central Command and the United States Fifth Fleet. Qatar continues to host the CENTCOM Forward Headquarters and the Combined Forces Air Component Commander's Combined Air Operations Center (CFACC–CAOC).

The Bahraini government has committed to establishing a Counterterrorism Operations and Intelligence Center. The UAE promotes regional cooperation and combat effectiveness by hosting academic and flying courses at its Gulf Air Warfare Center. Oman looks to the United States for cooperation to help patrol its extensive coastline and to upgrade its military capabilities. CENTCOM's naval component remains engaged with all Arabian Gulf states to improve maritime security, oil infrastructure protection, and aides to navigation. CENTCOM will continue to improve the capabilities of these friendly Gulf nations, encouraging them to provide for their own security, border integrity, and counterterrorist capability. We will also work with them to generate their funding for security projects and facilities necessary for a long-term stability and security in the region. Finally, we will continue to work with these Arabian Gulf governments to disrupt al Qaeda's stated desire to attack the region's oil industry; and, if a successful attack occurs, help them to organize timely and effective consequence management operations for mitigation.

Yemen remains an important regional partner in the struggle against extremism. Yemen's porous borders and loosely-controlled tribal areas remain a magnet for extremists seeking to transit, support, and supply their networks. Our cooperative program for Yemen has focused on counterterrorism training and establishment of a Yemeni Coast Guard to patrol its maritime borders and interdict illicit trade to and from the Horn of Africa and the Arabian Peninsula. These efforts in Yemen have yielded tangible results, including recent bilateral cooperation with Saudi Arabia to tighten border security. Our continued assistance to Sa'naa is essential to improve Yemeni effectiveness in the struggle against extremism.

Egypt

The influential leader of the Arab world, Egypt remains a strong coalition ally against regional extremism and central to solving the difficult equation of Palestinian-Israeli peace. Egypt again demonstrated leadership as a strong champion of peace between Israel and Palestine when it hosted the face-to-face meeting between Israeli President Sharon and new Palestinian Authority (PA) leader Abbas in Sharm-el-Sheik shortly after Abbas' January 2005 election as PLA head. Its role in cooperative military engagement with the United States also does much to enhance regional stability. Egypt has materially supported Afghan and Iraqi reconstruction efforts. Egyptian access and transit rights remain essential for the conduct of military operations throughout the region.

During 2004, Egypt conducted training for Iraqi police, began a recurring training program for Iraqi army personnel, and hosted the November Sharm El-Sheik Conference to promote Iraqi elections. Egypt now has donated over 65 tons of humanitarian aid to Afghanistan, contributed arms and ammunition to the new Afghan National Army, and deployed a field hospital to Bagram with a commitment to serve through at least May 2005. Egypt also has made a significant effort to resolve the North-South problem in Sudan, furthering its reputation as an ally for peace and stability in the region.

The U.S. has maintained close military relations with Egypt since the signing of the Camp David accords in 1979. Egypt's important military capabilities and its leadership role as a moderating voice in the Arab world should not be underestimated. The U.S. continues to provide Egypt with $1.3 billion annually for the procurement of U.S. manufactured weapons systems. We also support professional training of Egyptian officers with nearly $1.2 million annually in IMET funding. U.S. aid has generated good will and yielded an Egyptian military that has a majority of U.S. vehicles and equipment, with high levels of interoperability and significant numbers of U.S.-trained senior military leaders. We look forward to a strong and continuing partnership with Egypt, supporting the key role Egypt continues to play in the struggle against extremism and terrorism while promoting regional stability.

Jordan

Jordan remains an essential friend in the collective struggle against regional extremism and achievement of stability in Iraq and Palestine. King Abdullah II openly supports U.S. efforts in the region, and has postured Jordan as a voice for moderation and tolerance in the Arab world, hosting a November 2004 Conference that produced the "Amman Declaration" advocating a peaceful and inclusive future for Islam. The country's strategic location and influence throughout the region greatly assists U.S. regional objectives. Jordan hosts important training schools for Iraqi Special Forces and police. These programs are major pieces of our effort to build competent and capable Iraqi security forces, able to the lead in the fight against their insurgents. Jordan's highly trained and professional armed forces represent a positive example for other regional militaries. The Kingdom provides extensive military education and training opportunities. We strongly support Jordan's offer to establish a Special Operations Center of Excellence to boost regional Special Operations Forces (SOF) capacity. Jordan's very capable SOF makes this a natural site for a high caliber regional training and cooperation center.

U.S. economic and military aid programs for Jordan are essential to help this regional partner help itself. Jordan uses our assistance to strengthen its economy, modernize its armed forces, and improve regional efforts to defeat extremism. We will continue to focus our security assistance with Jordan to develop her peacekeeping and Special Forces capabilities, and to build intelligence sharing and personnel exchange programs in support of counterterror efforts. Across a wide range of activities and programs, Jordan remains an invaluable regional partner in our fight against extremism.

Syria and Lebanon

Part of the CENTCOM region since April 2004, Syria continues to play an unhelpful role in regional stability. Damascus continues to defy U.N. Resolution 1559 calling for removal of troops from Lebanon. A designated state sponsor of terrorism, Syria has provided political and material support to Palestinian terror groups. Iranian support for Hizballah continues to transit Syria into Lebanon with tacit Syrian approval. Damascus also remains under scrutiny for poor adherence to international WMD nonproliferation norms. Furthermore, Syria has failed to crack down on Iraq anti-coalition insurgents, their supporters and their sympathizers who find safe haven within Syrian borders, in a meaningful way. While Syria should share a common interest with us in stabilizing Iraq, its actions instead demonstrate

a state committed to fostering instability. CENTCOM's military capability in the region acts as a deterrent against more aggressive Syrian behavior. Syria's behavior is all the more disturbing given its own vulnerability to extremist forces. Although Syria enjoys a relatively high literacy rate, its centrally controlled economy has not kept pace with a rapidly growing population, resulting in high unemployment and slumping GDP. Syria's minority Allawite government has many internal and external opponents, and is vulnerable to the emergence of domestic extremist movements.

Iraqi former regime elements (FRE) and extremist groups, including the Zarqawi al Qaeda network, are using Syria as a primary transit point for organizing and funding anti-coalition fighters in Iraq. While insisting that Syria curb the flow of foreign fighters and FRE across its borders, we are attempting to work with Damascus to improve border security and make greater progress in stemming the infiltration of foreign fighters into Iraq.

After years of civil war, Lebanon has enjoyed a period of relative calm and prosperity over the last 15 years. However, Lebanon remains unstable, with portions occupied by Syria, and with a number of terrorist groups and private militias resident within its borders. Thirteen years after the deadline for its withdrawal from Lebanon under terms of the Lebanese Peace Accords, and months after U.N. Security Council Resolution 1559 calling for its immediate withdrawal, Syria retains more than 15,000 troops and significant military intelligence presence in Lebanon. This continuing presence provokes hostility from Israel, inhibits proper development of Lebanese security forces, and promotes the development of ungoverned space within Lebanese territory. Lebanon will only move toward stability and security once Syria departs.

We have a growing Security Assistance program with Lebanon. We run an International Military Education & Training (IMET) program that trains Lebanese officers at U.S. military schools. Our Humanitarian Mine Action (HMA) Program is designed as a train-the-trainer program for the Lebanese on how to render safe the over 350,000 land mines and unexploded ordinance that litters Lebanon. The HMA program has produced 350 Lebanese trainers, and the Lebanese National Demining Office reports over 45,500 mines cleared as of June 2004. Once Syrian forces depart, and when the Lebanese government asks, we are prepared to expand these programs and to explore others that will improve Lebanese security capabilities across a wide array of missions. We also stand ready to assist Lebanon disarm private militias and to develop the military skills necessary to conduct counterterrorism and counterinsurgency operations that defeat extremist groups and deter their return.

CENTCOM recognizes that unaltered Syrian behavior threatens regional stability. We are also aware of the degree to which extremism and terrorism could threaten Syria and Lebanon. Thus, we are postured to deter Syria, and remain ready when asked to partner with Lebanon in developing the military capabilities to defeat extremism, terrorism, and instability.

Iran

The political situation in Iran remains complex. Tension exists between moderates who desire a greater voice in politics and the hard-line religious Mullahs who control Iranian security forces and the mechanisms of political power. Iran has multiple centers of power and its closed society makes assessing their national intentions difficult.

The situation with Iran is tense, and the possibility for miscalculation high. We will watch Iran carefully to try to prevent any destabilizing activities that could complicate our efforts, contribute to internal Iraqi or Afghan frictions, or threaten regional stability. We will continue to deter Iranian support of terrorism. Iran is also central to our counterproliferation planning and nonproliferation efforts. The International Atomic Energy Agency (IAEA) has confirmed Iran's clandestine nuclear activities and, working with the Britain, France and Germany (the EU–3), continues to demand Tehran's compliance with nuclear non-proliferation obligations.

While generally thought to be for defense, Iran continues to build a credible military capable of regional power projection. It has the largest military capability in the region and a record of aggressive military action in and around the Arabian Gulf.

Iran's military force has the capability to threaten the free flow of oil from the Gulf region. Iranian forces include a Navy of small attack boats carrying torpedoes and missiles that are well suited for the restricted confines of the Straits of Hormuz. A new generation of indigenously produced anti-ship cruise missiles and tactical ballistic missiles threaten both oil infrastructure and shipping. It is important for us to maintain reconnaissance capabilities to monitor these forces. To counter this threat, our forward-based posture retains a Navy Expeditionary Strike Group (ESG)

presence that demonstrates our commitment to unrestricted international access to the Gulf's resources.

Iran's Revolutionary Guard Force (IRGC) and Intelligence Service (MOIS) are very active throughout the Arabian Gulf and the broader Middle East. Iranian sponsored groups, backed by their intelligence Services, could become a source of difficulties in Afghanistan, Iraq, or elsewhere in the region. Therefore, we stand with our regional partners to safeguard our mutual vital interests.

Central Asian States

Our continuing engagement with the states of Central Asia addresses significant sources of instability in the region. Our partnerships with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan focus on developing counterterrorism and counternarcotics capabilities. They also work toward improving border security and enhancing military professionalism. Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan, for example, have undertaken programs of military reform designed to increase the professionalism of their armed forces. We will continue to foster security sector reform, encourage regional cooperation, and seek their constructive involvement in our efforts to stabilize Afghanistan.

It is clear that our relationship is mutually beneficial. Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, and Turkmenistan provide key access and overflight rights for our operations in Afghanistan. The government of Uzbekistan has provided access to Karshi-Khanabad (K2) Airfield at no cost to U.S. forces. Kyrgyzstan also provides U.S. basing at Manas. Kazakhstan continues to provide engineering troops for Operation Iraqi Freedom.

Our engagement in this region supports the efforts of these nations as they move forward from their Soviet pasts. Military-to-military contacts and educational opportunities provided under IMET continue to enhance the reform programs that are in place. Through bilateral and multilateral exercises, we will develop greater interoperability and provide a positive example of a professional force subordinated to legitimate civilian authority.

The Central Asian States continue to struggle with reform and free enterprise, while their people clearly desire to participate in the growing prosperity enjoyed by other former Soviet countries. The risks associated with failure of these states include regional instability, drug trafficking, smuggling and safe haven for terrorists. Our security cooperation efforts aim to improve border control and enhance counterterrorism capabilities. Al Qaeda, the Islamic Movement of Uzbekistan (IMU), and other extremist groups are active in Central Asia. Continued regional cooperation is an important element of countering extremist activity.

IX. JOINT WARFIGHTING

CENTCOM has been fighting continuously as a joint team for almost 4 years. Throughout our operations, patterns have emerged as to what is going well and where we continue to face joint warfighting challenges.

Successes

First, our SOF have proven their capabilities in the counterinsurgency and counterterrorism campaigns. Their ability to operate alongside and multiply the capabilities of indigenous forces is central to our counterinsurgency fights in Afghanistan and Iraq. When enabled by focused intelligence and precision strike capabilities, SOF are able to sustain unrelenting pressure on extremist networks, denying them safe haven.

The adaptability of our conventional forces has been extraordinary. We have seen them shift from high intensity fighting (both in urban and open environments) to conducting counterinsurgency operations and transitioning into civil-military operations within very short timeframes. We have made great progress in conducting military operations in urban areas. We have developed effective methods to defeat insurgents operating in urban terrain by using precision munitions, sophisticated sensors, non-lethal weapons, and adaptive tactics which have been lethal to the enemy while minimizing collateral damage and saving civilian lives. Such adaptability is the product of the unprecedented quality of our forces, the rigor of their training, and the superb equipment they employ. Today our Armed Forces are professional, combat-proven, and unrivalled around the world. We must do everything we can to retain their experience, and sustain their qualitative edge over all potential adversaries.

Intelligence-surveillance-reconnaissance (ISR) systems, especially unmanned aerial vehicles (UAVs), are a key part of the joint warfighting team. All the Services contribute to this diverse array of systems and all benefit from the integrated intelligence products they produce.

Another success has been joint command and control across a region where we simultaneously conduct large-scale ground combat, precision counterterrorist operations, maritime interdiction operations and full-spectrum air support. All of our major headquarters are joint, and are manned by leaders and staffs that merge Service expertise into joint solutions. We have progressed to the point where it is difficult to imagine fighting other than as a joint team.

Challenges

Our experience also highlights challenges that remain in joint warfighting. Command and control (C2) systems are still developed and maintained by the Services and are not easily integrated for joint operations. We need C2 systems that not only enable but enhance the capabilities of Marine aircraft flying from a Navy carrier under the command and control of an Air Force headquarters in close support of Army troops or Special Forces on the ground. Today our systems are mostly patched together, often with great effort and resulting in sub-optimal performance. The whole is less than the sum of the parts. To reverse this situation, we must field systems purpose-built for joint operations, so our superb joint forces are enabled rather than inhibited.

We still have a long way to go with interagency coordination. We have learned that interagency coordination is best done at tactical levels, and have seen the proof of this during the conduct of the joint inter-agency task force (JIATF) focused on al Qaeda senior leaders and the one focused on former regime elements (FRE) in Iraq. Above this local level, however, challenges too often overwhelm accomplishments. Too many organizational agendas and hard-wired boundaries inhibit the type of openness and sharing that are required to fight the extremist networks. We are simply not structured for success at higher levels of integration against an enemy that recognizes no organizational, geographical, legal, or informational boundaries.

As mentioned elsewhere in this statement, we must improve the protection we afford our troops against the greatest enemy threat: improvised explosive devices (IEDs). This challenge highlights the need for our joint and service acquisition systems and the industrial base to be capable of adapting rapidly as the enemy adapts his tactics against us. We have made some important progress, but more needs to be done.

Lessons of asymmetric warfare are being learned by our enemies. The trend is unmistakable; we see extremists employ the same tactics in Afghanistan, Pakistan, Iraq, and Saudi Arabia. No enemy is likely to confront us willingly in a face-to-face military engagement, for we are simply too proficient. Instead, they will seek to win the perception battle by using terrorist tools like a car bomb, relying upon the bloody spectacle it creates to be amplified in the mass media. The doctrinal, educational and training centers of our Services must undertake a major shift in emphasis to allow us to contest this trend. We must go to school on the tendencies and vulnerabilities of those who practice asymmetric warfare just as we mastered the logic for nuclear deterrence and for meeting massed Soviet armored formations during the Cold War.

Finally, we must close the cultural gap between us and the extremist enemies we face. We must invest far more in the "human capital" that will empower our Joint Forces to better understand the enemy in the years ahead. During the Cold War the U.S. military could boast of literally tens of thousands of experts on the Soviet Union, the Warsaw Pact, and the ideology of communism. Today, we are lucky to find even a few hundred in our own ranks who know about Islam, the Middle East, and the ideological forces that fuel terrorism. As discussed in detail later, bridging this gap requires more human intelligence (HUMINT) specialists, linguists, area specialists, and civil affairs officers. All of these are critical for the counterinsurgency and counterterrorist fights; and, to our ability to forge functional relationships with our regional partners. As we build U.S. human capital, we must also grow the human capital of future military leaders of the region. Consequently, an expanding IMET program is necessary to build long term relationships.

X. STRATEGIC BASING

We envision a future regional footprint that has few permanently deployed units at forward locations to support expeditionary U.S. forces that react promptly to theater needs. This posture is premised on a minimized footprint, partly because the region has low tolerance for long-term foreign military presence no matter how well intentioned, and partly because the dynamic nature of the region requires maximum flexibility. It is also guided by the need to have most of our forward deployed posture oriented toward assisting the local forces in the region, so they can be the main

agents to secure regional peace and stability while combating terrorists, extremists, and other external threats.

We will leverage infrastructure and investment already made by the U.S. and our host nation allies over previous decades. Existing U.S. locations will serve as the foundation for our future footprint, and we will work closely with regional partner nations that desire our presence and can afford the costs to contribute a significant share of financial resources to modernize and properly improve these locations.

Our construct for the future will consist of Forward Operating Sites (FOS) and Cooperative Security Locations (CSL). A FOS will host operational U.S. units that rotate into and out of the AOR in support of operations, contingencies, training, and theater security cooperation programs. A CSL is generally a less robust location with less infrastructure and that will host military operations to include exercise support and security cooperation. As we posture our forces for stability operations in the future, FOSs and CSLs will be maintained in the Arabian Gulf, Central Asia, and the Horn of Africa to provide capabilities to assist regional states in the long war ahead against terrorism and extremism. The classified details of FOS and CSL locations can be found in the September 2004 Defense Department report to Congress titled, "Strengthening U.S. Global Defense Posture." Specific CENTCOM plans that align with this construct are under development. Stateside, we are working with the U.S. Air Force (our executive agent for funding) and with DOD to conduct necessary refurbishment and expansion of our Headquarters facility in Tampa.

XI. CENTCOM CRITICAL MISSION ENABLERS

Nearly 4 years of continuous operations from Afghanistan to Iraq and the Horn of Africa have highlighted several major mission enablers. These include: strong coalition allies, timely and responsive airlift, intelligence, adaptive force protection, a flexible theater reserve and logistics base, and sufficient access to communications bandwidth and talented personnel. Coalition allies expand CENTCOM operations, and share operational burdens across a pool of like-minded nations. Our AOR geography and lack of assigned forces makes us uniquely dependent on airlift for timely and flexible employment of forces. Complex and widespread operations place heavy demands on quality, fused intelligence, and the communications bandwidth to allow command, control, and distributed intelligence across the entire force. Enemy tactics place heavy demands on force protection; and our widely dispersed area of operations mandates a flexible theater reserve and logistics base. Finally, our multi-level headquarters and high OPTEMPO missions require quality people.

Sustaining a Strong Coalition

Our coalition partners in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) have contributed significantly to our success. 2005 will be a pivotal year for the coalition. We must re-shape Iraqi coalition forces to accommodate expanding Iraqi security capabilities and enable Iraqis to take the lead against the insurgents. We also need greater participation from the international community to build strong and capable Iraqi intelligence, counterinsurgency and counterterrorist capabilities. Simultaneously, our Operation Enduring Freedom coalition must adapt to accommodate growing Afghan security capacity and to complement NATO–ISAF's increasing role. The better we adapt and manage the coalition, the fewer U.S. servicemembers will be required to achieve our objectives across the region.

Strategic Sealift and Inter-Theater Airlift

Capable and robust airlift and surge sealift capacity are essential to CENTCOM strategy. Ongoing CENTCOM operations and our anticipated future posture rely heavily on a rapid flow of forces into theater to meet an array of contingencies. As of October 2004, over 1,753,510 personnel and 89,562,160 cubic feet of cargo have been transported to the CENTCOM AOR in support of OIF and OEF. The C–17 aircraft generated the majority of the strategic airlift for these operations, and its performance and versatility has been outstanding.

CENTCOM intra-theater airlift requirements in OEF and OIF indicate a growing need for this constrained capability. Two initiatives look promising as a means to expand this capacity. CENTCOM has had success with a contract for Short Takeoff and Landing (STOL) aircraft use by the Afghanistan CJOA. We have also been able to use Commercial Airlift Tenders to move cargo and passengers. We commend future use of these and other airlift options within the CENTCOM area.

Intelligence

Intelligence is the main driver of counterinsurgency and counterterror operations throughout the region. Our close interaction with imbedded interagency partners from the CIA, NSA, and other government agencies has helped secure the intel-

ligence necessary for our successful conduct of many diverse and complex operations. Several key capabilities will better facilitate our ability to collect, correlate and fuse real time intelligence:

Common Intelligence Picture (CIP)—A CIP that is accessible and available to all friendly forces is critical to battlefield success. CENTCOM has been able to cobble-together a CIP for the wider region, but the process has been complicated, expensive, and inefficient due to the great number of service intelligence systems that do not work in a common environment. Our experiences highlight the importance of an established joint interoperability standard for all DOD intelligence systems. Eventually, all will be required to work with others within a joint and combined collaborative environment.

Intelligence, Surveillance, and Reconnaissance (ISR)—The CENTCOM requirement for theater-wide ISR assets remains large and continues to grow. We continue to improve a redundant ISR network integrating strategic, theater, and tactical systems. Demand for Unmanned Aerial Vehicles (UAVs) has been insatiable. We must continue to expand the availability of airframes, control stations, bandwidth, manned units, and trained crews for UAVs. We must also increase the number of UAVs with integrated Electro-Optical Infrared Full Motion Video (EO/IR FMV) and SIGINT capabilities, both of which are critical for tracking High Value Targets (HVT).

Manned airframes are also essential in our gathering of timely and accurate intelligence. For example, the unique capability of the U–2 aircraft to provide flexible, long dwell capability coverage of very large area makes it indispensable for CENTCOM. We support the U–2 Extended Tether Program (ETP), which adds a data relay capability to ground based locations for rapid processing and dissemination of U–2 intelligence data.

Linguists are essential for airborne signals intelligence collection. Linguists manning levels continue to fall well below CENTCOM-identified requirements. We need to increase the supply of low density language specialists to catch-up with the demand.

Finally, operational reliance on each of these ISR capabilities places a heavy demand on the C^4ISR infrastructure. We must continue to generate C^4ISR systems with the capability for effective and efficient dissemination of information from the various sensors to the commander, or individual soldier on the ground.

Counter-Intelligence and Human Intelligence (CI/HUMINT) System Shortfalls—Counterinsurgency operations place heavy demands on people to collect, analyze and disseminate actionable intelligence. During 2004, DOD re-focused the Iraq Survey Group (ISG) from a search for WMD toward the collection of human intelligence (HUMINT) in support of CENTCOM. While this shift helped, CENTCOM HUMINT resources—critical to defeating the insurgency—remain in short supply. Development and integration of Iraqi HUMINT collection assets during 2005 will help, but CENTCOM and MNF–I require additional trained and capable U.S. HUMINT assets to ultimately quell the Iraqi insurgency and to win the regional fight against the wider extremist movement.

In the near term, we require additional funding for contract support to meet immediate requirements. For the future, we require increased U.S. service school generation of CI/HUMINT personnel including case officers, tactical HUMINT collectors, interrogators, polygraphers, technical surveillance countermeasures personnel, and linguists. However, numerical increases alone will not correct all our HUMINT issues. We must provide our collectors with sufficient funds and authorities to enhance their ability to rapidly develop and exploit human sources. One such key authority is that of permission to clandestinely operate in the tactical environment. We also require more soldiers and leaders trained in Middle Eastern cultural awareness: Arabic, Farsi, Dari and Pashtun language skills; historical knowledge of Islam and Muslim traditions; and a more coherent pattern of assignments for enlisted, NCOs and officers with these vital skills. Finally, we have worked to integrate information systems and databases that were not designed for an interoperable environment. These interim solutions for CI/HUMINT system shortfalls have been working. However, a better integrated, long-term joint solution is required.

Force Protection

Force protection remains a top priority. Across the CENTCOM region, the Services are engaged in programs to meet CENTCOM requirements to protect individual soldiers, their vehicles, their bases, and their living areas. These programs include those providing individual body armor, up-armored vehicles and enhanced base protection systems. Supplemental funding for Individual Body Armor (IBA), additional Up-Armored HMMWVs (UAH), and Add-on-Armor kits (AoA) has ensured that our soldiers have the proper equipment to protect themselves on the battlefield. The

Combating Terrorism Readiness Initiative Fund (CTRIF) has provided us with the resources to meet over 98 percent of our requests for physical and infrastructure protection.

Every soldier and civil service employee in Iraq and Afghanistan is equipped with IBA. We are now focused on improving soldier body armor to provide enhanced protection by adding Deltoid Auxiliary Protection (DAP) attachments to Individual Body Armor. Industry now has geared up to produce nearly 10,000 sets of DAPs a month. We now have nearly 102,000 sets of DAPs on hand, which is 62 percent of our current requirement.

Our response to the IED threat has included a robust program for adding armor to soldier vehicles. An intense effort to produce up-armored HMWWVs has generated nearly 6,800 as of February 2005. This represents over 82 percent of our current requirement, and we expect to meet the full requirement by the end of May 2005. We also continue to install add-on armor (AoA) for wheeled vehicles. All told, over 60 percent of the wheeled vehicles in theater now have some form of armor protection, and we are working with the Army to assure that all wheeled vehicles working outside of secured areas have at least an intermediate level of armor protection. We continue to expand up-armor and add-on armor installation capacity in Iraq and Kuwait. Overall, the vehicle force protection situation in CENTCOM has significantly improved. We have also worked with the Joint Staff as it established the Joint IED Defeat Integrated Process Team (IPT). The IPT is investigating over 260 innovative ways to fill capability gaps for defeating IEDs. The IPT has focused on developing "next generation" protection materials for personnel, infrastructure, buildings and material. Additionally, the IPT is investigating technologies that will increase our force protection standoff capability for the detection of chemical, biological, and explosive devices. To date, the IPT has fielded scores of advanced technologies to defeat IEDs and protect our soldiers from IED effects.

CENTCOM's Joint Security Directorate manages a robust force protection program for all countries in our region. We continue to monitor evolving terrorist tactics, techniques and procedures to identify new trends and modify our force protection standards and requirements that stay a step ahead of the enemy.

Logistics

CENTCOM operations have benefited from pre-positioned assets and adaptive logistics systems that keep pace with our diverse requirements. As we begin a fourth year of major operations in the region, we must remain wary of potential new threats, and work to reinforce logistics successes. OEF and OIF operations drew heavily on strategic and pre-positioned equipment stockpiles, both ashore and afloat. This equipment has been worked hard, and remains heavily engaged today. As soon as operational conditions will allow, reconstitution of the afloat and maritime prepositioning forces must be an imperative for the Services, and be fully funded for reconstitution and modernization.

CENTCOM has initiated a deployment and distribution-oriented organization for our region that allowed the command to access timely and accurate information about unit strategic deployments and cargo distribution movements. We are working with the Joint Staff and USJFCOM to capture lessons learned, and are helping their effort to expand joint theater logistics constructs across all of the Department of Defense (DOD).

Communications

Since September 2001, CENTCOM satellite communications utilization has increased by over 8,000 percent. 75 percent of our theater SATCOM capabilities are provided by costly and vulnerable commercial satellite services. This situation will grow even worse in coming years without funding for new MILSATCOM to replace the already inadequate and rapidly deteriorating network. We need MILSATCOM that provides the transformational capabilities to rapidly disseminate time-sensitive intelligence, surveillance, and reconnaissance (ISR) data, and that can provide our deployed forces with reliable "comms-on-the-move" capability regardless of operating location. We support enhanced funding for the DOD MILSATCOM programs to achieve these aims.

We also share more information with more nations and more U.S. interagency elements than ever before. Yet, we must do even better. We need more systems that are interoperable with allies and across all agencies in the U.S. Government. We confront many systems that are not interoperable, and resort to bridging them, when possible, with often inefficient technical solutions. We need to develop common operating standards for all systems that will plug into our expeditionary, joint, and multinational information backbone. Robust, interoperable communications networks are the critical enabler of success on the modern battlefield.

Personnel

The majority of CENTCOM forces are deployed forward in combat zones. Consequently, Quality of Life (QOL) enhancements for deployed forces and families is important. Combat Zone Tax Relief (CZTR), Imminent Danger Pay (IDP), Hardship Duty Pay-Location (HDP–L), and Assignment Incentive Pay (AIP) contribute significantly to our servicemembers' quality of life and morale. The Rest and Recuperation Leave Program has been a major success. To date, over 150,000 troops have benefited from this program. The Special Leave Accrual (SLA) has also been important to our long-deployed soldiers, allowing them to retain up to 120 days accumulated leave for up to 3 years. We encourage continuation of each of these helpful programs.

We also advocate adoption of other programs to help our servicemen and women deployed across the region. We support an increase in Serviceman's Group Life Insurance (SGLI) for our troops, and are working with DOD to ensure that families of the fallen are adequately protected in their time of greatest need.

Finally, it is important to fill our headquarters with talented leaders. Granting full joint credit to qualified officers who serve in a CENTCOM joint task force headquarters for a year or more will help attract the high quality personnel that our joint headquarters require. We are working with DOD to ensure personnel who serve in these demanding billets are afforded the joint credit they deserve.

CENTCOM is also working to address low density high-demand personnel requirements across the theater. In addition to those already addressed in the CI/HUMINT and linguist skill sets, we are working with DOD to offset shortages of civil affairs, special operations, and counterinsurgency capable forces, and information technology (IT) professionals. We are investigating opportunities to conduct civil affairs missions with other service elements or civilian contractor expertise. We also encourage DOD expansion of functional expertise of critical civil affairs skills like: urban planning; economic development; business planning; law enforcement; criminal justice; public works and engineering; and those with management skills that can build capacity in government organizations.

SOFs are in high demand across the theater due to their skill in counterinsurgency operations. CENTCOM supports creative DOD efforts to re-enlist quality special operators, and to identify other qualified individuals with critical counterinsurgency skills.

Finally, our demand for information technology (IT) professionals throughout the region is great and growing. As a result, we are working with the Services to develop IT career paths that better support technical education and development, and that better manage assignments of these professionals into our subordinate commands.

We have built the finest, most operationally and tactically experienced Armed Forces ever known. It is an All-Volunteer Force with high esprit and tremendous professionalism. The key to its quality is experienced professionals who stay with the team. The most important weapon in our inventory remains our people.

Flexible Funding and Authorities

Congress has been extremely responsive in providing CENTCOM with the flexible authorizations we require to fight the enemies we confront across the theater. We request continuing congressional support for the Commanders Emergency Response Program (CERP), for CERP remains the most direct and effective soft-power tool available to our commander's in the counterinsurgency fight. Likewise, the DOD Rewards Program has proven tremendously beneficial, generating information leading to the capture of terrorists, insurgents and the seizure of a number of weapons caches. Coalition Support Funds (CSF) and the newer authority to provide transportation and sustainment support to selected coalition partners are important to sustainment of our coalition partnerships. Finally, congressional authorities to expeditiously train and equip Afghan and Iraqi security forces, and to help develop allied nations' capabilities for counterterrorism have made great contributions to the essential work of building organic security capacity across the region. We will continue to work with DOD and Congress to sustain or enhance the necessary funding and authorities to sustain our forces and support our allies and friends in this struggle.

XIII. CONCLUSION

CENTCOM remains fully committed to the defeat of extremist-inspired terrorism across the region. We are focused on creation of a secure and stable Iraq and Afghanistan, to provide assistance that allows Pakistan and Saudi Arabia to help themselves, deter Syria and Iran from threatening regional stability and security, set conditions to continue the free flow of regional energy products, and effectively

synchronize all elements of U.S. national power to assist moderate Muslims in their fight against extremists.

2005 can be a decisive year for the coalition. Our efforts across the region are setting the conditions for victory against a patient, persistent, and ruthless enemy. We will require our own patience and courage to cement this victory. The growing weight of hard-won successes in Afghanistan and Iraq, so amply demonstrated in their recent elections, must be sustained throughout a period of continued political change and development. As in any wartime situation, some setbacks are bound to occur, but our strength in capability must be matched by strength of purpose. No power in the region can defeat us.

Effective coalition combat operations against our enemies remains vital, yet military activity alone is insufficient for victory. True victory in this fight will require the effective application of all elements of our national power to enhance political participation, encourage economic enfranchisement, and enable social advancement across the wider Islamic world. Ultimately our goal is to give the people of the region their own security tools to shape a better future. With our friends in the region and our coalition partners, we have the right team to prevail. All of CENTCOM's military efforts in the region are focused toward giving our courageous young men and women the tools they need for success. We thank this Congress for the oversight and support for our troops in the field.

Chairman WARNER. General Brown.

STATEMENT OF GEN BRYAN D. BROWN, USA, COMMANDER, U.S. SPECIAL OPERATIONS COMMAND

General BROWN. Mr. Chairman, Senator Levin, distinguished Members of Congress, it's an honor to appear before this committee today to report on the posture of our Special Operations Forces.

It's a privilege to be here with two geographic combatant commanders for whom I have great respect. I enjoy a tremendous working relationship with General Abizaid and General Jones as we aggressively fight the global war on terror across the Arabian Peninsula, Central and Southwest Asia, Europe, and Africa.

In addition to the teamwork we enjoy in United States Central Command and United States European Command, Special Operations Forces are also deployed around the world in other geographic combatant commanders' AORs. We are prosecuting the global war on terrorism in U.S. Southern Command and U.S. Pacific Command, and we have a robust joint combined exercise training program that lays the foundation for long-term relationships with our coalition partners.

I've defined SOCOM priorities as the global war on terrorism, the readiness of our force, and the future of Special Operations Forces. We're making great strides in these areas as our command continues to be decisive on the battlefield today, reconstitute our combat forces, and grow special operations capability to posture for the success of the future.

The threat we face is an adversary without borders or boundaries using asymmetric methods to attack our vulnerabilities. Defeating this enemy requires a full range of special operations capabilities to succeed. Operating in a complex, asymmetric environment is what Special Operations Forces do best.

Our core task and core skills—in areas such as civil affairs, unconventional warfare, direct action, strategic reconnaissance—make Special Operations Forces uniquely suited for this type of low-intensity conflict.

It's important to remember that Special Operations Forces are also doing the difficult and critical work of keeping further warfare from igniting. As forward-deployed warrior-diplomats, our cul-

turally sophisticated special operators work closely with countries worldwide to build long-term positive relationships with host nations, and undermine those that are determined to spread the seeds of terrorism. However, our operations tempo today has stressed our ability to train with today's militaries and coalition partners in support of geographic combatant commanders at a level that we would like to.

Last year, I reported that Special Operations Forces were deployed globally at the highest sustained operations tempo in our history. That is still true today. More than 6,100 special operators are supporting our geographic combatant commanders, fighting in small independent teams or side by side with our conventional counterparts, coalition forces, and interagency partners.

We couldn't maintain this pace without our great Reserve and National Guard Forces. They are extremely important to our capability.

Today, our deployments are more focused. Three years ago, our approach would have been to have a ubiquitous Special Operations Force positioned around the world. Our operators train with host nations and remain poised to react for emerging threats. The old paradigm was "anyplace, anytime." Today our deployments are focused, our deployments on key areas that have an impact on the global war on terrorism. Our measure of success is not how many countries we have special operators deployed in, it's to have Special Operations Forces deployed in the right place at the right time, in those places where the geographic combatant commanders, in concert with SOCOM, feel they need us most.

USSOCOM's OPTEMPO is high, but our recruiting is good and our schools are full. However, because of our rigorous selection and training process for Special Operations Forces, it still takes time—between 12 to 24 months, depending upon the specialty—to graduate a fully qualified special operator. We emphasize quality over quantity, and we cannot dilute the high standards of our people. That is the bedrock of our capability.

Once Special Operations Forces are trained and operational, we must work hard to retain them for the long haul. To meet the challenges of the war on terrorism, we are increasing our special operations manpower. We're adding force structure in special forces, civil affairs, psychological operations, Air Force special operations, and Navy special operations. This process takes time because Special Operations Forces cannot be mass produced.

In the next 4 years, we will increase our numbers by 2,300 personnel. That includes two Sea, Air, and Land Specialists (SEAL) team equivalents and approximately 500 additional special forces, also known as our Green Berets. In order to create more special operators, we are aggressively increasing our number of training instructors and support personnel that will enable us to increase our training capability without lowering the standards.

Additionally, with the help of the Services and the Office of the Secretary of Defense, we've instituted a retention initiative that has included targeted bonuses for specific operational specialties that are showing a decrease in strength, and we've instituted educational benefits for all the members of our command.

Mr. Chairman, we're transforming our force. As with readiness, our future efforts will be focused primarily on the cornerstone of our special-operations capability: our people. Our transformation is intended to align people and equipment with a future battlefield. We will build and buy systems that make us a more capable force to prosecute the global war on terrorism while maintaining the ability to fight in support of large-theater conventional forces when required. We equip the man, not man the equipment.

We are anxiously awaiting a safe, reliable, and maintainable CV–22 Osprey. We're closely assessing our systems in the field to field new capabilities and identify new flagship programs that will enable global special operations and directly affect our ability to fight the global war on terrorism.

We appreciate the incredible support we've been given by Congress and the Office of the Secretary of Defense, particularly the recent approved authority to fund surrogate forces in support of special operations. There is still more work to be done, and we look forward to your continued support.

USSOCOM is the right command for the mission. However, we understand we're only part of the equation. The asymmetric nature of this war and the challenges is poses require a robust, interdependent working relationship between the Department of Defense (DOD) and the interagency, to fully harness our Nation's instruments of power in this fight. The key to our success—or the key to success—can be summed up in "joint," "combined," "coalition," and "interagency." Embedded within those elements, in those four words, are the aspects of a winning strategy. Cooperation is not just beneficial; it is imperative.

I want to thank you and the members of the Senate Armed Services Committee for your continued support for our soldiers, sailors, airmen, marines, and our great Department of Defense civilians, including your field visits and those of your staffers. The support of this committee and the support of the Secretary of Defense helps to ensure Special Operations Forces will become even more capable.

I look forward to your questions.

[The prepared statement of General Brown follows:]

PREPARED STATEMENT BY GEN BRYAN D. BROWN, USA

Mr. Chairman and distinguished members of the committee, it is an honor and privilege to report to you on the state of the United States Special Operations Command (USSOCOM). Today's United States Special Operations Forces (SOF) are the most capable in the world. They have performed magnificently on the battlefields of Iraq and Afghanistan, and in their support of Geographic Combatant Commander activities around the world.

The Secretary of Defense expanded USSOCOM's role in 2003 to include leading the Department of Defenses' global war on terrorism planning effort, and commanding specifically designated global war on terrorism operations. In this role as the lead command for the global war on terrorism, USSOCOM has matured into a warfighting command that is leading the planning and synchronization of DOD activities in support of the global war on terrorism. Today at SOCOM, our priorities are the global war on terrorism, the readiness of our forces, and building SOF's future capabilities to be even more capable to meet the demands of the changing strategic environment.

Strategic Environment. Terrorist networks are globally dispersed and compartmentalized into remote, smaller networks or groups that limit direct access to their leadership, communications, and infrastructure. They recognize no borders and no boundaries, use the local populace for plain-sight concealment, and employ terror,

torture, and indiscriminate killing as standard tactics, techniques, and procedures. Without respect for international law, they adapt their methods and conduct operations that incorporate technology across the spectrum from low tech to high tech. This creates a significant challenge for USSOCOM and directs the command along three lines. First, as the supported Commander, USSOCOM must synchronize DOD efforts, coordinate and collaborate in interdepartmental and interagency efforts, facilitate the flow of information and intelligence, and foster cooperation with partner nations to shape the global war on terrorism. This will require the elimination of seams and sanctuaries. Second, USSOCOM must focus SOF on the global war on terrorism by increasing emphasis on organizing, training, and equipping the force to accomplish our main effort of attacking terrorist networks and enabling partner nations to do so in concert with us. We will provide assistance to other government agencies in our effort to persuade or coerce nation states that support terrorist networks, diminish the underlying conditions that cause terrorism, and counter core motivations that result in terrorist networks. Finally, we must continue to flawlessly integrate with conventional forces in traditional warfare.

USSOCOM Center for Special Operations (CSO). When USSOCOM was established by Congress in 1987, its primary role was to support the geographic combatant commanders by providing them with trained and equipped special operations personnel. Now USSOCOM's focus has been rebalanced to emphasize the global war on terrorism—we are at war. The Center for Special Operations, a directorate within USSOCOM headquarters, was created to optimize SOCOM's warfighting efforts, by breaking down traditional barriers that exist between plans, operations, and intelligence functions. By consolidating these efforts under a single director, USSOCOM has improved its speed, agility, and flexibility—keys to success in today's global environment. The CSO has embedded interagency liaison teams that streamline interagency coordination, communication and processes, further enhancing operations, intelligence and planning fusion. The CSO is in effect USSOCOM's Joint Interagency Coordination Group (JIACG). Responsibilities in the CSO include reviewing global strategies, developing courses of action, and formulating plans and recommendations for operational force employment by the Commander, USSOCOM.

A dynamic component of the CSO is our Special Operations Joint Interagency Collaboration Center (SOJICC). A state-of-the-art facility fusing operations and intelligence, the SOJICC integrates DOD and interagency information and databases to exploit the full potential of this information to support special operations planning and course of action development. SOJICC was developed in response to operational priorities and has been used extensively in supporting unique special operations requirements in OEF and OIF and developing short turn-around products in support of SOF in all of the combatant commands.

GLOBAL WAR ON TERRORISM

Success in Operations. USSOCOM's number one priority is the global war on terrorism. Defeating the terrorist threat requires the full range of Special Operations capabilities. USSOCOM's special operators, carefully selected, highly trained and well equipped, continue to be "the worst nightmare of America's worst enemies" as President Bush stated in June 2004. Employing the tactics, techniques, and procedures most appropriate to a given situation, our forces act across the spectrum operations from Civil Affairs (CA) to Unconventional Warfare (UW) to Direct Action (DA).

Our interagency, conventional, and coalition relationships have never been stronger than in today's global operations. This joint, coalition, interagency team has brought freedom to millions in Afghanistan and Iraq. Yet, plenty of work remains to defeat the insurgents who continue a violent struggle against democracy. SOF, deployed in support of the Geographic Combatant Commanders, have been involved in every phase of this global effort. As we transition to the post-election environment in both Afghanistan and Iraq, joint, combined, and interagency efforts will be more critical than ever to win the peace, as we continue on the path to a more stable and secure world.

Iraq. SOF operations, in support of United States Central Command (CENTCOM), remain focused on defeating Anti-Coalition Militia elements and denying them freedom of movement and action throughout Central and Northern IRAQ. SOF have been very successful at finding, fixing, and finishing the enemy and one of the keys to our success has been the ability to fuse intelligence with operations resulting in actions that not only capture or kill the enemy, but also generate additional information for further operations.

In close coordination with Iraqi and coalition forces, U.S. SOF played a critical role in virtually every major operation in Iraq during 2004, particularly the defeat

of the insurgent offensives in April and August, the liberation of Fallujah in November, and coalition victories in Najaf, Samarra, and Ramadi. In these and other operations, SOF conducted numerous offensive actions resulting in a significant number of detainees. We follow standard operating procedures in transferring detainees to designated personnel for interrogation and processing. In addition to their combat effectiveness, SOF personnel have shown extraordinary maturity, cultural awareness, and good judgment. SOF, in coordination with conventional forces, continue to execute an aggressive offensive strategy against terrorists, but do so in a way to minimize the negative impact on Iraqi citizens.

A very visible and successful Special Operation Foreign Internal Defense mission has been our work with Iraqi security forces. Trained by Green Berets, the 36th Commando Battalion and the Iraqi Counterterrorism Battalion are now capable of providing ongoing security against insurgents. I have visited both units. They have fought valiantly in such difficult cities as Fallujah, Najaf, and Samarra alongside U.S. Special Forces. They are good, and are getting better.

Applying lessons learned from earlier successes against the Taliban in Afghanistan, SOF ground forces in Iraq have worked closely with conventional airpower to eliminate insurgents and other terrorists. SOF aviation has also been highly effective, destroying a large number of enemy targets while minimizing collateral damage and providing rapid responses to time-sensitive information. SOF have rescued hostages and assisted local law enforcement agencies in capturing terrorists who murdered western hostages. In the waters of the Persian Gulf, SOF have conducted maritime interdiction operations to disrupt terrorist movement and operations. SOF are committed to helping the Iraqis, in support of CENTCOM's implementation of the strategy of the United States, to establish a secure and peaceful future. SOF have played major roles alongside their conventional and coalition partners in supporting the road to Iraqi self government and lasting security. Although much work remains, the very successful recent election is a striking example of the success of our efforts in the global war on terrorism. The commander of the Multi-National Force in Iraq, General George W. Casey, Jr., described SOF achievements in Iraq as "Herculean."

Afghanistan. Special Operations Forces continue to make vital contributions to the war on terrorism as well as stability operations. Major strategic events enabled by SOF include Afghanistan's first ever national election in October and the December inauguration of its first elected President. SOF operations focused on supporting these two historic events and were critical to these strategic victories. In precisely targeted offensive operations, SOF killed and captured hundreds of terrorists and insurgents. These operations have been crucial to securing cities near the critical area along the border with Pakistan and in former Taliban strongholds. SOF manned dozens of small camps in areas frequented by insurgents and terrorists, inhibiting enemy operations and enhancing the security of the Afghan population. The enemy has repeatedly attacked these small camps, but SOF, conventional, and coalition forces have defeated all enemy offensives and inflicted heavy enemy casualties.

Throughout Afghanistan, SOF conducted Unconventional Warfare (UW). A SOF core task, UW, as carefully configured, includes operations conducted by, through, and with local forces. The Services use the term Unconventional Warfare frequently; however accomplishing missions in a new or unconventional manner is not the same as UW. UW is a capability unique to SOF and will continue to be an important skill in future operations.

As in Iraq, major coalition goals included building up Afghan forces and having those forces conduct effective military operations, thereby increasing the legitimacy and popular support of the government. SOF emphasized combined operations, with the Afghan National Army taking the lead role throughout the country to accomplish these goals.

Coalition forces, including SOF, assist in the counternarcotics effort in Afghanistan by reporting, confiscating, or destroying drugs and drug equipment encountered in the course of normal operations, sharing intelligence, and training Afghan security forces in these efforts. The adverse effect of the narcotics problem on Afghanistan's security, stability and society is significant and requires a multi-faceted and long-term effort. The Afghan government, aided by the international community, must work to create viable economic alternatives for growers and manufacturers.

Other Regions of the World. In addition to supporting the Commander, CENTCOM, SOF prosecuted global war on terrorism missions around the globe. In support of Commander, United States European Command (USEUCOM), USSOF joined our NATO SOF allies to form a Response Force in support of the 2004 Olympics in Athens, Greece, a high value potential target for international terrorists.

This response force was fully integrated into the Olympic Games' security task force and helped ensure that terrorists did not disrupt the Games.

SOF also worked with security forces from several African nations to enhance their counterterrorist capabilities, conducting 2-month training periods with indigenous forces focused on logistics, communications, and weapons skills. The effort was designed to eliminate sparsely-populated border regions as potential terrorist safe havens before terrorists arrived in force. In the Balkans, Civil Affairs (CA), Psychological Operations (PSYOP) and other special operations units supported operations in Bosnia, bolstering civil institutions to help maintain peace in that country.

In addition to short-term operations, SOF long-term activities help develop the strategic environment by contributing directly to deterrence efforts. U.S. SOF participated in over 50 Joint Combined Exercise Training (JCET) events globally with host-nation forces. In the Pacific theater, SOF supported the Commander, United States Pacific Command (USPACOM) by providing assistance to allied nations seeking to stem narcoterrorism, as well as remove mines laid during four decades of regional conflicts. SOF continues to support Operation Enduring Freedom-Philippines (OEF–P), and during 2004, Joint Special Operations Task Force-Philippines (JSOTF–P) deployed teams to provide operational planning and special skills training to Filipino Armed Forces personnel. U.S. SOF worked with Filipino military forces and other units throughout the country to prevent the disruption of national elections. Meanwhile, U.S. Navy SOF personnel worked with their counterparts to conduct expanded maritime interdiction operations around the archipelago. Psychological Operations soldiers sought to garner support of the local population.

The earthquake and tsunami of December 2004 brought horrific destruction around the rim of the Indian Ocean, and SOF, in support of USPACOM responded immediately to provide humanitarian assistance to those affected by this devastating natural disaster. Through the use of specialized skills and equipment, SOF supported the U.S. and international relief efforts. SOF soldiers, airmen, and sailors provided their expertise in diverse areas such as airfield management, airlift, delivering and distributing medical care and supplies in conjunction with U.S. Air Force, Army, Navy, Marine Corps, and civilian organizations.

In South America, SOF efforts support the Commander, United States Southern Command (USSOUTHCOM) through operations helping the government of Colombia in its fight against terrorists, narcotics trafficking groups, and insurgents. SOF support included counternarcoterrorist training deployments, training assistance to Colombian SOF, help with establishing a special operations command and control (C2) organization, longstanding Civil Affairs and PSYOP activities and assistance fusing intelligence with operational planning. U.S. SOF also helped with the search for American citizens held hostage by terrorists. By the end of 2004, the Colombian military and police forces had made notable progress in the fight against narcoterrorists.

READINESS

Force readiness is a SOF priority and is crucial to mission success. USSOCOM's number one Readiness issue is our people, followed closely by our equipment and training.

People. USSOCOM, while scheduled to grow in fiscal year 2005, remains less than 2 percent of our Nation's military force. Our operators are high-caliber professionals with intelligence, stamina, problem-solving skills, mental toughness, flexibility, determination, integrity, and extraordinary strength of character and will. Additionally, they are experts with their weapons, and many are language trained. Our small number of carefully selected, incredibly dedicated, capable, mature, well-trained, and well-led people are key to our quality force. However, we must have the total force-the correct mix of Active, Reserve, and National Guard personnel to meet the challenge. Last year I reported that Special Operations Forces were deployed globally at the highest sustained operations tempo in their history. That is still true today, with over 6100 Special Operators supporting the Geographic Combatant Commanders.

To accomplish SOF missions, highly-specialized skill sets are required, including cultural and regional awareness and expertise, and skill in employing both low- and high-tech equipment and solutions. To achieve the required level of proficiency and guarantee SOF relevance, recruitment, training, accession and retention, development of the force must be closely managed. With the support of the Office of the Secretary of Defense, and Congress, USSOCOM was able to secure a comprehensive USSOCOM retention package aimed at specific SOF operational specialists throughout their careers.

I believe our current operations tempo is manageable, but stressed in certain critical specialties—namely our SEALS, Special Forces, AFSOC Combat Controllers, Pararescuemen, and Special Operations Weather personnel. Civil Affairs and PSYOP forces will be discussed shortly. USSOCOM began our growth by investing in our schoolhouses through additional instructors to increase throughput for creating Special Operators while maintaining our standards. Coupled with retaining experienced SOF personnel, this will improve our capability to meet the demand on our force.

However, adding SOF is not a near term fix, as SOF cannot be mass-produced, nor created after emergencies occur. Our recruiting is good, and our schools are full, but because of our rigorous selection and training process for SOF operators, it takes between 12 and 24 months, depending on specialty, to graduate an initially-qualified SOF operator. By the end of fiscal year 2006, USSOCOM will grow by 1,405 members to an end strength of 52,846. We are adding personnel to our active duty SEAL teams, increasing active Special Forces Group strength, and adding personnel at the 16th Special Operations Wing to support forward deployed and rotational requirements. We have also added one MH–47 aviation battalion based on the west coast and oriented towards the Pacific. With great support from the Secretary of Defense, we have significantly increased the authorized manning levels of SOF over the past 2 years, but areas of concern remain our PSYOP and Civil Affairs forces.

Civil Affairs and Psychological Operations. Civil Affairs and Psychological Operations were essential in facilitating the elections in both Afghanistan and Iraq and will continue to play critical roles in the stabilization and reconstruction of both countries. CA and PSYOP also had a vital role in combat operations and consolidation activities in Afghanistan and Iraq. Whether encouraging enemy fighters to surrender, directing civilians away from battle zones, or separating terrorists from their base of support, tactical PSYOP multiplied the effectiveness of combat operations and saved many lives.

Dissemination of truthful information to foreign audiences in support of U.S. policy and national objectives is a vital part of SOF's effort to secure peace. Culturally oriented psychological operations units with selected language skills are supporting commanders and other U.S. Government agencies in operations ranging from humanitarian assistance to weapons collection. PSYOP forces have an aggressive program of providing handbills to children explaining the threat of unexploded ordinance and minefields. Additionally, through leaflets and broadcasts, PSYOP forces disseminate information to raise awareness about the Rewards for Justice Program. SOF then facilitate linking individuals possessing information with the appropriate agencies. PSYOP forces use nonviolent means in often violent environments to convince adversary, neutral, and friendly nations and forces to take action favorable to the U.S. and its allies. These forces, along with SOF Civil Affairs units, are force multipliers. Three quarters of our PSYOP personnel are in our Reserve component.

Civil Affairs forces are key to our long-term success in the global war on terrorism. Civil Affairs specialists can quickly and systematically identify critical infrastructure requirements needed by local citizens. They can also locate civil resources to support military operations, help minimize civilian interference with operations, support national assistance activities, and establish and maintain liaison dialogue with civilian aid agencies, commercial and private organizations. Civil Affairs forces are currently working with local governments of Iraq and Afghanistan and international humanitarian organizations to rebuild infrastructure and restore stability. They facilitate, plan, and coordinate repairing wells, providing food to hungry children, bringing medical care to families, and are hard at work helping rebuild school systems to counter radical thought through education. CA forces become advocates for their plans to synchronize indigenous populations and aggressively seek funding for regional projects. Over 90 percent of our CA personnel are in our reserve component.

This level of effort, however, doesn't come without a price. While we believe people are more important than hardware and closely monitor our deployment schedules, Army Reserve CA and PSYOP units have been mobilized for up to 24 months under the partial mobilization authority. This in turn has made us more reliant on the few active duty CA and PSYOP units to meet operational requirements. Future rotations for OIF/OEF will be constrained by the number of personnel in these specialties available. To improve these areas we have added four PSYOP companies (Reserve), two PSYOP companies (Active), two Civil Affairs battalions (Reserve), and two Civil Affairs companies (Active). While the use of Provisional Battalions created for the war effort is a concept we are exploring, compressed Civil Affairs specialty training is not the best solution to this problem. We owe it to the Geographic Com-

batant Commanders to send fully qualified CA and PSYOP personnel to the battlefield.

BUILDING FUTURE SPECIAL OPERATIONS FORCES

The Command's main goal for the future is to identify and develop the capabilities Special Operations Forces will need to remain the decisive piece of a joint, coalition, and interagency team while maintaining the readiness required to shape and respond to the world today. USSOCOM is committed to producing next generation SOF capabilities that will provide competitive advantages over future adversaries. Future SOF will be positioned to respond rapidly to time sensitive targets in the global war on terrorism, provide strategic responsiveness as an early entry force, possess state of the art Battlefield Command, Control, Communications, Computers, and Intelligence (C^4I) and continue to increase cultural, regional, and linguistic expertise. SOF must construct systems and capabilities to have access around the world to locations of our choosing and have dominant C^4ISR.

Long-term success in the global war on terrorism depends largely upon our ability to rapidly employ a sustainable mix of capabilities with little warning—requiring agile, adaptive, and responsive warriors. We are transforming our force quickly to provide better on-the-ground capability to operate in the different "gray areas" around the world where conventional forces are traditionally uncomfortable. This will require a change in our thinking, not just our force structure. We continue to transform our headquarters to incorporate these changes. Our organization includes a standing Joint Task Force (JTF), capable of providing a spectrum of command and control options from providing a handful of liaison officers to an existing JTF to deploying a complete JTF. Moreover, USSOCOM is organized for interagency transparency, a key element for success.

USSOCOM is pursuing a holistic approach to our training, doctrine, organizational structure and technology. We will blend the authorities, functions, and activities of a supported combatant command with our current Service-like authorities, functions, and activities necessary to develop, maintain, and enhance integrated Joint SOF Forces and capabilities. USSOCOM will cut across current national, regional, and geographic boundaries by networking key counterterrorism and counterinsurgency command and control nodes to create a Global Counter Terrorist Network (GCTN) employing a tailored mix of assigned, attached, and supporting joint forces and capabilities.

Budget and Acquisition. The USSOCOM fiscal year 2006 President's budget request is $6.7 billion, 3 percent more than the fiscal year 2005 appropriated amounts. This request includes military pay and allowances to ensure that now, and in the future, the President, the Secretary of Defense, USSOCOM, the combatant commanders, and country teams have SOF capable of defeating terrorist organizations worldwide. Our Operations and Maintenance budget request grows $85 million, to $2.2 billion, which also includes a $22 million increase for training, as well as funds associated with sustaining SOF-specific weapons systems. Quick action on SOCOM's fiscal year 2005 Supplemental Request is the issue on which I need immediate support.

At the heart of USSOCOM's strength is the Commander's acquisition authority, which is similar to that of the military departments. It is one of the things that makes USSOCOM special and makes our operators more capable and effective, more quickly. Among the responsibilities assigned to USSOCOM under Title 10, Section 167, is developing and acquiring "special operations-peculiar" equipment. SOF-peculiar equipment is based on technologies that enable our operators to become faster, stealthier, more precise, lethal, survivable, and sustainable. It will also enable PSYOPS forces to broadcast themes into denied areas, and provide Civil Affairs specialists with SOF specific training and communications equipment. With exceptional support from Congress, the Secretary of Defense, the Services, and our industry partners, these authorities have been instrumental in equipping today's world-class SOF team to perform a broad range of SOF missions. We are aggressively eliminating those systems that do not support the global war on terrorism and directing those resources for more appropriate programs. Our Flagship Programs, the Advanced Seal Delivery System (ASDS) and the CV–22 Osprey continue to be a very important part of SOF's future. We will add, in the near future, two new flagship programs, our SOF Warrior Systems and our SOF training centers.

Our Research and Development (R&D) activities are focusing on discovering and exploiting technologies in the following areas:

Intelligence. USSOCOM's primary concern remains actionable tactical intelligence. The "find" piece of find, fix and finish is an intelligence based problem set. In other words, we have to find out who the bad guys are, where they are, and have

the right forces in the right place at the right time to capture them. USSOCOM is working to harness capabilities, like signals intelligence (SIGINT), imagery intelligence (IMINT) and unattended sensors that channel the proper intelligence information to our analysts and operators so we can capture terrorists regardless of where they are on the globe. This persistent Intelligence, Surveillance, and Reconnaissance (ISR) concept is a combination of continuous analysis, human intelligence (HUMINT), and SOF focused ISR systems that will dwell on a target for as long as the mission requires—the unblinking eye. We have made progress aggressively pursuing UAVs, persistent intelligence systems and denied area access technology. We must continue to improve these capabilities, especially our ability to find and track targets in all weather conditions. USSOCOM's number one technological shortfall is in our ability to persistently and remotely locate, track, and target a human.

A global network. SOF-led collaboration and synchronization across command lines will play a dramatically larger role. USSOCOM will use the Global Counterterrorism Network to position SOF around the world, in synchronized, simultaneous, and custom-tailored operations against designated terrorist organizations, their allies and sponsors. The GCTN will synchronize global ISR to gain persistent close-in visibility, coordinate interagency and capable partner nation efforts, and integrate command and control. These operations will be coordinated by USSOCOM and Geographic Combatant Commanders through their Theater Special Operations Commands (TSOCs), which will serve as the focal points for joint SOF missions conducted within their regions. Key to this effort will be high bandwidth and reachback communications.

Additionally, SOF must facilitate the development of indigenous capabilities to fight against terrorists and rogue regimes. Robust Unconventional Warfare capabilities greatly expand the set of options available to policy makers. SOF must also maintain and improve capabilities to support conventional forces. The concept of a GCTN is designed to position SOF in key locations to collect, fuse, analyze, and disseminate intelligence. Developing greater situational awareness in priority countries and regions will enhance SOF effectiveness in combating terrorist networks.

Develop the Special Operations Warrior. SOF can anticipate continued global employment in the near future. They will have to operate simultaneously in more than one Geographic Combatant Commander's area of responsibility against elements of the same global enemy to eliminate seams and be responsive. For SOF the challenge is immense: how to train for the enormous and demanding range of functional skills necessary to meet USSOCOM's core tasks while adapting intellectually to the global demands of this war against an enemy who holds no territory. USSOCOM will meet these requirements through continued adaptation and growth of our education and training capabilities, to include advanced training systems. Additionally, in a globally networked operating environment, SOF must be survivable, sustainable, lethal, maneuverable, and possess superior situational awareness. These are SOCOM's R&D focus areas to support the SOF warrior.

CONCLUSION

The struggle against global terrorism is different from any other war in our history. We will not triumph solely or even primarily through military might. We must fight terrorist networks and their supporters using every instrument of national power of the United States. Progress will come through the persistent accumulation of successes—some seen, some unseen. Our goal will be reached when Americans and other civilized people around the world can lead their lives free of fear from terrorist attacks.

SOF will continue to play a lead role in this war by bringing terrorists, their supporters and their state facilitators to justice, or by bringing justice to them. But winning this war will require new capabilities, sustainable increases in capacity, and significant improvements in the global reach and speed of SOF forces. To meet the demands of the new environment, we must ensure that our capabilities are well-tuned to meet emerging needs. U.S. special operators have been the cornerstone of our military operations since the beginning of the global war on terrorism. From Tampa to Tikrit to Toibalawe all of USSOCOM is in high gear, a tempo we expect to maintain for a long time.

Our efforts will remain focused on our mission. Our success will come from the finest trained and prepared warriors in the world who are in the right place at the right time against the right adversary. Special Operations Forces play a key role in America's and the world's defeat of terrorism. In an environment of asymmetric threats, we are this Nation's asymmetric force. With energy, focus, skill, and determination, we will take the fight to the enemy and win. Your continued support of

our soldiers, sailors, airmen, marines, and DOD civilians is the foundation of our success.

Chairman WARNER. Thank you very much, General. The enthusiasm of your statement clearly indicates the enthusiasm of your forces to perform their mission. Thank you very much.

I'd like to start out, General Abizaid, with the subject of Syria. It's been rather a dramatic evolution. In your opening statement, you reflected on the change of government that's underway at this present time. The question mark over, how long will Syria linger with its forces in Lebanon and the turning over of Saddam Hussein's brother to the Iraqi Government. These are rather dramatic chapters in your AOR, and I'd like to have you give us your best perspective on what you portend and how these different evolutions may or may not affect your responsibility to discharge your mission with our forces in that AOR.

General ABIZAID. Thank you, Mr. Chairman. Again, thanks for the great support from you and all the members of the committee to make sure we get what we need to get the job done in the Central Command region.

I think it's very important, when we talk about our regional capacity, our regional military capacity, that people understand that we have significant air and naval capacity, in addition to our ground capacity, that leaves us more than able to deal with whatever challenge may come from any of the regional powers, whether that be Iran or it be Syria.

The Syrian part of the equation has been difficult for us ever since we entered into Iraq because of the well-known link between the Syrian border area and the infiltration of foreign fighters that have come across from Syria. While it's unclear to us as to whether or not there has been any Syrian government complicity in that, certainly they have not yet, in our view, done enough to stop that level of infiltration. Although it's clear they are trying to do something, it remains to be seen how much they will do.

It was also clear to us that the Syrians were providing a safe haven—again, hard to say whether it was official or not—but certainly safe haven—de facto safe haven was established there by members of the former Baathist party of Iraq. People like Sab'awi and others established financial and coordination nodes that, over time, as we have been able to see more and more what drives the insurgency inside Iraq, we've been able to trace some of these coordination nodes to Syria.

With regard to Lebanon, Syria has had troops in Lebanon for a long time. At one point, they were up to 30,000; now they're down to about 15,000. I think it's very clear that as you look at the demonstrations in Lebanon, which are absolutely unheard of in the Arab world—to see those types of demonstrations, I believe, is a clear indication that the Lebanese people feel that they are ready to move forward without Syrian troops and intelligence people on their soil.

I do believe that, in terms of what this means for the United States Central Command, militarily, it really means that, I believe, it's inevitable that Syrian forces will leave, that Syrian forces and the Syrian Government will do a reassessment of the role that they play in the region, and they'll come to understand that respecting

the sovereignty, integrity of their neighbors and providing a role for stability in the region, and being cooperative for stability in the region, will be a direction that they will find is in the best interest of Syria and everyone else.

Chairman WARNER. Do you feel that, given that those forces in, I would say, the reasonable foreseeable future will be withdrawn and the elections come on, that that vacuum will be filled by a responsible government, or do we—should we brace ourselves for the risks that, say, Hamas or someone else might end up as a controlling governmental authority through their own people?

General ABIZAID. Senator, it's very difficult for me to guess what might happen in Lebanon, but I believe the Lebanese have had enough of civil war. I believe the fiction of the notion that Syria is in Lebanon to help Lebanon has been exposed. I believe that the Lebanese being some of the most educated and best organized, in terms of their ability to manage their country in the region, shows clearly that they should take charge of their own future, move forward in a way that allows them to build a independent and sovereign Lebanon. It won't be an easy task; it'll be a difficult task. But we should have every confidence that they can do it, every bit as much as any Eastern European country was able to do it after the fall of the Berlin Wall.

Chairman WARNER. To house or allow a safe haven for a terrorist group would be antithetical to those goals, would it not?

General ABIZAID. Sir, no country in the region should harbor terrorists anywhere. It is not only against the goals of a free and prosperous and stable Middle East, but it's also against the religious goals of the people in the region who believe in Islam, Christianity, or Judaism.

Chairman WARNER. But the presence of those Syrian troops facilitated the harboring of those terrorists in Lebanon.

General ABIZAID. It's my view that the presence of Syrian troops and intelligence personnel in Lebanon prohibits Lebanon from being able to be sovereign, free, and move in a direction that the Lebanese people want to go.

Chairman WARNER. Could you talk about the significance of the turn-over of the half-brother of the Saddam Hussein?

General ABIZAID. Sir, I think it is a positive step forward. I think there are more steps that need to be taken. We need, clearly, to move Iraq toward stability. Stability in Iraq is key to stability in the entire region. Being able to move them forward is not only the job of the United States, but the international community, and, in particular, the neighboring states. The more they can help with people that are operating against stability in Iraq, the better and the quicker we'll be able to achieve stability in Iraq.

Chairman WARNER. General Jones, I listened very carefully, and let me make certain that I took notes that reflect your message.

The future of NATO is with the NRF, which is the rapid response force, am I not correct?

General JONES. Yes, sir. It's——

Chairman WARNER. That's basically the out-of-area operations.

General JONES. It's called the NATO Response Force, yes, sir.

Chairman WARNER. Right. I think that's quite a dramatic statement that you make, and I certainly concur in that. The likelihood

of a major military confrontation within the AOR, so to speak, of the NATO nations, is so low that the—in probability—that focus should be put on the utilization of NATO in the out-of-area operations. They have a record of achievement in the Balkans, particularly in Kosovo. They have a record of achievement in Afghanistan. You mentioned about the potential that some consideration could be given to the utilization of NATO forces in a role—maybe not strictly the traditional peacekeeper role, but some type of role—to help both Israel and the Palestinian Government to maintain a border that does not permit the intrusion of the terrorists, and so forth. Would you expand on that? Have you written on that? Have you spoken on—with some precision, about what you envision the future of NATO being with the out-of-area operations?

General JONES. Senator, you're absolutely correct. The importance of the NATO Response Force to achieve its full capability is still dependent on some transformational work that needs to be done within the Alliance. The good news is, we're aware of it and people are generally doing it. It's not without its difficulties, but it's designed to achieve full operational capability in 2006.

Chairman WARNER. But, in the meantime, you've accomplished in the Balkans, you've accomplished——

General JONES. Yes.

Chairman WARNER.—in Afghanistan. So in effect——

General JONES. Those are missions that are being sourced from the traditional manpower. Those are not NRF missions. We've had one NATO Response Force mission to prove the concept to achieve initial operating capability, in Izmir, Turkey in 2003. We deployed some NRF forces to support our Greek friends, so they would have a successful Olympics. The next major event is in 2006, where the NATO Response Force will be fully manned and certified to embark upon expeditionary operations, wherever it might be called.

So this is why I keep saying to our friends that so goes the NATO Response Force, so goes NATO, in terms of transformation. We have to build some things into NATO that haven't been there before, and I mentioned earlier, the NATO Intelligence Fusion Center.

Chairman WARNER. I understand that. Do your colleagues in NATO, the other member nations, share your view that the future of NATO is with this concept of out-of-area operations?

General JONES. Absolutely. It's the concept that gets us away from the static 20th-century linear defensive mentality that has defined NATO even since the fall of the Berlin Wall.

Chairman WARNER. I'd appreciate it if you'd provide the committee any statements that you have made, written, otherwise, on that subject, together with the Secretary General and others.

General JONES. Of course.

[The information referred to follows:]

SENATE ARMED SERVICES COMMITTEE
Hearing on: Combatant commanders
March 01, 2005
INSERT PAGE 38 / LINE 25

WARNER:
I'd appreciate if you'd provide the committee any statements that you have made, written, otherwise on that subject [NATO Response Force and out of area operations], together with the secretary general and others.

The information follows:

TAB A	Excerpt from Posture Statement, 10 April 2003
TAB B	Excerpt from Posture Statement, 4 March 2004
TAB C	NRF – Outline Implementation Programme, 9 April 2003
TAB D	Military Concept for the NATO Response Force, 18 June 2003
TAB E	NATO At The Crossroads, Manfred Woerner Luncheon, Brussels, 5 Sep 2003
TAB F	NRF—NATO's Expeditionary Capability, 18 Sep 2003
TAB G	SACEUR Address at the NRF Standup, RHQ Allied Forces, North, 15 Oct 2003
TAB H	SACEUR, NFR Demonstration Day, Izmir, Turkey, 20 Nov 2003
TAB I	SACEUR Address to the Belgian Parliament, Brussels, 9 March 2004
TAB J	NATO Review Publication (Istanbul Summit Special): "Transforming NATO's military structures," May 2004
TAB K	Marshall Center, NATO Transformation: Institutional Change Through the Four Pillars of Transformation, November 2004
TAB L	Strategic Commanders' Report on the NATO Response Force, April 2005

EXCERPT FROM THE STATEMENT OF
GENERAL JAMES L. JONES, III, USMC,
COMMANDER, UNITED STATES EUROPEAN COMMAND
BEFORE THE SENATE ARMED SERVICES COMMITTEE
ON 10 APRIL 2003

PAGES 14-16

NATO's commitment to transformation is best illustrated by its enthusiasm to embrace the concept of the NATO Response Force (NRF). The NRF allows us to SHAPE is working to establish an initial element of the NATO Very High Readiness Force Element in the not too distant future. The new element we are proposing is expeditionary in nature and complements the deployable and follow-on forces currently articulated in the work-in-progress on a Military Concept for the NATO Response Force. The intent is to announce the establishment of this Very High Readiness Force-Element (VHRF-E) of the NATO Response Force by the Defense Ministerial later this year, and to establish an initial operating capability in the near term.

The exact composition of the standing force and mission capabilities are currently subject to an ongoing SHAPE mission analysis. The initial concept is that the range of missions could include - direct action; strategic and operational reconnaissance; deterrent presence; Non-Combatant Evacuation Operations; humanitarian assistance/disaster relief; and a wide range of peacekeeping operations.

The intent is the creation of an NRF consisting of a technologically advanced, flexible, deployable, interoperable and sustainable force with land, sea, and air elements, which will be capable of deploying rapidly (regionally or globally), as decided by the North Atlantic Council or Defense Planning Committee. The NATO Response Force should be built around a "tiered" level of readiness construct. The first tier would be a very agile, task-organized element that will be formed from land forces that nations already possess, an aviation component, and a very capable maritime component. Drawing on existing forces precludes the requirement to create or

generate new forces. The Very High Readiness Force-Element of the NRF, combined with a headquarters realigned from an existing headquarters, will create a necessary NATO capability in the near term a more conventional deployable force (2nd Tier), with elements compatible to the first tier, would follow within a reasonable timeframe. The third tier would be the large follow-on force capable of responding to a major conflict. This tiered response provides a seamless, "effects-based," scalable capability that can help shape the international security environment across the full spectrum of crisis and conflict.

This expeditionary element of the NATO Response Force will not necessarily be U.S. led, and, in fact, will be largely manned by European members of NATO. To date, Secretary General Lord Robertson, the Chairman of the Military Committee General Harald Kujat, the Permanent Representatives, Chiefs of Defense, the National Military Representatives at SHAPE, and the staff have all embraced this concept and endorse its rapid establishment. With the NRF, NATO will have a visible, credible capability to show legitimate progress in meeting modern security challenges and attaining a level of relevancy that will have has far reaching implications for the future of the alliance.

EXCERPT FROM THE STATEMENT OF
GENERAL JAMES L. JONES, III, USMC,
COMMANDER, UNITED STATES EUROPEAN COMMAND
BEFORE THE SENATE ARMED SERVICES COMMITTEE
ON 04 MARCH 2004

PAGES 11-12

Perhaps the most important initiative emerging from the Prague Summit was the decision to create the NATO Response Force (NRF), a truly transformational capability that will give the Alliance significant new military capabilities. For the first time in its history, NATO will have a trained and certified, standing, integrated force of sea, land, air and special operations components under a single commander. The Very High Readiness element of the NRF will have the capability to begin deployment within five days and will be able to sustain itself for up to 30 days.

NATO inaugurated the "proof of concept" initial capability of the NRF on 15 October 2003 and held its first live field training exercise, Allied Response '03, in November. The first two NRF rotations are purposefully designed to be smaller and more limited in scope in order to facilitate the development of necessary doctrines, training and certification standards, operational concepts, and readiness reporting criteria and systems. The NRF is truly the transformational vehicle for NATO's military capability in the 21st century, and is worthy of our most focused support.

Once the NRF achieves Full Operational Capability no later than October 2006, it will provide NATO with the capability of responding with a military force during the "Deterrence Phase" of a situation. This force has a full operational capability that can be used across the spectrum of conflict - rapidly and sequentially. For the first time, you have less than one commander a combined air, land, and sea force that is tasked organized for an array of missions capable of responding to crises. While the NRF will have the capability for high intensity operations if required, it will also be

available to conduct humanitarian operations, peacekeeping/peace enforcement, and forcible entry operations.

The creation of the NRF is significant beyond the fielding of an important new military capability. It represents a physical manifestation of the Alliance's commitment to change in order to better confront the emerging threats of this new century. In creating this force, the Alliance moved the NRF from concept to physical reality in less than a year. Such sweeping change is virtually unprecedented in the Alliance, and gives increased optimism for the future.

INTRODUCED BY MR. RON SULLIVAN

Thank you RON for that kind introduction.

Your excellencies, distinguished members of the NATO Military Committee, fellow officers, ladies and gentlemen. It is a tremendous honor to be invited to be the guest speaker at this month's Manfred Woerner Circle luncheon. I would like thank Mr. Peter Mueller and the Manfred Woerner Circle for volunteering their time for this important organization that helps facilitate a discussion of security issues independent of the myriad international organizations that are based here in this wonderful city. Such open dialogue is important if all of us are to understand each other's viewpoints, as well as the new threats that all of us face in the 21st century.

I would also like give a special thanks to Ron Sullivan and SAIC for sponsoring this lunch. Events such as this, no matter how noble their cause, do cost money and it is only through the generous support of businesses like SAIC that this program will actually occur.

NATO AT THE CROSSROADS

What I would like to do today is to offer a few comments about my impressions on the future of the NATO Alliance now that I've been back here in Europe for almost eight months.

Today, my perception is that NATO is at a critical crossroads. We can think of crossroads in a number of different ways.

- As a junction between understandings of our publics
  - During the Cold War, most people could have told you the Alliance's purpose
  - Today, only a few people could tell you NATO's purpose
  - I think there would be few if any could tell you what NATO mission ought to be in the 21st century
  - **Which is why being here today is so important**
- As a junction between two centuries

The nature of the threat has changed

- No longer faced with threat of the large Soviet conventional and nuclear force structures
  - Threat for which the Alliance was formed over 50 years ago
  - Today, the strategic environment has changed
    - No single, clear threat as during the Cold War
    - Multiple, new threats/risks—asymmetric and unconventional, yet we still have…
    - Large standing defensive forces—reactive
    - New situation requires agile, deployable and effects-based forces that are more proactive than reactive
    - Global reach rather than being regional
    - Cold War required mass—today we practice maneuver and precision warfare replacing attrition warfare
    - A Cold War confrontation was linear—today's situation is non-linear—no front lines, no rear areas

So we are at a true crossroads. NATO faces the decision of whether it is going to evolve adequately to meet the changing international security environment, or whether it will just continue with the mind-set that proved to be tremendously successful during the Cold War, but will doom the Alliance to irrelevance if nothing is changed—we will always get there too late

- Crossroads mean choices, for good and for bad
- As for me, I'm an optimist with regard to the future.
    - Some see the future of the Alliance as being bleak, that it is not capable of making the necessary changes to meet the threats that we face today.
    - I disagree—let me tell you why.

The How: The Pol-Mil Vision from the Prague Summit

I would emphatically argue that the Alliance has already recognized the changed international security environment.

- The members of the Alliance last November at the Prague Summit demonstrated that they have the political will to change the alliance. Member nations took what I believe to be groundbreaking steps to transform the Alliance in both the political and military realms. The Alliance:
  - Expanded, adapted, and decided that it was a necessity to become more capable
  - Approved a plan to implement a new command structure, the Allied Command Operations and the Allied Command Transformation—smaller headquarters that are more capable
  - Agreed to Prague Capabilities Commitment (PCC)
    - Political Commitment on the part of all member nations to bolster their national forces in key areas
      - Strategic Airlift
      - Strategic Sealift
      - Precision Guided Munitions (PGMs)
      - Aerial Refueling capability
      - Air to Ground Surveillance (J-Stars)

- Introduced the NATO Response Force, which I believe will be the vehicle for transforming all of NATO's military forces.
  - On-track to field a "proof of concept force" this October

Any time that you have a problem, the key is first to recognize that you have one. I would argue that political decisions taken at Prague represent recognition that the Alliance does indeed have a problem and these steps are an attempt to fix that problem.

NATO's Military Transformation—The Four Pillars

So as we begin to discuss the idea of transformation…

- I recognize that there is not any one accepted definition of what transformation actually is—let me tell you how I view it
- For me, transformation means being able to do something that you couldn't do before, or by some tremendous overhaul of the things that you are currently doing, you are able to do those things exponentially better
- Transformation is not modernization (which gives you incremental change)
- Involves change in four areas, areas that I term as the Four Pillars of Transformation.
    - Technological
    - Operational Concepts
    - Institutional Reform
    - Better business practices—more efficient use of resources
- These changes are not mutually exclusive—changes across all of these pillars are interconnected and in the end, if you do it right, the sum of the whole ends up being significantly more than the sum of their individual parts.

Let me walk you through what I mean by each of these.

Pillar One: Technological Transformation

There is a significant breadth of opinion that argues that transformation can occur simply through modernization and the harnessing of technology. As I alluded to earlier, to my way of thinking, there is a big difference between the two.

Let me give you an example.

GPS—Precision Engagement capability

- Most people are aware of the spectacular images of precision weapons
- Story from my own career—how things have changed
  - In Vietnam, I watched B-52s on Arc-Light missions, these were effective, but were essentially carpet-bombing. The important fact for an infantryman on the ground is that we needed to stay at least 6,000 meters away because the bombs were so inaccurate.
  - In Afghanistan, a SOF team called in a B-52 with precision weapons to conduct close air support for members of the Northern Alliance. The troops in contact can be a lot closer to the impact point—1,000 meters—because of the increased accuracy of these weapons.

GPS—Navigation Aid

- As an brand new infantryman, I learned the art of land navigation with a lensatic compass and a good map
- Today, one of the biggest challenges that ground force commanders at all levels used to face—where am I?—is no longer a problem.

So it is fairly easy to define transformation in terms of technology since most people can understand it.

Pillar Two: Transformation in Operational Concepts

The second pillar of transformation, to my mind, is the necessity of transforming operational concepts in order to best take advantage of the technological innovations.

Examples include:

- **Network centric warfare**
  - By harnessing the ability to network among the various parts of a military organization, we give that organization a much greater overall capability. We saw that during Operation Iraqi Freedom that an infantry battalion—about 1,000 soldiers—can today do what an infantry regiment—3,500 soldiers—used to be able to do.
  - Reduce the size of your deployed HQ's footprint by employing a robust reach-back capability to allow some if not most or your personnel and assets to remain in garrison
- In the area of **logistics**, new information technology allows you to change your mindset from a "just in case" attitude, meaning having large stockpiles of materials on hand, to a "just in time" mindset. This in itself significantly reduces the

logistic footprint that a commander and staff has to contend with.

- Smaller deployed units equals less people in harms way

Within the NATO transformation process, our big change is the NATO Response Force or NRF, which in my opinion is the key to being able to transform the Alliance

- NRF: force that is responsive, capable, flexible, and credible
  - Relevant in the 21st century Security Environment

One can think of the NRF as possessing three tiers of forces.

- Top Tier—Very High Readiness Forces
  - Light, expeditionary in nature
  - Deployable with short notice
  - SOF-like make-up and capabilities
  - Used in a deterrence role, perhaps to influence the situation on the ground before it becomes much worse—Macedonia
  - Made up of forces that are currently available today within member states' force structures

Second-tier: Deployable/Stand-by Forces

- Nucleus of these already exist
- Not quite as expeditionary in nature
- More notice to deploy
- Used when you need a more robust force

- Third Tier: Follow-on Forces
  - Geared towards sustained operations
    - Major Theater War
  - Forces generated from a lower level of readiness
    - Take more time to get these forces into the fight

Pillar Three: Institutional Reform

The third pillar of the four-pillar structure for transformation is institutional reform. As with the first two pillars, it is difficult if not impossible to reap the full potential from the first two areas without also reforming our own institutions so that we can take full advantage of the gains in the other areas.

- The example I would use here is streamlining the command structure
  - Old: large, ponderous headquarters, building block approach—things of the past
  - New: networking capability coupled with reachback capability—we can streamline as never before
  - Smaller headquarters mean less positions that need to be filled, reaping even greater cost savings.
- Within NATO, we have realigned our strategic level headquarters
  - Stood-up Allied Command Transformation (ACT) last month
  - Realigned all regional commands under Allied Command Operations
  - Vested ACT with responsibility for all transformation issues

- Bridge between US and Europe
- One Schoolhouse under Adm Giambastiani in Norfolk

- Relationship between ACO and ACT
  - ACO sets the requirements for the forces
  - ACT sets that standards that NRF forces will have to meet in order to be certified to participate with the NRF

Pillar Four: Better Business Practices

The final pillar in the transformation concerns the use of resources

- Must articulate a vision for NATO that is tied to an efficient use of resources
- Convince people that you're effectively using the resources you have
  - Imperative if you want to convince people to invest in change
- In this area, I would say that we are woefully deficient
  - Do not have a good grasp on how we spend money
- For NATO—issue under this pillar of transformation is getting more from the investments that member nations are making in their defense forces
  - European nations collectively contribute $278 billion to the Alliance, with 2.5 million troops in uniform
    - Alliance gains only 80,000 combat troops from that investment
  - Nations need to acquire what NATO needs
  - Most of the force structure NATO members possess is of little use to NATO today

- By getting away from the old legacy systems, allows you to free up capital to modernize and transform
- United States did this 10 years ago—cut force structure and made a lot of funds available for modernization

- But what does NATO need? The requirements are not well-defined
  - In the process of doing a troops to task analysis that will allow us, for the first time in Alliance history, to define what we need in order to carry out the missions that the North Atlantic Council has given us
- Bottomline: in these days, it would be a near political impossibility to ask governments to give the Alliance more money for transformation when we already have excess structure and unusable equipment
  - We must do a better job of using the resources that we have been given

Summary of the Pillars

It becomes apparent that in order to reap the full advantages of the possibility of transformation:

- You have to succeed in each area of transformation
- Success in each area produces a synergistic effect in others
  - Transformation becomes more than the sum of its parts

Conclusion

I would like to wrap up my formal comments and allow time for some questions by bringing up the view of the naysayers. Many have argued that NATO no longer has a purpose and is incapable of making the necessary changes to deal effectively with the current international security environment.

I disagree. As I said before, I am an optimist about the future of the NATO Alliance.

- Member states made the political commitment for change at the Prague Summit and gave clear guidance—something that any military commander loves to have
- Subsequently, the North Atlantic Council took another important political step by giving the Alliance a mission that reflects a new **global** mindset—I'm talking about NATO's assuming command of the International Security and Assistance Force in Afghanistan. When I first arrived in Europe six months ago, I did not expect that such a step would occur so soon.

Part of the problem, though, is that you never hear about the successes

The Alliance has been far too modest and we have to change that—we need to trumpet and celebrate our successes.

- Standing Naval Force, Mediterranean—huge success in Operation ACTIVE ENDEAVOR
  - Maritime interdiction operations
    - 50% drop in illegal immigration
    - NATO operations are making the sealanes safer

  Best part—making the bad guys' operation tougher by making them find other ways to conduct their business, whether it is terrorism, trafficking in people or weapons of mass destruction, or the drug-trade.
- Balkans
  - Significant Progress in Bosnia towards the rule of law and the apprehension of PFWICs
- AFNORTH just deployed 5,000 soldiers and a permanent headquarters to take up the ISAF peacekeeping operation in Afghanistan
- Alliance is supporting the Poles, Spanish and Hungarians as they are deploying forces to Iraq.

Bottomline: the Alliance is doing lots of good things and it makes me optimistic about the future.

As I prepare to finish up, I would like to come back one more time to the NATO Response Force, because I think it is the engine that helps us bridge the gap. In agreeing to build and field the NRF, alliance members agreed to create a deployable, agile and credible force. But transformation must not occur only within the realm of the military, in my opinion.

NATO as an institution has to examine its decision-making process.

- Member states have to ask themselves: is this decision-making process still valid in the 21st century?
- Why are we building a rapid response for force of the 21st century, designed to meet the threats we face in the 21st century, if you do not also create the decision-making process that will match its capabilities?
- Is the Alliance moving from being defensive to proactive?
- Do you wish to be proactive so that you can act during the deterrence phase—limit the harm
- Or take the lengthy period of time to get to the trouble spot that I experienced when I was a young officer?

- Such a difference in deployment time could mean the difference between a few casualties and 10,000 in a humanitarian crisis.
- **Thoughtful people** need to think about these things.

- The military transformation of NATO is relatively straightforward.
    - So long as we have discipline in our transformation processes across the four pillars of transformation that I mentioned
    - So long as we have the discipline to shrink the force to what NATO really needs, we'll be better off militarily.

These are exciting times and we are at a crossroads.

Crossroads can lead to good destinations and I'm optimistic that with NATO, this great Alliance will continue to do great things.

At this point, I hope that I have provided enough grist for all of you to think about for a while, and I hope that I have proven to be a worthy choice for the Manfred Woerner Circle as it works towards its goal of fostering independent discussion of security issues here in Brussels.

With that, I would be happy to answer any questions that you might have.

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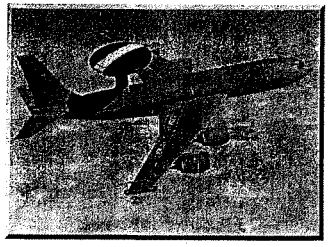
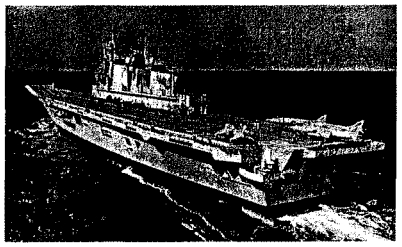


NRF –NATO's Expeditionary Capability

Former SACEUR
Luncheon
18 Sep 2003



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WHAT KIND OF FUTURE CAPABILITY WILL NATO HAVE?

20th Century	21st Century
Static	Agile
Reactive	Proactive
Regional	Global
Mass	Maneuver
Attrition	Precision
Supply Point Logistics	Integrated-Distribution Based Logistics

[redacted]

WHAT KIND OF FUTURE CAPABILITY WILL NATO HAVE?

20th Century	21st Century
Static	Agile
Reactive	Proactive
Regional	Global
Mass	Maneuver
Attrition	Precision
Supply Point Logistics	Integrated-Distribution Based Logistics

NATO made two fundamental decisions in 2002 aimed at rebuilding its 20th Century force to meet 21st Century needs....

- **MC 317/1: NATO Force Structure** (July 2002)
- **Prague Capability Commitments** (Nov 2002)

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MC 317/1 NATO Force Structure

In MC 317/1 (July '02) NATO determined to develop:

- "a NATO force structure that will allow the alliance to.... ensure an effective response to future risks and threats."

- "Readiness levels of NATO command and force elements (that) *reflect the requirements of the full mission spectrum.*"

- "a pool of *deployable HQs and forces* with the necessary flexibility for effective planning and force generation/activation...with *graduated readiness levels*...to *react quickly* and *deploy for operations* within the *entire mission spectrum* of the alliance."

- NATO forces that ***demonstrate***:
  - -Timely Force Availability
  - -Effective Engagement
  - -Effective C2
  - -Survivability & Force Protection
  - -Effective Intelligence
  - -Deplyability and Mobility
  - -Sustainability
  - -Assured Availability

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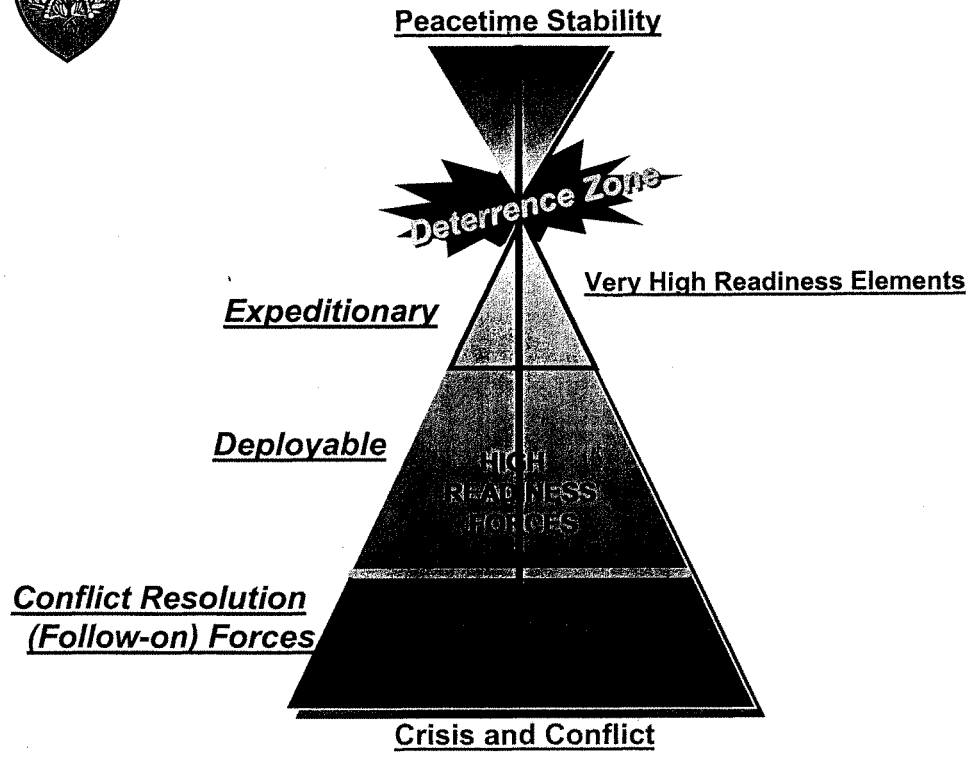
NATO's Graduated Readiness Forces



PRAGUE COMMITMENTS

Prague Capability Commitment (PCC) Nov '02

Individual Nations' firm and specific political commitments to improve capabilities in the areas of :

- Chemical, Biological, Radiological and Nuclear Defence
- Intelligence, surveillance and target acquisition
- Air-to-ground surveillance
- Command, Control and Communications
- Combat effectiveness including Precision Guided Munitions and Suppression of Enemy Air Defences
- Strategic Air and Sea Lift
- Air-to-air refueling
- Deployable Combat Support and Combat Service support Units

And.....

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PRAGUE COMMITMENTS

The NATO Response Force….

"A tiered readiness joint force; <u>expeditionary</u> in character and design, able to execute the full range of missions….Peace to High Intensity Warfight"

- Initially it's a subset of the NATO Force Structure
- Ultimately it ***is*** the future NATO Force Structure

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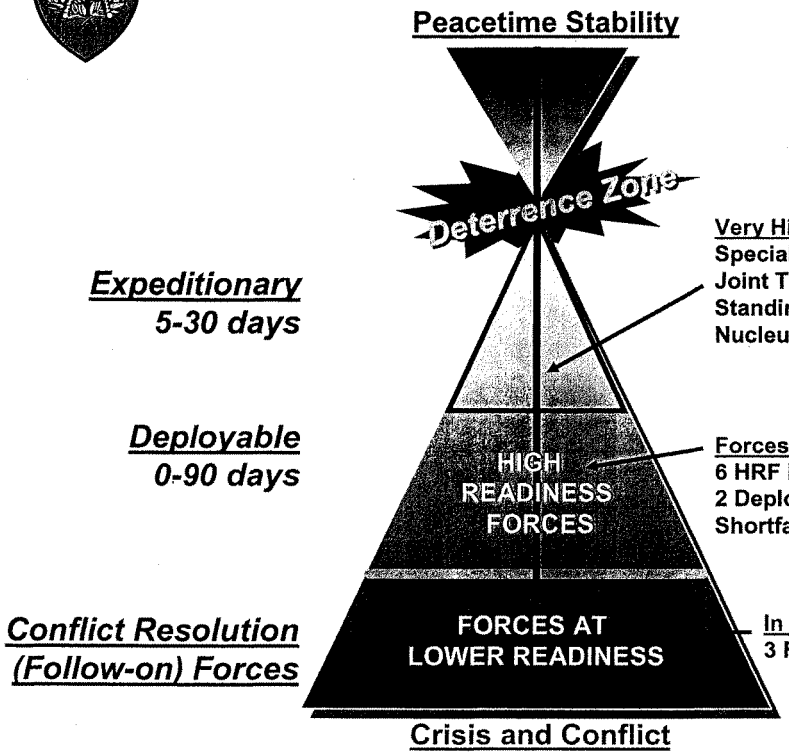
NATO's Graduated Readiness Forces



Expeditionary
5-30 days

Deployable
0-90 days

Conflict Resolution (Follow-on) Forces

Very High Readiness Element
Specialized SOF-like Capabilities
Joint Tailored Force
Standing DJTF HQ
Nucleus Already Exists

Forces Available
6 HRF HQs. Certified now.
2 Deployable CAOCs. Ready now.
Shortfalls in CS/CSS and deployability

In Development
3 FLR Corps HQs. Certified 2005

WHY NRF?

NRF is NATO's demonstration of *genuine* commitment to:

- **Create a 21st Century full spectrum operational capability *and* transformation driver**
- **Implement Prague Capability Commitment (PCC) to enable NATO's military force to achieve NATO's Level of Ambition**
- **Streamline military command arrangements**

NATO FORCE STRUCTURE

Too much, too old, too static....

For example, NATO Land Forces:

National Structures	279 Bdes
Declared to NATO, 2002	169 Bdes
NATO Requirement (2004 Force Goals)	102 Bdes
Excess	177 Bdes (approx 55 Divs)

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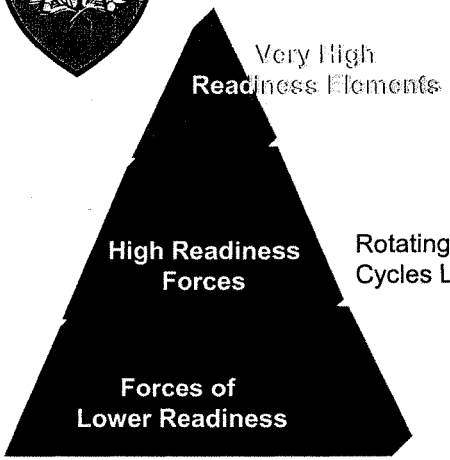
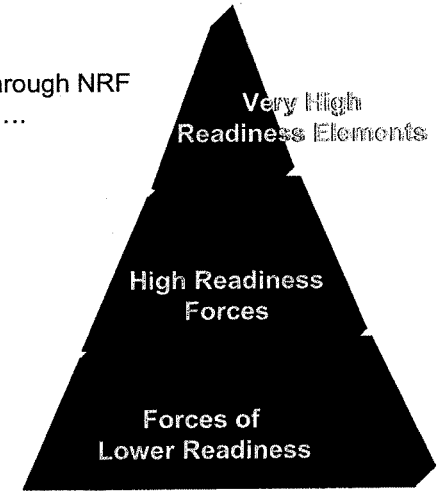
NRF and NATO Force Structure



NATO Force Structure 2003

= Deployable, Employable for Full Range of NATO Missions

Rotating forces through NRF Cycles Leads To….



NATO Force Structure 20_ _

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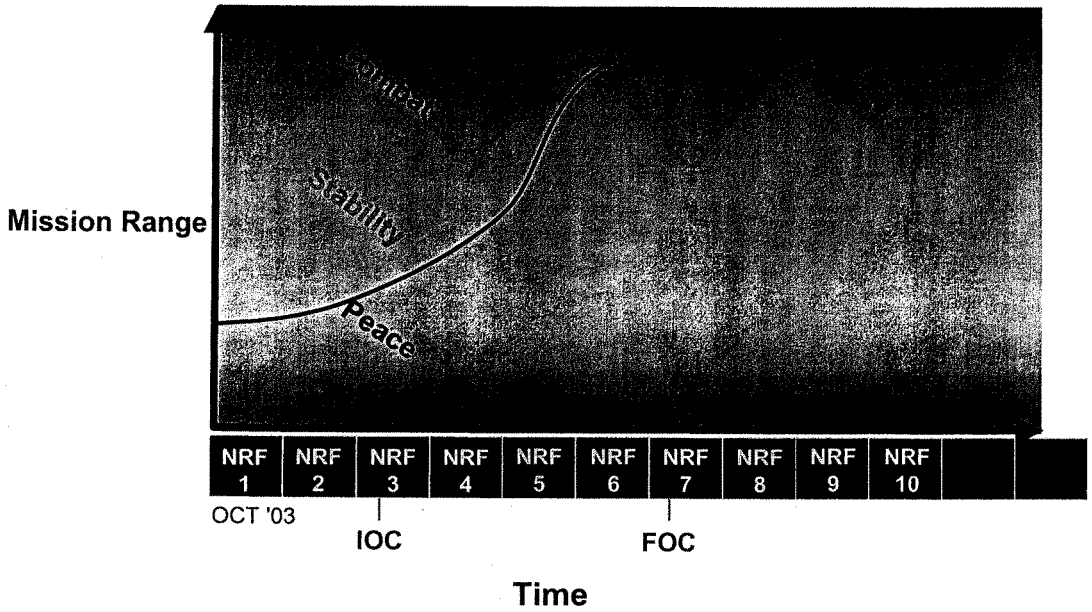
Developing the NRF



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NRF at FOC

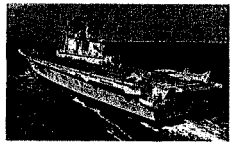
Deployable Joint Task Force HQ

Component Comds/Multi National Joint Logistic Concept

Total - 350

Maritime

NATO Task Force



Land

Brigade Combat Team

Air

200 Combat Sorties Per Day

With Strategic Enablers
- Lift
- Intel
- Force Protection
- CS
- CSS

NRFs 1 & 2 - Prototypes

UNCLASSIFIED

Deployable Joint Task Force HQ — 77

Component Comds/Multi National Joint Logistic Concept

Total - 285

Maritime

1 Amphibious Task Force (Bn)
CVS + 6 VSTOL CAS aircraft
4 Attack Helicopters
Maritime C/Measures Force (4 MCM Vessels)
Standing Naval Forces
- 1 Supply Vessel
- Organic Helicopters (1/ship)
- 6-8 Frigates (with boarding team)

1 Submarine
4 Maritime Patrol Aircraft
Limited Special Forces

Total - 3029

Spec Ops

CJSOTF HQ
TG
6-8 teams
SOLE
10 helos
5 C-130

Total - 250

Land

1 INFANTRY Bn Task Force
1 Long Range Recce Platoon
1 Engineer Platoon
1 Nuclear Biological & Chemical Recce & Decontamination Team
1 Explosive Ordnance Disposal Team
1 Medical (Role 2) Platoon
2 Recce Helicopters
4 Lift Helicopters
1 Military Police Squad
1 Psychological Ops Team

Sea Port of Disembarkation Recce Element
Logistic Supt Element (TPT, Sup, POL, Mx Pls)

Total - 2417

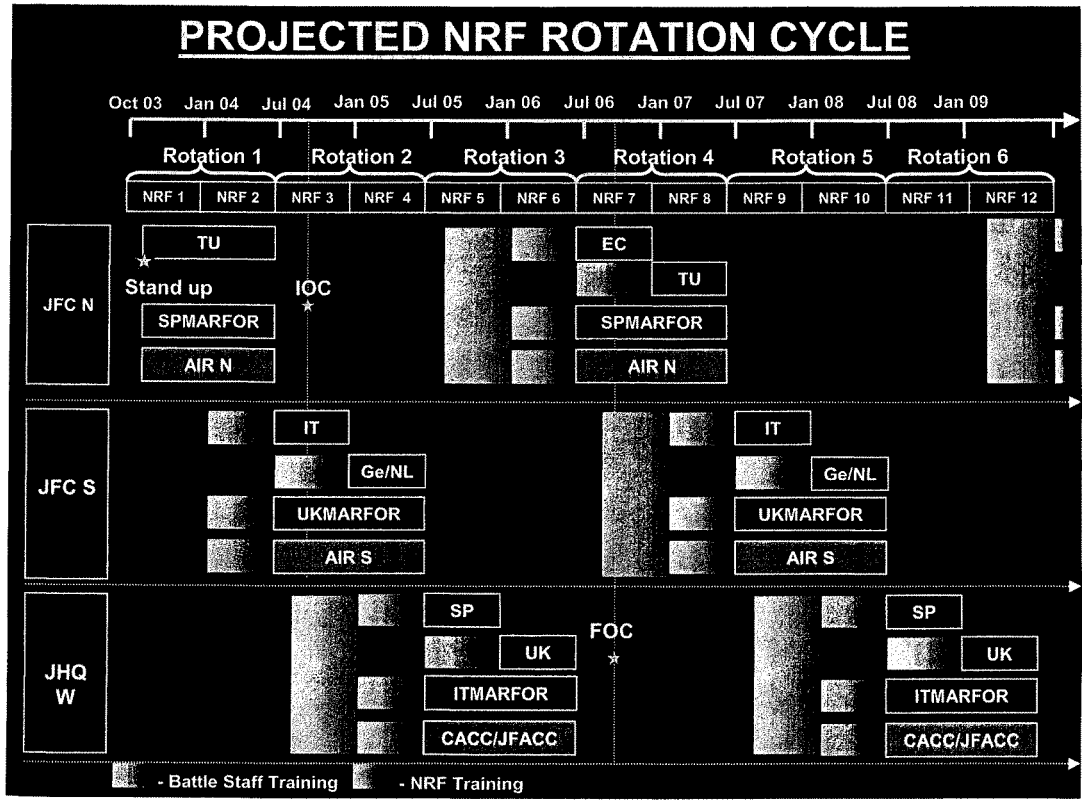
Air

7 Theater Lift
2 - 4 Airborne Warning & Control System
34 Multi Role - CAS/AD
3 Combat/Search & Rescue
2 AGSRecce
3 Electronic Intelligence
8 Air-to-Air Refuelling (Boom & Drogue)
1 Mobile Air Operations Team
Ground Logistics Support

Strategic Lift for Land and Air deployment
1 Air Port of Disembarkation Team

Total - 2234

Overall Total – 8215
(only ~4000 additional)


PROJECTED NRF ROTATION CYCLE
Oct 03
Jan 04
Jul 04
Jan 05
Jul 05
Jan 06
Jul 06
Jan 07
Jul 07
Jan 08
Jul 08
Jan 09
Rotation 1
Rotation 2
Rotation 3
Rotation 4
Rotation 5
Rotation 6
NRF 1
NRF 2
NRF 3
NRF 4
NRF 5
NRF 6
NRF 7
NRF 8
NRF 9
NRF 10
NRF 11
NRF 12
JFC N
TU
Stand up
IOC
SPMARFOR
AIR N
EC
TU
SPMARFOR
AIR N
JFC S
IT
Ge/NL
UKMARFOR
AIR S
IT
Ge/NL
UKMARFOR
AIR S
JHQ W
SP
UK
ITMARFOR
CACC/JFACC
FOC
SP
UK
ITMARFOR
CACC/JFACC
- Battle Staff Training
- NRF Training

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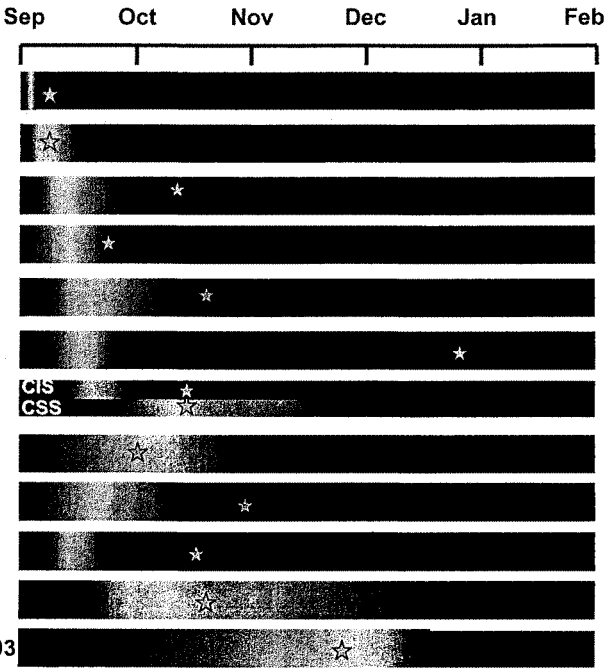
NRF DEVELOPMENT & STATUS

Updated: 10 Sep 2003

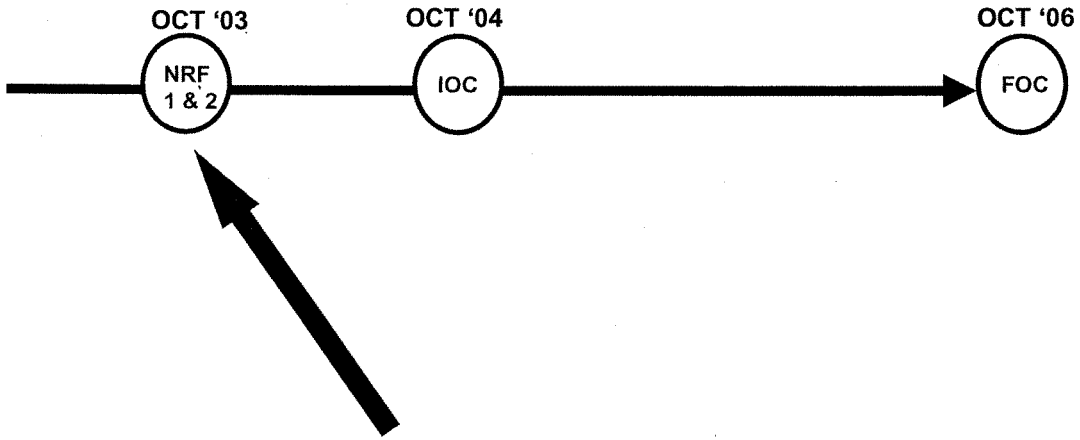


NRF Keys to Success and Principal Challenges

- Initial NRF Rotations cannot be 'Good Enough'
- Must retain focus on NRF as transformation driver to change whole NATO force structure
- Nations must reinvest savings from internal transformation:
  - Cutting force structure
  - Eliminating legacy systems
  - Closing bases
- Strategic decision-making process must become sufficiently agile to exploit NRF's potential
- Must develop and adopt the right 'forcing functions'
  - Training and Certification Standards
  - Readiness Reporting System
  - CJSOR…to include support and multipliers
  - Future Force Goals based on NRF lessons and experience
  - National caveat trend reduced

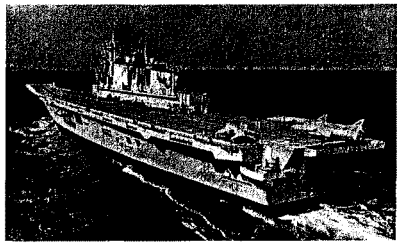
UNCLASSIFIED

Final Thought



We are less than <u>30 days from an initial NRF Capability</u>

QUESTIONS



SACEUR ADDRESS AT THE NRF STANDUP
RHQ ALLIED FORCES, NORTH
BRUNSSUM, NETHERLANDS
WEDNESDAY, 15 OCTOBER 2003/1100

912 words / 7:01 minutes

Excellencies, Distinguished Members of the Military Committee, Fellow Flag and General Officers, Ladies and Gentlemen. I am pleased to have the opportunity to welcome all of you here to the Headquarters of Allied Forces, North on this day for this important occasion. In a few minutes, the passing of the colors of the NATO Response Force to General Sir Jack Deverell will mark what I consider to be one of the most important changes in the NATO Alliance since the signing of the Washington Treaty over 50 years ago.

I would like to take this opportunity to thank General Deverell for the magnificent job his headquarters has done in preparing for this day. This includes not only the preparations for this ceremony, but all the work that has brought the NATO Response Force to this point. I would also like to recognize Admiral Sir Ian Forbes, who is representing the Allied Command for Transformation. This day represents as much of a watershed for Allied Command for Transformation as it does for Allied Command, Operations. Sir Ian—welcome.

The NATO Alliance was formed in response to a clear threat in the late 1940s, and the Alliance's purpose during the Cold War was principally dedicated towards the territorial defense of its member nations. And in this particular role for this particular mission, history has shown that the Alliance was a tremendous success. But that is history and today marks a bold step towards the future of the Alliance.

New and arguably very dangerous threats have emerged that are very different from the one for which NATO was originally formed. And the global nature of these new threats caused us to have to transform in order to meet and defeat them. Fortunately, member nations recognized this necessity for change and, last November at the Prague Summit, issued some extraordinary guidance that is the embodiment of the

vision for NATO's transformation. The creation of the Initial NATO Response Force represents one of the first manifestations of that vision and is an important sign that the Alliance is rapidly changing to meet the new threats of this new century. It represents an unambiguous commitment of the Alliance's intent to stay militarily relevant in a global context.

In many ways, today marks an important change for NATO. For the first time in its history, the Alliance will have a joint/combined air, land, sea and special operations force under a single commander, maintained as a standing rotational force. Unlike the traditional manner in which the Alliance typically generates its forces—for specific missions, usually after a need arises—the NRF, like the NATO Airborne Early Warning Force and the Standing Naval Forces, will be a standing

force available for immediate use. But unlike the NATO Airborne Early Warning Force and the Standing Naval Forces, the NRF will be a joint force that contains units and capabilities from all components that are necessary to meet modern military requirements, including those of the two examples just mentioned.

The force that we activate here today is not the fully-capable NRF. The first two NRF rotations are purposefully designed to be smaller and somewhat limited in scope. In the next few months, SHAPE, ACT, and Allied Forces, North will experiment with this force in order to develop the necessary doctrines, training and certification standards, and operational requirements to ensure the success of the NRF when it achieves full operational capability in October 2006. The NRF will be a robust, certified and capable standing force that will

have the capability to rapidly deploy as required on the fifth day following receipt of a deployment order. The Very High Readiness element of the NRF will have the ability to be self-sustaining for up to 30 days. In the end, the NRF will give the Alliance the military capability to do what it could not before—insert military forces into a deteriorating situation earlier in a crisis, with more speed, at greater ranges, with more sustainability than ever before.

But the NRF represents more to Alliance than just a new military capability—it is also the vehicle that will drive the full transformation of the Alliance from an organization designed for territorial defense to one that can confront today's multiple threats. As member nations transform their own military forces to meet the requirements of the Prague Capabilities Commitment and to provide credible

forces for the NRF, they will also transform the entire NATO Force Structure. When this is complete, NATO will no longer have the large, massed units that were necessary for the Cold War, but will have agile and capable forces at Graduated Readiness levels that will better prepare the Alliance to meet any threat that it is likely to face in this 21st century.

In the end, I am confident that the member nations will agree that transformation of the Alliance includes not only changes to operational concepts such as the NRF, but also that it is necessary to view transformation more holistically across the entire organization, to include the acquisition of important new technologies, transformed operational concepts, more efficient use of resources, and implementation of institutional reforms as required. The NATO Alliance, to my mind, is the ultimate

permanent "coalition of the willing." The Alliance has had a great history. Yet with the ongoing transformation, manifested today in the stand-up of the NATO Response Force, it is possible to believe that NATO's best days still lie in the future.

Thank you very much.

Remarks by the SACEUR
NRF Demonstration Day
Izmir, Turkey
General James L. Jones, USMC
Thursday 20 November 2003

905 words / 6:58 minutes

I would like to welcome everyone here today and I especially want to thank those who traveled a great distance to be here.

What we will see here today is the first instance of units belonging to the NATO Response Force participating together in a live field exercise. This demonstration represents yet another important sign of the continuing development of the NRF into a credible, agile and robust force that will be capable of facing the threats of the 21st century.

The creation of the NRF marks an important recognition on the part of the Alliance that the international security environment has changed dramatically. During the Cold War, when NATO's primary purpose was the territorial defense of member nations, a reliance on mass, firepower, and large military units was appropriate when Article 5 obligations were clear, operation plans were drawn up, and units were arrayed along the Iron Curtain.

Fortunately, the Soviet Union and the threat posed by its enormous conventional and nuclear force structure are no more. But instead of the peace that everyone hoped

would emerge with the fall of the Berlin Wall, new more insidious threats now loom. Non state groups that transcend the political borders drawn on our maps now threaten the nations and peoples of all our nations. These groups are determined either to use terror tactics to coerce populations and governments for their own political or financial gain, or to transport or use weapons of mass destruction against innocent people across the globe. The common denominator among these groups is that none of them have any moral hesitation in harming innocent civilians.

Member nations recognized these new threats and realized that the Alliance would have to transform itself in order to credibly face them. This vision for change crystallized last November at the Prague Summit, where member nations agreed to admit new members, to streamline the command structure, to commit to increasing their militaries' capabilities, and to create the NRF.

The Alliance has quickly implemented these transformational changes, and the best example of this is the speed with which the NRF's development process has occurred. The Alliance agreed to create the NRF a year ago, and in that time, NATO has moved the NRF from a concept to a real force that was inaugurated last month at the Headquarters Allied Forces, North in the Netherlands, and which is conducting today's demonstration. And another important sign of these transformational changes will occur in less than a month on December 3rd as the NRF's first niche capability, the Czech Republic's Chemical, Biological, and Radiological Defense Battalion achieves its

initial operational capability. All of these are important signs of NATO's rapid transformation to meet the threats of this new century.

While NATO has quickly achieved a number of important milestones in the development of the NRF—remarkable given the challenges involved in changing military organizations and cultures—much work still remains. The first two NRF rotations are purposefully designed to be small and limited in scope. The objective is to test and experiment with these early rotations to determine the right mix of forces and capabilities—the demonstration that you witness this morning is but one example of such experimentation. Allied Command for Operations, Allied Command for Transformation, and the Regional Headquarters will continue these experiments and in the process, write the necessary doctrines, training and certification standards, operational concepts, and readiness reporting procedures for the NRF. Such efforts will help ensure that the NRF achieves its Initial Operational Capability in October 2004, and its Full Operational Capability in October 2006.

The creation and successful fielding of the NRF marks a significant departure for NATO. Unlike previous NATO forces that were created for a specific mission, the NRF is a standing force like the NATO Airborne Early Warning Force and the Standing Naval Forces. But in contrast to those two forces that focus primarily on one component, the NRF is designed to be an integrated unit with forces and capabilities drawn from the air, land, sea and special operations components, all working together under a single commander. And the Very High Readiness element will have the capability of

beginning to deploy within five days of the receipt of deployment orders and sustain itself for up to thirty days.

When it is fully operational, the NRF will give the Alliance the military capability of inserting a tailored force into a deteriorating situation, when the presence of even a small number of troops could stabilize the situation, and help set the conditions for a peaceful political resolution before the occurrence of a large loss of life. And with the NRF, NATO will be able to do this at longer ranges and with greater sustainability than it has been able to do in the past.

The NRF is being developed as a ready-to-field organization—it will not be a hollow headquarters with units that exist only on paper. As you will see today, the NRF will be a credible, robust, and certified force with real headquarters, real units, and real troops. And this force, when coupled with the necessary transformational changes in the way the Alliance acquires technology, uses resources more efficiently, and implements institutional reforms, will ensure the relevance of the Alliance in the 21st Century and will provide a credible means to face and defeat the threat that now faces all our nations and peoples.

Thank you.

SACEUR Address to the Belgian Parliament
Brussels
9 March 2004 / 1100-1215
Words: 4,404 / 33:53

President de Decker, distinguished parliamentarians, ladies and gentlemen. I am honored and grateful to have the opportunity to address you here this morning. The role of any parliament in a democracy is crucial, not only to ensure that the proper checks and balances inherent in a shared power system of government are realized, but also to facilitate a fair hearing for all voices in a society on all the important issues of the day. I would suggest that one of those important issues is NATO's response to the evolving nature of the international security environment. The Alliance has embarked on a major and far-reaching transformation—not all of the implications of this transformation are understood. As you will see, the NATO Alliance is vibrant and on the move—I am thus eager and pleased to have the opportunity to speak to you—I hope I can provide to you the military view on the Alliance's ongoing transformation effort and what it means for all of us.

NATO AT THE CROSSROADS

I'd like to begin today by offering a few impressions on the future of the NATO Alliance now that I've been the Allied Commander for a little more than a year.

At the beginning of this new century, it is my perception that NATO stood at a critical crossroads. We can think of crossroads in a number of different ways. The first is as a junction between two centuries. Another way to view crossroads is in the understandings of our publics. During the Cold War, most people could have told you the Alliance's purpose. Today, only a few people could tell you NATO's purpose and I think there would be only a very few, if any, who could tell you what NATO's mission ought to be in the 21st century. This is why being here today is so important.

Perhaps the most important way to view the crossroads is in the changes in the nature of the threat facing all of our nations today. Instead of the Soviet Union and its enormous conventional and nuclear force structures, threats today are mostly composed of trans-national actors such as terrorists and narco-terrorists. Other criminal groups traffic in human beings, adding to the problem of illegal immigration and contributing to instability. Finally, there are those groups who transport weapons of mass destruction or those who strive to use them against innocent people. Two commonalities link these groups. The first is that these groups transcend current political borders drawn on our maps. Instead, these groups work along the seams between and within our nations, attacking the very fabric of our societies. Second, these groups have no moral hesitation in using terror tactics against a population or government in an attempt at political coercion or financial gain. The fact that these groups refuse to play by the "rules" and exploit our nations' desire to adhere to those rules makes the challenge posed by these groups all the more complex and tricky.

These changes produce a dramatic adjustment in the conceptual view of the battlefield. Today, there is no single, clear threat as there was during the Cold War. There are, instead, new threats and risks that are both asymmetric and unconventional. Yet we still have too many large, standing, reactive, defensive forces. Today's security environment requires agile, deployable and effects-based forces that are more proactive than reactive. Today's forces must have global reach rather than being only regional, meaning they must also be sustainable at global distances. Today, we practice maneuver and precision warfare instead of relying on the mass and firepower inherent in attrition warfare of the Cold War. Today's battlefield is non-linear—with no front lines and no rear areas—as compared to the Cold War's linear battlefield.

A helpful way of viewing these changes is to compare NATO to a company that faces a changing business environment. The company has too much capacity for what it used to do in the past, and not enough capacity for what it must do in the future. In order to remain competitive in its environment, the business must be willing to downsize, become more efficient, retool its production capacity, and adapt its decision-

making processes. If it does not, it will be bypassed by its competitors or groups of competitors who are willing to make these changes.

Change is necessary and not easy to accomplish. Yet as the Italian military theorist Giulio Douhet noted in 1921: "Victory smiles upon those who anticipate the changes in the character of war, not upon those who wait to adapt themselves after changes occur."

So NATO faced a true crossroads and the decision of whether to evolve adequately to meet the changing international security environment, or to just continue with the mind-set that was tremendously successful during the Cold War, but one that would doom the Alliance to irrelevance if nothing changed.

Crossroads are a healthy place to be, for they provide an opportunity to embark on a new course in a different and better direction. The Chinese teach us that risk comes with opportunity—it is certainly true in this case. While some risk exists with this opportunity, the riskier choice is to take no action at all. Contrary to those who see the future of the Alliance as bleak, with NATO not being capable of making the necessary changes to meet the threats we face today, I'm an optimist. I believe the Alliance is taking the necessary steps to adapt itself to its new environment. These changes, if fully enacted, will allow NATO to provide a greater degree of protection to all of its members, and allow for our governments and societies to ensure the full realization of human potential for all of our citizens.

DISCUSSION OF NATO OPERATIONS

One area that leads me to conclude that the Alliance has moved beyond this crossroads is the large number of important operations in which NATO has been, and is currently involved. This level of operational activity is a physical manifestation of NATO's commitment to being engaged in the world and to face the threats of this new millennium.

In Bosnia Herzegovina, SFOR has made significant progress toward completing its military tasks under the Dayton Accords. With the Bosnians making important progress in reforming their military and completing the requirements of disarmament, the Alliance has continued the drawdown of its forces, which will be nearly 10,000 at the end of this month. Discussions are currently underway with the European Union to transition to a policing mission by year's end.

NATO's mission in Kosovo continues to provide security in the region, as well as assist the United Nations Interim Administration in Kosovo. I'm pleased to report that, according to opinion polls, KFOR is the most popular and respected group on the ground in that province. NATO's troop strength was reduced to almost 18,000 at the end of last year. NATO will conduct Periodic Mission Reviews to assess future force requirements in Kosovo—it may be possible to transition to a "Deterrence Profile" in Kosovo during 2004, but the decision to do so rests with the North Atlantic Council.

Operation Concordia, the first NATO-EU collaborative effort in the Former Yugoslav Republic of Macedonia, came to a successful conclusion in 2003. This mission's success demonstrated the viability of the NATO-EU military relationship through an embedded EU planning cell at SHAPE.

NATO began its ambitious operation, the International Security Assistance Force or ISAF in Afghanistan in response to a United Nations Security Council Resolution in August 2003. The deployment of 6,000 NATO and non-NATO troops to Afghanistan represents the first combined force, global deployment for the Alliance. On December 30, 2003, ISAF expanded its mission and assumed command of the German-led Provincial Reconstruction Team or PRT in Konduz, a province in northern Afghanistan. The North Atlantic Council has subsequently approved a Concept of Operations for the gradual expansion of the ISAF mission to include a greater number of PRTs—a full operations plan is currently under consideration.

The Alliance's maritime interdiction operation in the Mediterranean Sea, Operation Active Endeavour, is contributing significantly to the Global War on Terrorism. Beginning in 2001 as part of NATO's Article V response to the 11 September 2001 attacks, Operation Active Endeavour has produced the most comprehensive maritime surveillance picture in the Mediterranean in years and has proven to be extremely successful in interdicting criminal and terrorist activities that use the Mediterranean as a sea line of communication. It is conceivable that Operation Active Endeavour's maritime interdiction operation could soon be extended into the Black Sea.

In February of last year, NATO conducted and completed Operation Display Deterrence, the Alliance's first Article IV mission, in response to Turkey's request for NATO's assistance to deter an attack from Iraq. During this mission, the Alliance deployed NATO AWACS aircraft and supported the deployment of theater missile defense units and chemical, biological, radiological, and nuclear defense units.

In addition to NATO missions, the Alliance assisted a number of member nations that deployed forces to Iraq in support of Operation Iraqi Freedom. NATO provided assistance to the lead nation, Poland, as well as to Spain, Hungary, other NATO nations and several non-NATO members that contributed forces to this important mission.

Finally, NATO is planning for a modernized and expanded air policing and air defense mission, the goal of which is to extend the Alliance's air defense coverage to member and soon-to-be member nations who currently do not have the capability to provide it for themselves. Regardless of the eventual course of action, NATO should adopt a comprehensive solution that covers all 26 nations in the defense of their airspace and fulfills the Alliance's Article V responsibilities.

As I conclude this summary of ongoing and recent NATO operations, I would like to take a moment and acknowledge Belgium's contributions to these efforts throughout the years. Your nation has been an important and steady contributor to NATO missions in the Balkans from the very beginning of these operations. This began with a

contribution to the Multinational Logistics Unit in the Implementation Force or IFOR in 1995, as well as a Belgian-led multinational mechanized infantry battalion at the beginning of KFOR in 1999. In addition, Belgium is also contributing to the success of the ISAF mission in Afghanistan with an infantry company deployed to Kabul International Airport for force protection. This is an important contribution since maintaining this airport's operational viability ensures the success of this critical mission today, as well as during any future mission expansion tomorrow.

I would also like to compliment your nation for its ongoing modernization efforts. Your government's restructuring and modernization plans for your already-professional armed forces will maintain their effectiveness and qualitative edge, allowing them to continue their meaningful participation across the spectrum of NATO missions. Your nation's pending acquisition of strategic airlift assets and deployable combat support and combat service support units will provide immeasurable help to NATO in the future as it plans to maintain its current missions and perhaps assume new ones

For this, and for all that Belgium does to assist NATO, I am deeply grateful.

THE HOW: THE POL-MIL VISION FROM THE PRAGUE SUMMIT

While NATO has been very busy conducting numerous operations throughout the world, it has simultaneously commenced the most comprehensive transformation in its history. To begin an examination of this transformation, one must start with the core guidance that set this process in motion. NATO heads of state and government at the Prague Summit in November 2002 demonstrated they have the political will to change the Alliance by taking what I believe to be groundbreaking steps to transform the Alliance, both politically and militarily. In doing so, member nations provided unusually clear political guidance—the best political guidance I have ever received—on how to proceed with the job of transformation. We are still discovering all the implications that are emerging because of the Prague guidance. In fact, I suspect member nations would not have agreed to these sweeping reforms had they realized all the other changes and reforms that would also be necessary to ensure transformation's success.

The first step emerging from Prague is NATO's decision to expand its membership by inviting seven nations to join its ranks. These new members will formally accede to the Washington Treaty early next month.

Secondly, NATO agreed to implement a new streamlined command structure. All operations were consolidated under the new Allied Command Operations or ACO, with the newly-activated Allied Command Transformation or ACT now having responsibility for the Alliance's transformation efforts. The two strategic commands have complementary missions: ACO and ACT are partners in the process of transforming NATO's military forces. The major realignment of ACO and ACT is complete, but much work still lies ahead to finish the job of transforming the NATO Command Structure.

The third facet of guidance emerging from Prague was NATO members agreeing to the Prague Capabilities Commitment or PCC, which is a political commitment to bolster their national forces in key areas that will improve the Alliance's capabilities across the spectrum of warfare.

The final facet of guidance emerging from Prague is the decision to create the NATO Response Force, which I believe will be the vehicle for transforming all of NATO's military forces.

NATO RESPONSE FORCE

I'd like to take a few moments to discuss the NRF with you. It marks a major change for NATO, not only as a new operational concept, but also because it is forcing a dramatic shift in the Alliance's culture and ethos. For the first time, NATO is creating a standing, integrated force with air, sea, land, and special operations components that will act under one commander. What is perhaps most important, the NRF's Very High

Readiness Forces will be ready to begin to deploy five days after receipt of a deployment order and will be able to sustain itself for up to 30 days.

What makes the NRF dramatically different is that it will give the Alliance, for the first time in its history, the military capability to act proactively. Since this term could be misunderstood, let me explain what this means to me. To my mind, one of the most important jobs of a military force is not necessarily to fight wars, although that is important, but to prevent wars. Not only will the NRF give the Alliance a means to commence a peacetime engagement program with non-member nations, it will also give NATO the military capability, should it choose to use it, of inserting a small force onto the ground during the "deterrence phase" of a deteriorating situation. The presence of this force, say during a humanitarian crisis, could help stabilize the situation before it escalates and perhaps set the conditions for an eventual political settlement without a significant loss of life occurring first.

An archetypal example of this future NRF mission capability is a mission like Operations Essential Harvest and Amber Fox, in 2001-2002. In August 2001, NATO sent a small number of troops to the former Yugoslav Republic of Macedonia—at the request of the government—in an attempt to provide a confidence building measure to help the armed factions disarm. This action helped set the conditions for a peaceful political resolution to the conflict. This undoubtedly prevented a large number of civilians from being harmed. These early missions were followed by the EU's now completed Operation CONCORDIA.

With the NRF, NATO will have a significant new military capability with which to face the threats currently present in the international security environment. I would also like to again express my appreciation to your nation for your assistance in the NRF's development. Your generous offers and contributions to the first four NRF rotations are helping set the example for other nations and will greatly assist in the its development process. Overall, I'm pleased to report that work on the NRF's development is proceeding well and the pace of its development illustrates the Alliance's will to

transform itself. NATO moved the NRF from a concept to reality in less than a year. It inaugurated the "proof of concept" NRF rotation last October and conducted the NRF's first field exercise in Turkey last November. The NRF is on track to achieve its Initial Operational Capability in October 2004 and its Full Operational Capability in October 2006.

IMPLICATIONS OF TRANSFORMATION

In the past 16 months, the military side of NATO has taken some bold steps and implemented a number of sweeping changes as the Alliance starts down the path of its historic transformation. This process of transformation is not magic and much work remains to be done by both individual member and invitee nations, as well as by the Alliance as a whole, if the full advantages of this vision are to be fully realized. The invitee nations, for instance, who will soon become full members of the Alliance, face an important challenge in the coming years as they complete the integration process with the Alliance. The successful integration of their forces will allow for their seamless integration into the NRF, or into the High Readiness Forces, or into Forces at Lower Readiness echelons. The invitee nations have already taken the first important step in this process by actively participating in NATO operations and exercises.

But learning NATO's procedures and improving interoperability is only one facet of what NATO members must do. Member nations and invitees, in my judgment, face painful decisions regarding the transformation of their military forces in order to best provide forces and capabilities needed for the new missions. In this sense, it is very much linked to member nations' commitment, made in the Prague Capabilities Commitment, to increase the capabilities of their own military forces. As all of us know, acquiring new capabilities means finding new funding. There are two ways I know to do this. Either a nation can significantly increase the size of its national defense budget, or it can find savings within current funding levels. I think all of us here recognize that it is unlikely that there will be a substantial increase in national defense budgets in the next

few years, so finding the funds for investment in transformational projects from within becomes the linchpin to success.

A nation making notable progress in such an internal transformation is France. The French Armed Forces are currently in the midst of the second phase of their major, multi-year, three phase military restructuring project. They are moving their force from one being based on conscript service to an All Volunteer Force. French defense spending for 2003 amounted to almost 2% of Gross Domestic Product, and a slight increase is projected for 2004. This spending ensured the procurement of new equipment, facilitated the repair and refurbishment of existing equipment, as well as enhanced training programs. This transformation project, with only a minimal increase in their defense budget, will allow France to fulfill its goal of conflict resolution, assist in non and counterproliferation efforts, maintain its conventional and nuclear capabilities, as well as increase France's interoperability with Allies and EU partners.

Another example of a success is the United States' military's efforts to transform in the 1990s. During this time, the U.S. Department of Defense cut the number of people in uniform by 40%, removed outdated and legacy equipment from our inventories, and closed bases that were no longer needed. These moves provided significant savings, which the country subsequently reinvested into high technology—the same high technology that allows the U.S. to perform so well on the battlefield today. The much-touted "technology gap" that supposedly exists between the United States and Europe could be corrected over time if allies take the tough decisions to cut force structure, remove legacy equipment, close unneeded bases, and reinvest the savings back into the military.

There are two lessons to take away from these two examples. The first is that both nations' efforts occurred or are occurring in an era of flat or shrinking defense budgets. The second point is that a decision to begin an internal transformation project is in reality a commitment to a years-long effort that will require continued commitment on the part of the government and the national parliament to ensure its success.

To my mind, it would be devastating if member nations' militaries undergo this painful process of internal transformation to become more efficient, and governments subsequently do not reinvest those savings into the high-end technologies that are so important for ensuring a member's individual transformation and interoperability with NATO. If that happens, all that would be left for national militaries would be an untransformed force and smaller force structure—smaller would not be better in this instance. Attaining the goals of the Prague Capability Commitment is an expensive and ambitious proposition. Because of this, I am recommending to nations that they maintain their defense budgets at a minimum of 2% of GDP.

One initiative currently underway at SHAPE will help member nations in their restructuring analysis. In the past, NATO has generally accepted whatever member nations have offered to it. In fact, the Alliance has been used as a rubber stamp "seal of approval" by Ministries of Defense seeking the approval of their parliament for the acquisition of particular weapon systems.

Additionally, the NATO Force Structure is still inflated with many Cold War-type forces and capabilities that are no longer needed. To give you an example from NATO's Land Forces, member nations currently possess 279 brigades in their national structures. Of these, 169 brigades are declared to NATO, but NATO only requires 102 brigades. This means that there is an excess of 177 brigades—approximately 55 divisions. Very few of these Cold War era units are usable on today's battlefield.

To accommodate these concerns, NATO is producing a Statement of Requirements for both forces and capabilities. Once this is completed, member nations can then base their own force structure decisions on NATO's Requirements. The Alliance will no longer accept anything it does not need, based on the Statement of Requirements. If member nations choose to acquire more capabilities than are needed to support the Alliance, that is their sovereign right to do so. The new Statement of Requirements will assist states in transforming their own military forces from structures

based on the Cold War-paradigm of manpower and firepower intensive heavy units built for attrition warfare, to a force structure that is more responsive, agile, expeditionary, joint and precision-effects based in nature.

Another area where member nations face an important decision concerns the issue of when national forces come under NATO operational control. This process is called the transfer of authority. Typically, a national unit is transferred to NATO only when national approval is granted for a specific operation. But this will be challenging for units belonging to the NRF. For the six month period of an NRF rotation, units in the Very High Readiness elements must be prepared to begin to deploy within five days of being notified. If a national decision is needed to use this unit, there may not be time to go back to that capital and receive the necessary permission to use the unit in an NRF deployment. Since the Prague Summit mandates a five-day begin-to-deploy requirement, we may not be able to accept units for the NRF Very High Readiness element from nations where this transfer of authority issue has not been resolved. I'm pleased to note that a number of nations have taken the necessary steps to change their national laws so that their units can participate effectively with the NRF. I'm hopeful other nations will continue with this work.

In addition to the challenges lying before individual member nations, broader challenges exist to the Alliance as a whole. It is relatively simple to implement a new operational concept like the NRF, or to make a commitment to build up national military capabilities that focus on the high end of the spectrum of conflict. To fully realize the benefits of these initiatives, one must also examine what institutional reforms are necessary within the Alliance as a whole.

One area where such institutional reform is necessary, in my opinion, is connected with the NATO Response Force. With the NRF, NATO will have a force capable of quickly responding with a tailored, trained, and certified force to face a vast array of contingencies. Yet the Alliance will only be able to take full advantage of the NRF's agility and expeditionary nature if it also enacts a concurrent reform in its

strategic decision-making process. The deliberate, consensus-building decision-making process has been one of the Alliance's strengths since its inception. The need for a quick decision was not necessary during the Cold War when the Article 5 commitment to collective defense was clear, defense plans were already drawn up, and large standing forces were arrayed along the Iron Curtain. In today's international security environment, where threats and situations materialize quickly and are often not readily apparent initially, achieving a consensus that is timely enough to take advantage of the NRF's deployability represents a significant change from the Cold War era. It seems logical that member nations might wish to consider whether the force that the Alliance is creating in the NRF—and the agility that force possesses—is compatible with the speed with which the Alliance makes its decisions. I'll return to the analogy to business I used earlier. Every organization, whether it is a business, a military service, or an alliance must periodically reexamine itself to see if it is still fully compatible with the environment in which it operates. And specifically regarding security crises, a good decision made too slowly is not any better than a bad decision made too quickly: a balance must be found.

Member nations will have to wrestle with this issue of how to achieve consensus fast enough to take advantage of the NRF's capability to stabilize the situation on the ground. NATO is the ultimate, permanent coalition of the willing and I do not think anyone wants to see other coalitions of the willing bypass it because the Alliance cannot make decisions quickly enough.

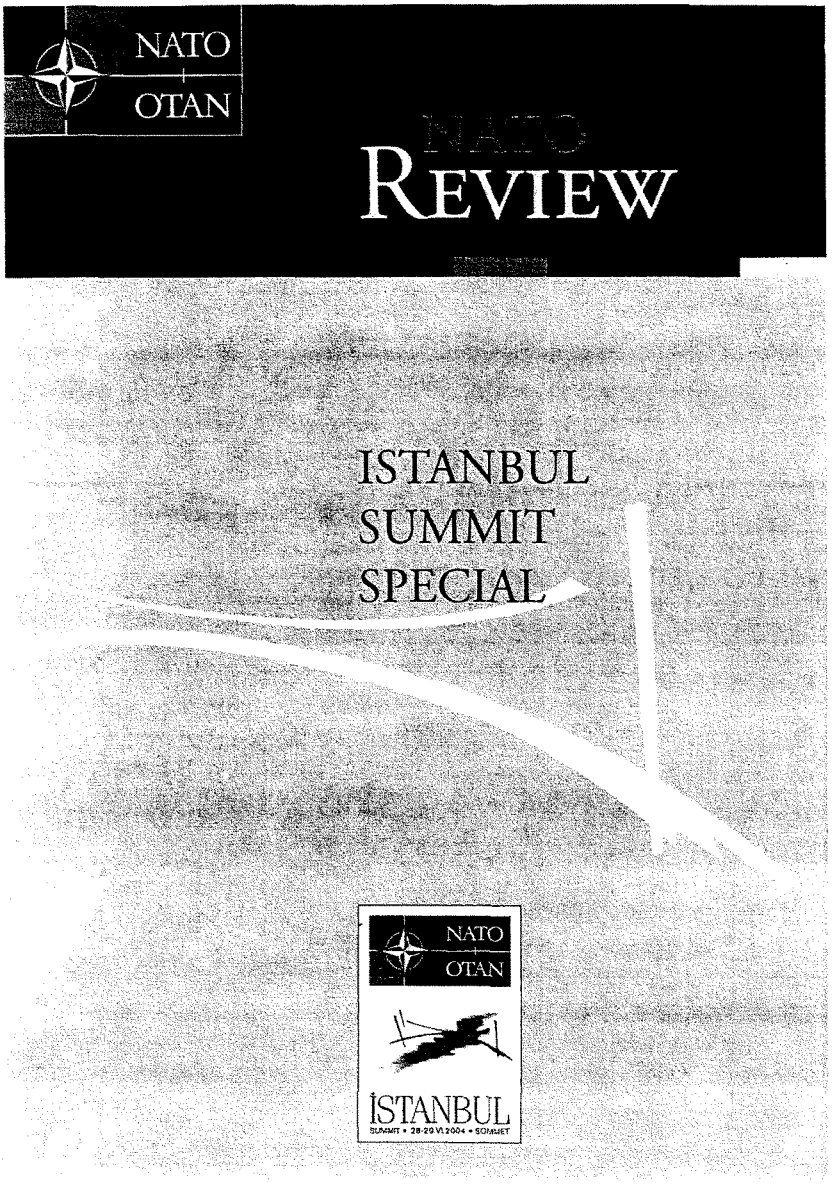
CONCLUSION

As I wrap up here today and move into the question and answer session, I'd like to leave you with a few thoughts. NATO's military transformation is relatively straightforward and it is occurring at a much faster rate than people might believe. As an example: NATO moved the NRF from an idea at the Prague Summit 16 months ago to the reality we have today. What member nations must decide for themselves is how much they are willing to undergo the admittedly painful internal transformation and support other institutional reforms needed within the Alliance to ensure transformational

concepts like the NATO Response Force fulfill their enormous promise. As parliamentarians involved in Belgium's constitutional processes, you too will play a role in determining whether NATO will fully and successfully transform.

I believe that NATO has moved beyond these crossroads and is starting down the right path that will allow the Alliance to transform itself as envisioned by the Prague Summit. And if we continue this journey, all of our nations will be much safer and more secure, and we will bequeath a worthy legacy to our children.

With that, I would be happy to answer any questions that you might have.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REVIEW
ISTANBUL
SUMMIT
SPECIAL
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OTAN
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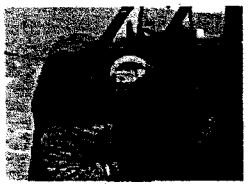
contents

Special

4
Anticipating Istanbul
Jaap de Hoop Scheffer outlines areas of special focus for the Istanbul Summit.



7
Right time, right place
Recep Tayyip Erdoğan sets out his vision for the Istanbul Summit.

Analysis

9
The meaning of enlargement
Tomáš Valášek examines the impact of both EU and NATO enlargement.

12
Debating security strategies
David S. Yost examines the implications for NATO of US strategic thinking.

Debate

16
Should the Middle East be NATO's new central front?
William Marshall versus Peter Rudolf

Partnerships

22
Building effective partnerships
Christopher Bennett examines how NATO has forged effective partnerships.

26
Forging a NATO partnership for the Greater Middle East
Chris Donnelly examines how NATO's experience with the Partnership for Peace might help build a comparable programme in the Greater Middle East.

30
Continuing to build security through partnership
Robert Weaver analyses the challenges that face NATO's partnerships.

Operations

33
NATO's evolving operations
Adam Kobieracki examines the evolution of NATO's operations.

36
The way forward in Afghanistan
Hikmet Çetin analyses the evolution of NATO's engagement in Afghanistan.

38
Great expectations
Lieutenant-General Rick Hillier examines the challenges facing both Afghanistan and NATO.

40
Interview
Brigadier-General Brännström: Peacekeeping Partner

Strategic relationships

43
Building hope on experience
Paul Fritch examines the evolution of the NATO-Russia Council.

46
Edging erratically forward
James Sherr examines NATO-Ukraine relations.

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Every mention of the former Yugoslav Republic of Macedonia is marked by an asterisk (*) referring to the following footnote: Turkey recognises the Republic of Macedonia with its constitutional name. Every mention of Macedonia is marked by a dagger (†) referring to the following footnote: NATO members with the exception of Turkey recognise the Republic of Macedonia as the former Yugoslav Republic of Macedonia. Turkey recognises the Republic of Macedonia with its constitutional name.

50
The ties that bind
Julian Lindley-French analyses EU-NATO relations.

54
Interview
General Totskiy: Russian Ambassador to NATO

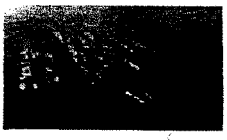
Capabilities

57
Transforming NATO's military structures
General James L. Jones examines how the Alliance has reformed its military structures since the Prague Summit.

60
Interview
Admiral Giambastiani: SACT

64
A radically new Command Structure for NATO
Air Vice-Marshal Andrew Vallance explains how NATO's Command Structure has been revamped.

68
Marrying capabilities to commitments
John Colston examines how the Alliance is improving its military capabilities.



foreword

This is a one-off, hardcopy special issue of *NATO Review* for the Istanbul Summit. Otherwise, *NATO Review* is an electronic magazine published four times a year on the NATO web site that can be read in 22 NATO languages as well as Russian and Ukrainian at www.nato.int/review. This Istanbul Summit Special brings together much of the most relevant writing to have appeared in recent electronic issues in one volume covering the principal Summit themes of capabilities, operations and partnerships. Articles by Julian Lindley-French, Paul Fritch, James Stierr, Air Vice-Marshal Andrew Vallance and myself, as well as the interview with General Konstantin Vasilyevich Totskiy, the first Russian ambassador to be exclusively accredited to NATO originally appeared in the autumn 2003 issue. The article by David S. Yost originally appeared in the winter 2003 issue. Articles by Chris Donnelly, General James L. Jones and Robert Weaver, as well as the debate between Will Marshall and Peter Rudolf and the interview with Brigadier-General Anders Brännström, the Partner officer who commanded a sector in the NATO-led operation in Kosovo, originally appeared in the spring 2004 issue. Everything else appears in the current summer issue, which also includes a review of recent writing on transatlantic relations by former NATO Spokesman Jamie Shea; an analysis of relations between Serbia and Montenegro and NATO by Pavle Jenković and Srdjan Gligorijević, two analysts from the G17 Institute in Belgrade; and a debate on international involvement in the former Yugoslavia between Gerald Knaus of the Berlin-based European Stability Initiative and Nicholas Whyte of the Brussels-based International Crisis Group. The on-line edition is continuously being improved and, in addition to articles, interviews, debates and book reviews, includes many special features, such as interactive maps, suggested further reading on NATO topics and relevant statistics.

The Editor

Transforming NATO's military structures

General James L. Jones examines how the Alliance has reformed its military structures since the Prague Summit and the development of the NATO Response Force.

NATO is at an historic crossroads. Immensely successful in fulfilling the mission for which it was created, the Alliance now faces new challenges and risks in an evolving international security environment. With risk, there comes opportunity and NATO has embarked upon an ambitious transformation and renewal process to ensure that it is as equipped to deal with today's and tomorrow's challenges as it was with those of the Cold War. This includes the streamlining of the NATO Command Structure and the creation of a NATO Response Force.

The international security environment is continually evolving and new threats are emerging that are qualitatively and quantitatively different from the conventional and traditional challenges of the 20th century. In recognition of threats such as those posed by radical fundamentalism, international terrorism and transnational criminal networks, Allied leaders agreed at the Prague Summit in November 2002 to implement sweeping and historic changes to the way that NATO operates.

The transformation process that was set in motion at Prague represents a new vision for NATO and a radical shift away from the Alliance's original core objective, namely the defence of Western Europe from the Soviet threat. As the nature of the threat has changed from that posed by the Soviet Union's enormous conventional and nuclear forces, it has become necessary to restructure Alliance militaries and to prepare them for the unconventional and asymmetric threats NATO members face today. In the words of former NATO Secretary General, Lord Robertson: "This is not business as usual, but the emergence of a new and modernised NATO, fit for the challenges of the new century."

This necessary transformation bridges the physical and conceptual differences between two different eras of warfare. During the Cold War, the Alliance focused on mass and firepower in preparation for the expected war of attrition – any unit or capability offered by a member state would have helped deter the enemy. Today's forces have to be agile, proactive and manoeuvrable on a battlefield with no clear front lines. During the Cold War, Allied forces would have fought close to home and relied on national logistics located only a short distance from the battlefield. Today, NATO forces must be prepared to deploy to, and sustain themselves in, any location in the world.

General James L. Jones is NATO's Supreme Allied Commander Europe and Commander of the US European Command.

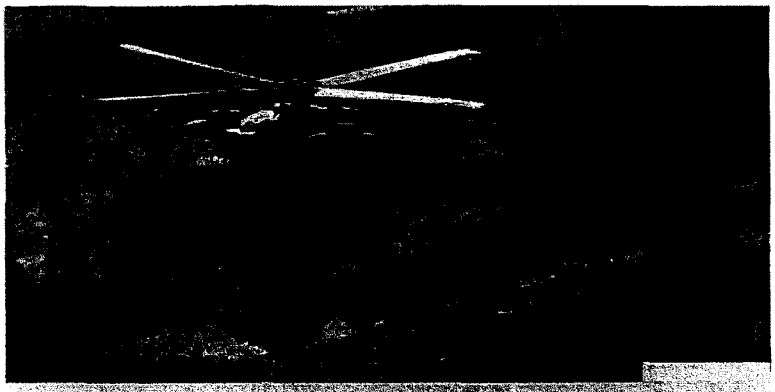
A new Command Structure

One of the Prague Summit's most important decisions was to streamline the NATO Command Structure to provide "a leaner, more efficient, effective and deployable command structure, with a view to meeting the operational requirements for the full range of Alliance missions". NATO deactivated the Supreme Allied Command, Atlantic, based in Norfolk, Virginia, and vested all operational responsibilities under the Allied Command for Operations (ACO), formerly the Allied Command Europe, based in Mons, Belgium. The new Allied Command for Transformation (ACT) was simultaneously activated in Norfolk, Virginia, and is responsible for the Alliance's military transformation. In addition, a third Joint Headquarters was created in Lisbon, Portugal. This was formally inaugurated in March 2004 and will form the basis for a sea-based Combined Joint Task Force. Twelve subordinate regional headquarters are to be deactivated in the next few years.

The results already emerging from these changes are impressive. Overlapping and confusing lines of authority have been cleared up as all operations now fall under the ACO. A clear division of labour has been established between the ACO and the newly formed ACT: ACO defines the standards that units will have to meet to be included for service in a NATO command and ACT develops the necessary training for these units. Both ACO and ACT will certify whether units meet necessary standards. By vesting all operational responsibilities in one Command and focusing the second Strategic Command on the challenges of on-going transformation and improving the interoperability of member nations, NATO has postured itself for continuous transformation to meet the ever-evolving challenges of today's security environment.

NATO Response Force

The second groundbreaking change arising from the Prague Summit was the decision to create a NATO Response Force



NRF in action: NATO forces must be prepared to deploy to, and sustain themselves in, any location in the world.

(NRF), that is a technologically advanced, flexible, deployable, interoperable and sustainable force. It was to include land, sea and air elements and be ready to move quickly wherever it was needed, as decided by the North Atlantic Council, NATO's highest decision-making body. This clear guidance – something any military commander wants to receive – provided Supreme Headquarters Allied Powers Europe (SHAPE) with the authority to craft the NRF into a truly transformational force and one which gives the Alliance significant new military capabilities.

Once the NRF is operational, NATO will for the first time in its history have a standing, integrated force with sea, land, air and special operations components under a single commander. This force will train together, be certified together, and if necessary, deploy together. The NRF's very high-readiness element will have the capability of beginning deployment within five days of receiving its notice to move and of sustaining itself for up to 30 days. Given the Alliance's new global mind-set – manifested in its assumption of responsibility for the international peacekeeping operation in Afghanistan, the International Security Assistance Force – the NRF must be ready to deploy and sustain itself anywhere in the world.

One important aspect of the NRF's transformational nature is that it will be a standing force. Unlike other NATO forces created for a specific mission when the need arose and which often required mobilisation, the NRF will be available for immediate use for any mission deemed appropriate by the North Atlantic Council. In that sense, the NRF will be similar to NATO's Airborne Early Warning Force and the Standing Naval Forces. But unlike those two forces that are focused primarily on one component – air and maritime respectively – the NRF will possess units and capabilities from all components, as well as being a truly integrated, joint, and combined force from its inception.

The Alliance inaugurated the first prototype NRF rotation force, the so-called "NRF 1", at Regional Headquarters North in Brunssum, the Netherlands, on 15 October 2003. The first two NRF rotations, while operational, are experimental. They have been designed to be small and limited in scope. SHAPE, ACT and the Regional Headquarters are experimenting with this force to develop the necessary doctrines, training and certification standards, operational requirements, and readiness reporting requirements to ensure the NRF's success when it reaches its initial operational capability in October 2004. It will become fully operational in October 2006.

Proactive capability

Once this occurs, the Alliance will possess an important new military capability, namely the ability to act proactively. This represents a significant and historic change in the Alliance's ethos and culture, since during the Cold War NATO was simply reactive. At the time, the Article 5 commitment to collective defence was clear, defence plans were already prepared and large standing forces were stationed along the Iron Curtain.

Being proactive does not always mean rapidly resorting to the use of force, however. As important as it is for the NRF to be able to operate effectively at the high end of the inten-

sity spectrum, its agility and expeditionary nature could help forestall conflict in the first place. In addition to being able to participate in peacetime engagement programmes that will help strengthen national institutions, the NRF's agility and expeditionary nature gives the Alliance the military capability to insert a small force onto the ground during the deterrence phase of a deteriorating situation. The presence of this force, during a humanitarian crisis, for example, could help stabilise a situation before it escalates and might even help bring about the conditions for an eventual political settlement without a significant loss of life occurring first. With a humanitarian crisis in particular, it is better to deploy in advance of a potential disaster rather than waiting until it has occurred and having to deal with the consequences.

NATO's experience in the former Yugoslav Republic of Macedonia* between August 2001 and March 2003 illustrates the potential of a proactive approach. In August 2001, at the request of the Skopje government, NATO deployed a relatively small number of soldiers in a confidence-building capacity. This mission, Operation *Essential Harvest*, facilitated the disarming of the rebel ethnic Albanian National Liberation Army and made possible a reconstruction process. A smaller NATO force then remained in the former Yugoslav Republic of Macedonia* in Operation *Amber Fox* to protect teams of observers from the Organization for Security and Cooperation in Europe monitoring implementation of a framework peace agreement. These actions on the part of the Alliance in large part facilitated the peaceful resolution of this situation, prevented the escalation of the crisis, and undoubtedly saved countless lives.

The agility of the NRF and its ability to deploy rapidly will give the Alliance the institutionalised military capability to conduct similar operations in the future. Moreover, the NRF will also have the ability to perform other missions as directed by the North Atlantic Council, to include humanitarian operations, peacekeeping and peace-enforcement operations, direct-action missions to include forced-entry operations, and still have the capability of performing high-intensity operations, if required.

Changing force structure

In addition to providing the Alliance with a proactive capability, the NRF will also serve as a vehicle for changing the NATO force structure and the force structures of individual member nations. This is necessary since the Alliance retains too many structures and capabilities that date back to the Cold War when NATO relied on mass and firepower to perform its mission and large numbers of soldiers and huge arsenals of equipment were essential. As an example, 279 brigades exist within NATO members' force structures, of which 169 were declared to NATO in 2002. Yet the NATO 2004 Force Goals' requirement is for just 102 brigades. In other words, member nations collectively possess 177 extra brigades, or approximately 55 divisions, that the Alliance does not need. Yet most of the force structure promised to the Alliance is of little use in dealing with the threat that member nations face today, since the units are not sufficiently mobile, deployable, or sustainable.

A good way to understand this problem is to compare NATO to a company that is forced to downsize because of changes in the market environment. The company has too much capacity for what it used to do in the past and not enough capacity for what it must do in the future. In order to retool effectively, tough decisions must be made in order to free up resources to invest for the future.

The Alliance is now taking steps to downsize and retool as it adapts to face its changed security environment. NATO is conducting a troops-to-task analysis – using the NRF as its basis – that will define the minimum number of troops and capabilities needed for NATO to carry out its 21st century missions. With the completion of this statement of requirements, each member nation will then be asked to contribute whatever troops or capabilities they believe they are in a position to provide. After meeting NATO requirements, member nations can decide for themselves what additional military forces they wish to possess beyond those required for the Alliance. As nations adapt to the rotational and continual requirements of the NRF, it will serve as an impetus for the transformation of member nations' militaries.

Writing in 1921, Italian air-power theorist Giulio Douhet noted that: "Victory smiles upon those who anticipate the changes in the character of war, not upon those who wait to adapt themselves after changes occur." More than 80 years later, his words remain as poignant as when he wrote them and illustrate the importance of the NATO transformation agenda set out at Prague. However, transformation does not occur by magic and still requires a great deal of hard work.

In spite of numerous challenges to overcome before the fielding of a fully operational NRF, progress made since Prague provides grounds for optimism. The Alliance has successfully enacted significant changes in its Command Structure and has brought the NRF from a concept to a reality in less than a year – remarkable achievements considering the challenges involved in changing any military organisation and culture. The Alliance has a glorious history and did a magnificent job during the Cold War. Today it is doing an equally impressive job as it simultaneously conducts operations in Afghanistan, the Balkans, and the Mediterranean. By fulfilling the vision of the Alliance agreed at Prague, I'm confident NATO's best days still lie ahead. ■

For more on the NATO Response Force, see www.nato.int/issues/nrf

NATO Transformation:

Institutional Change Through the Four Pillars of Transformation

General James L. Jones
Commander
United States European Command

"Victory smiles upon those who anticipate the changes in the character of war, not upon those who wait to adapt themselves after changes occur"

-- Guilio Douhet

21st Century Security Trends

- Failed states; haves vs. have nots
- Demographic challenges
  - Population: migration and illegal immigration
  - Resources
  - Urbanization
  - Weak national institutions
- Radical fundamentalism
- Nexus of terrorism, WMD, organized crime
- Trading bloc economics
- Emerging China
- Resurgent Russia

Conceptual Differences in the Battlefield

20th Century	21st Century
Static	Agile
Reactive	Proactive
Regional	Global
Mass	Maneuver
Attrition	Precision
Deconfliction	Coherence
Supply Point Logistics	Integrated-Distribution Based Logistics
National Intelligence	NATO Intelligence Fusion Cell

Prague Summit's Strategic Decisions

- Expand to 26 nations
- Agreed to Prague Capabilities Commitment
- Directed Creation of NATO Response Force (NRF)
- Streamline NATO Command Structure

The New Structure: ACO & ACT

New NCS is based on *function* not

Allied Command Transformation (ACT)

Responsible for Transformation

Commanded by SACT, dual-hatted as COMUSJFCOM

Develops capabilities, doctrine, defence planning and training

Supports ACO on training, interoperability, lessons learned

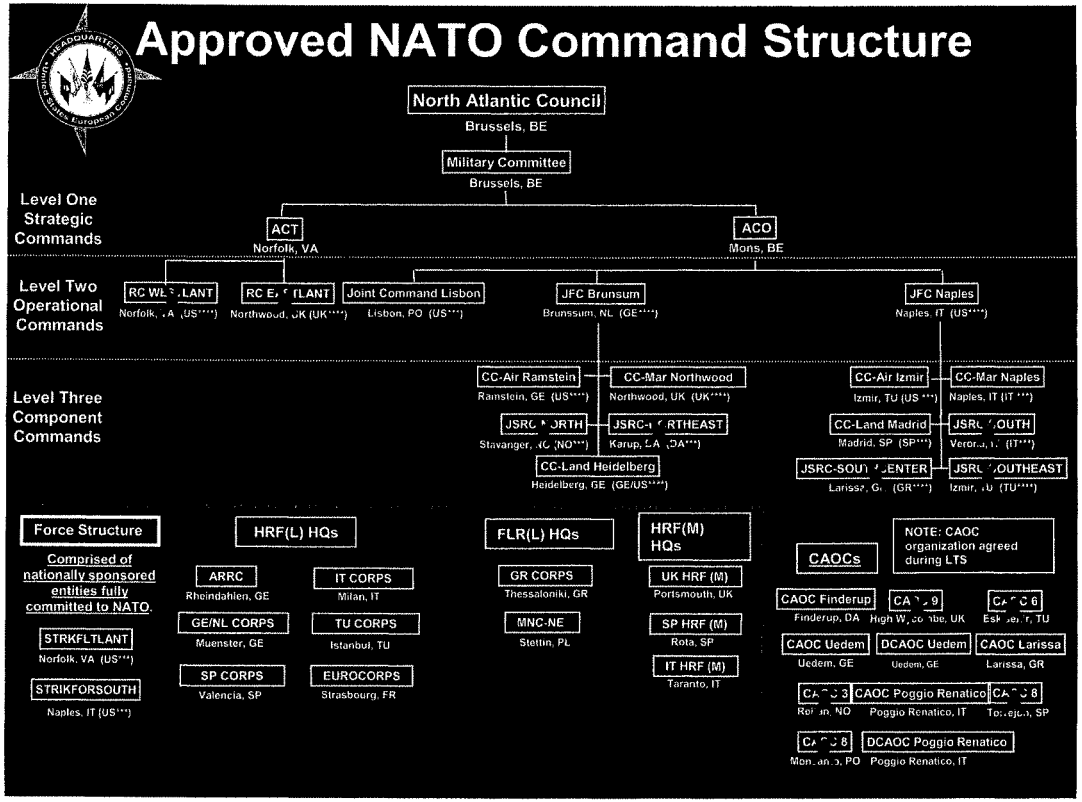
Supports Nations on Transformation and Defence Planning

Allied Command Operations (ACO)

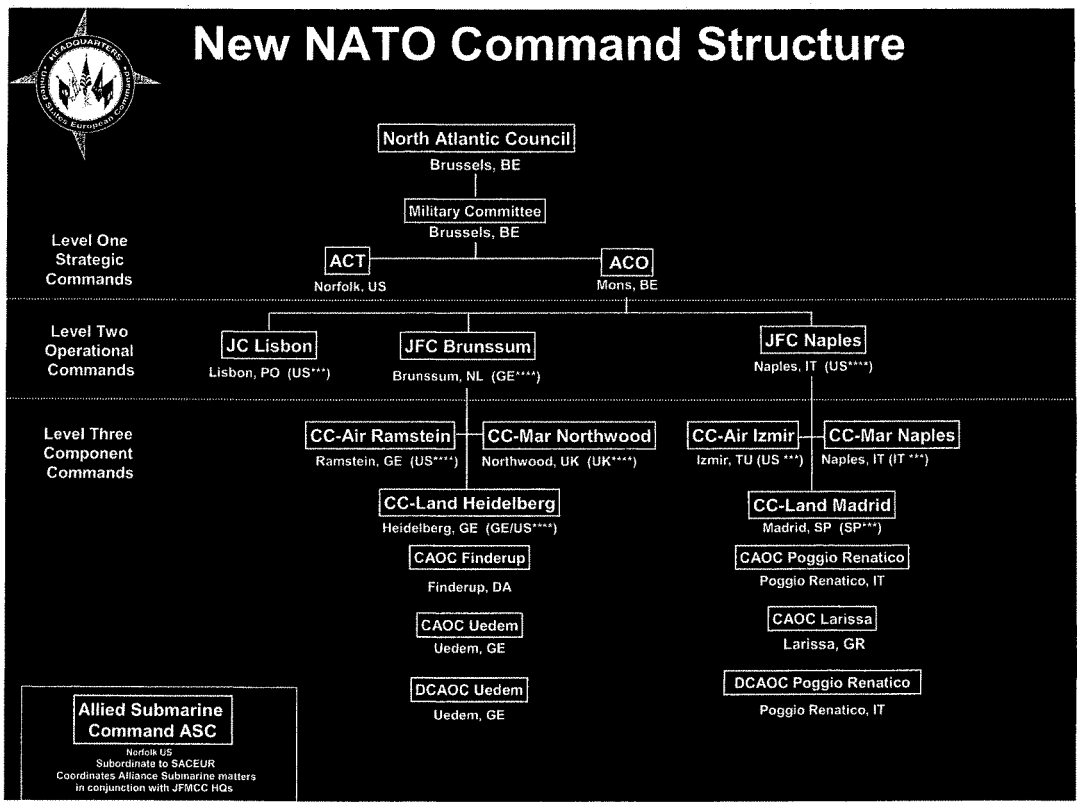
Responsible for all Operations

Commanded by SACEUR, dual-hatted as COMUSEUCOM

Exercises command & control over *all* NATO operations


Approved NATO Command Structure
North Atlantic Council
Brussels, BE
Military Committee
Brussels, BE
Level One Strategic Commands
ACT
Norfolk, VA
ACO
Mons, BE
Level Two Operational Commands
Joint Command Lisbon
Lisbon, PO (US***)
JFC Brunsum
Brunssum, NL (GE***)
JFC Naples
Naples, IT (US***)
Level Three Component Commands
CC-Air Ramstein
Ramstein, GE (US***)
CC-Mar Northwood
Northwood, UK (UK***)
CC-Air Izmir
Izmir, TU (US***)
CC-Mar Naples
Naples, IT (IT***)
CC-Land Madrid
Madrid, SP (SP***)
CC-Land Heidelberg
Heidelberg, GE (GE/US***)
Force Structure
Comprised of nationally sponsored entities fully committed to NATO.
STRKFLTLANT
Norfolk, VA (US***)
STRIKFORSOUTH
Naples, IT (US***)
HRF(L) HQs
ARRC
Rheindahlen, GE
IT CORPS
Milan, IT
GE/NL CORPS
Muenster, GE
TU CORPS
Istanbul, TU
SP CORPS
Valencia, SP
EUROCORPS
Strasbourg, FR
FLR(L) HQs
GR CORPS
Thessaloniki, GR
MNC-NE
Stettin, PL
HRF(M) HQs
UK HRF (M)
Portsmouth, UK
SP HRF (M)
Rota, SP
IT HRF (M)
Taranto, IT
CAOCs
NOTE: CAOC organization agreed during LTS
CAOC Finderup
Finderup, DA
CAOC Uedem
Uedem, GE
DCAOC Uedem
Uedem, GE
CAOC Larissa
Larissa, GR
CAOC Poggio Renatico
Poggio Renatico, IT
DCAOC Poggio Renatico
Poggio Renatico, IT

New NATO Command Structure



NATO's Military Transformation: The Four Pillars

Definition of Transformation

"Being able to do something you could not do before or, by some overhaul of the things you are currently doing, doing those things exponentially better"

Four Pillars of Transformation

- Technology
- Operational Concepts
- Institutional Reforms
- Better Business Practices

Pillar One: Technology

- An important facet of transformation
- Change through Technology alone is modernization
- Example: GPS—Precision Engagement Capability
  - Vietnam: Arc Light Mission
  - Operation Enduring Freedom

Pillar Two:
New Operational Concepts

Must develop new operational concepts to take full advantage of technology

Example: Network Centric Warfare

Today's Infantry Battalion = Yesterday's Infantry Regiment

NATO's New Operational Concept:
NATO Response Force (NRF)

NATO Response Force

"A tiered readiness joint force; expeditionary in character and design, able to execute the full range of missions....Peace to High Intensity Warfight"

- Initially it's a subset of the NATO Force Structure
- Ultimately it *is* the future NATO Force Structure

Why NRF?

NRF is NATO's demonstration of *genuine* commitment to:

- Create a 21st Century full spectrum operational capability *and* transformation driver
- Implement Prague Capability Commitment (PCC) to enable NATO's military force to achieve NATO's Level of Ambition
- Streamline military command arrangements

NATO's Path to Transformation

- Measure of transformation is interoperability
  - Naval Forces fully interoperable
    - Standing Naval Forces Atlantic/Mediterranean
  - Air Forces are becoming interoperable
    - NATO Airborne Early Warning
  - Land Forces present the greatest transformational challenge

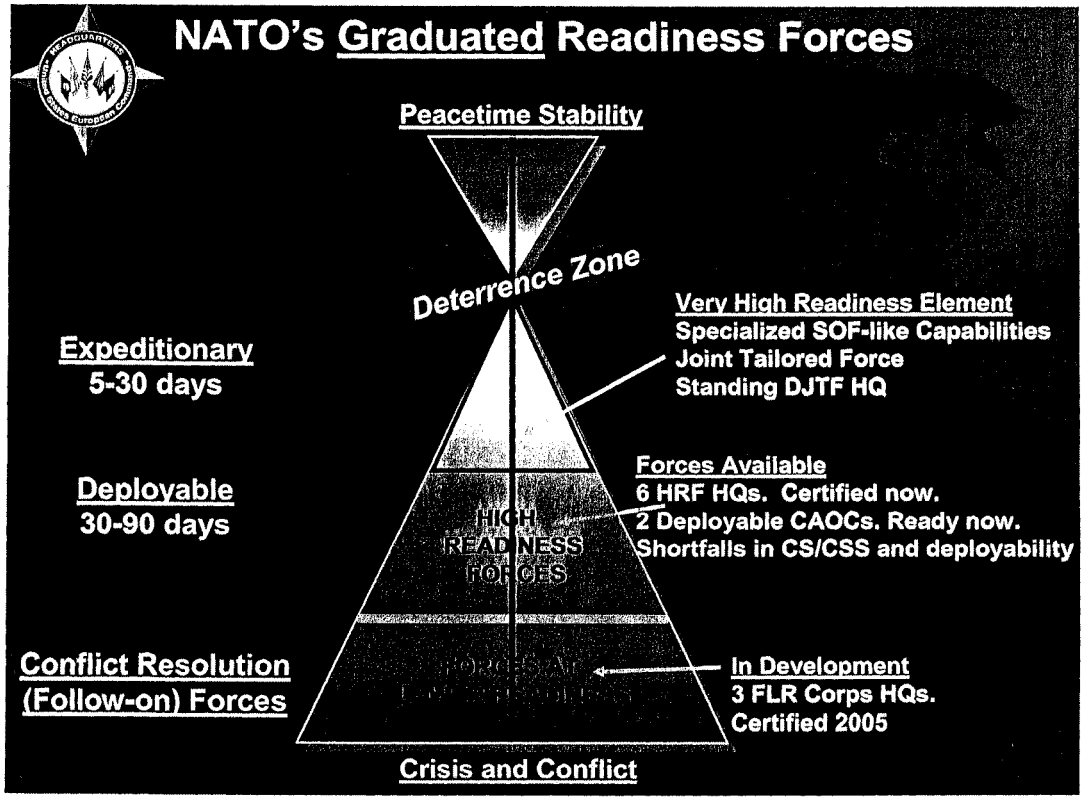
NATO FORCE STRUCTURE

Too much, too old, too static....

For example, NATO Land Forces:

National Structures	279 Bdes
Declared to NATO, 2002	169 Bdes
NATO Requirement (2004 Force Goals)	102 Bdes

Excess 177 Bdes (approx 55 Divs)


NATO's Graduated Readiness Forces
Peacetime Stability
Deterrence Zone
Expeditionary
5-30 days
Deployable
30-90 days
Conflict Resolution
(Follow-on) Forces
Crisis and Conflict
Very High Readiness Element
Specialized SOF-like Capabilities
Joint Tailored Force
Standing DJTF HQ
Forces Available
6 HRF HQs. Certified now.
2 Deployable CAOCs. Ready now.
Shortfalls in CS/CSS and deployability
In Development
3 FLR Corps HQs.
Certified 2005

Pillar Three: Institutional Reforms

- Must change institutional processes to realize benefits of improved technology and new operational concepts
- Example: NATO Force Generation Process
  - Appetite in NATO for greater involvement
  - Reality does not match level of ambition
  - Shortfalls are dangerous
  - ISAF in Afghanistan—Helicopters

Pillar Four:
Better Business Practices

- Must articulate a vision tied to effective use of resources
  - NATO is woefully deficient in this area
- Necessary Changes
  - Common Funding
  - NATO Acquisition System—Blue Force Tracker

Summation of the Four Pillars

For successful transformation:

- Must transform successfully in each area
- Success in each area produces a complementary and reinforcing effect in the others

Transformation becomes greater than the sum of the parts

Conclusion

- NATO Military Transformation is occurring quickly
- Challenges remain: nations must decide how much they are willing to support the other needed transformational initiatives—based on the four pillars—that are necessary to ensure success

"Change is the law of life. And those who look only to the past or the present are certain to miss the future."

-- John F. Kennedy

Back Up Slides

NATO Security Partners
Supporting NATO
NATO Members pre-1999 plus Canada and U.S.
Members Added 1999
Members Added 2004
PfP Members
Mediterranean Dialogue Countries
Istanbul Cooperation Initiative
Security Cooperation Agreements
Other countries supporting NATO operations: Argentina, Chile & New Zealand

Prague Capability Commitment (PCC)

- Individual Nations' firm and specific political commitments to improve capabilities in the areas of :
  - Chemical, Biological, Radiological and Nuclear Defense
  - Intelligence, surveillance and target acquisition
  - Air-to-ground surveillance
  - Command, Control and Communications
  - Combat effectiveness including Precision Guided Munitions and Suppression of Enemy Air Defenses
  - Strategic Air and Sea Lift
  - Air-to-air refueling
  - Deployable Combat Support and Combat Service support Units

United States Army Europe's Role in Transforming NATO's Armies

- Emulation of USAREUR's own transformation
  - Greater strategic effectiveness while becoming smaller
- Leadership of General Bell, CG USAREUR
  - Dual-hatted in key NATO billet
- USAREUR's training facilities
  - Grafenwöehr Training Complex

Chairman WARNER. On the subject of NATO's role in the Palestinian/Israeli situation, could you expand on that? I know that when Senator Levin and I visited the North Atlantic Council, I spoke to that issue. As I understand, there's been some consideration subsequent?

General JONES. Yes, sir. The subject has come up on several occasions. First, when the Secretary of State visited. Several of her colleagues, foreign ministers, from different countries mentioned that they thought that that could be something that NATO should look at in the future in the event of a peace accord. It came up again at the defense ministerials in Nice, France, among several of Secretary Rumsfeld's colleagues. It is a topic that is being discussed, I would say, more frequently. But I have received no official tasking to do anything about it, except that when things get talked about at that level, my ears pick up, because in 2003, when I arrived, they were talking about Afghanistan, and I didn't think anything of that. Eight months later, we were in Afghanistan. So I tend to listen up.

Chairman WARNER. I urge its consideration. I think that NATO could play a vital role in the resolution of that conflict.

Thank you.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

General Abizaid, I was really interested in your comment about Syria clearly trying to do something to stop fighters from infiltrating across their border into Iraq. We've not heard a statement like that before, that I can remember. Is there a change, in terms of the number of infiltrators? Do you have some reason to say that they are trying to do something to stop those fighters?

General ABIZAID. Senator Levin, I believe they are making an effort. I don't regard this effort as being good enough. I would say that it's clear to me they have improved their positions along the border, they have increased their numbers of patrols, they have looked for an opportunity to conduct liaison along the border with Iraqi forces and forces from the multinational force. All that having been said, I cannot tell you that the level of infiltration has decreased. I can tell you there appears to be some change of attitude. But I would characterize Syria as continuing to be very unhelpful in helping Iraq achieve stability.

Senator LEVIN. They also have—they maintain their support for terrorist groups, like Hezbollah, which has a headquarters right in downtown Damascus, does it not?

General ABIZAID. Yes.

Senator LEVIN. Well, let me put aside the headquarters issue, they do support terrorist groups such as Hezbollah.

General ABIZAID. Yes, they do.

Senator LEVIN. I want to ask you about the capability of Iraqi security forces. We've been given wildly different numbers of these security forces. There's a chart that I'm going to put up relative to the different statements that we've received.

[The information referred to follows:]

President Bush, September 23, 2004

"Nearly 100,000 fully trained and equipped Iraqi soldiers, police officers, and other security personnel are working today. And that total will rise to 125,000 by the end of the year."

General George Casey, Commander of the Multinational Force - Iraq, January 26, 2005

"When Prime Minister Allawi took office on June 28, he had one deployable battalion, today he has 40 battalions." (30,000 personnel)

General Richard Myers, JCS Chairman, February 3, 2005

"Of those numbers that are deployable around the nation, to meet the most pressing needs, General Petraeus says 48 battalions ... and that's police and Ministry of Defense battalions ... and that's about 40,000 that can go anywhere in the country and take on almost any threat."

Fiscal Year 05 Supplemental Appropriations Request, February 2005

89 of the 90 battalions of Iraqi security forces that have been fielded "are lightly equipped and armed, and have very limited mobility and sustainment capabilities."

State Department Iraq Weekly Status Report, February 23, 2005

"Total Trained and Equipped ISF (Iraqi Security Forces): 140,092"

Senator LEVIN. Your very hopeful statement about the future of Iraq also contained a healthy dose of challenges that need to be met, and I think that that's important, that we focus both on hope, but also on what hurdles need to be jumped. I guess one of the biggest challenges is to train Iraqi security forces so that they are able to take on the insurgency. The raw numbers vary wildly. What's important, I think, is your assessment.

We had this statement by the President last September that we have 100,000 fully trained and equipped and saying the total would rise to 125,000 by the end of the 2004. General Casey, however, said there's only 40 battalions, which is 30,000 personnel. General Myers, quoting General Petraeus, said that there are 48 battalions, police and ministry of defense battalions, that are able to meet the most pressing needs, that can go anywhere in the country and take on almost any threat. That would be about 40,000 personnel. So between General Casey and General Petraeus, it's somewhere between 30,000 and 40,000 personnel that could go anywhere in the country and take on any threat. Yet, in the fiscal year 2005 supplemental appropriations request, which we got, it's stated that, "89

of the 90 battalions" of Iraqi security forces that have been fielded are "lightly equipped and armed, and have very limited mobility and sustainment capabilities."

Now, the print on the chart is too small for anybody to read, but I think there may be a copy of those quotes in front of you.

How many Iraqi battalions, in your judgement, are trained and equipped so that they are capable and ready to deal with the insurgency throughout Iraq? That's the way I'd like to phrase the question. How many Iraqi battalions trained and equipped so that they are capable and ready to deal with the insurgency anywhere in Iraq?

General ABIZAID. Of course, Senator, the big question doesn't really have to do with numbers. The question has to do with institution-building.

Senator LEVIN. Right.

General ABIZAID. The question that we should ask ourselves, Is the Iraqi security force now ready to take on the insurgency without the presence, help, mentoring, assistance of the multinational forces? The answer is no, they are not ready to do that. They are better now than they were a month ago, and they'll be better next month than they were this month. So they are making good progress.

General Casey uses the number of 90 battalions, deployable battalions, that are battalions that are capable of assisting in the fight against the insurgency.

But, again, the numbers are not what I would ask you to focus on. I would ask you to focus on the chain of command, the chain of command of the Iraqi security forces. Is it well established? Does it have the command and control capability needed to fight the insurgency? Is it trained and ready? The answer is, not yet. Will it be? I'm confident that it will be.

Senator LEVIN. Well, that's a fine answer. The trouble is, we're given numbers by the administration. You can tell us, "don't focus on it," but that's what the American public is told to focus on. President Bush says, 100,000 fully-trained and equipped soldiers. The State Department comes out weekly with its status report—total trained and equipped Iraqi security forces, 140,000—this week.

Now, if we listen to the generals, that creates an impression which is simply false. I think we ought to listen to our generals, by the way. General Casey, when he says there are 40 battalions, it sounds like a lot, but that's about 30,000 personnel. General Petraeus says there are 48 battalions—that's pretty close; that's about 40,000—in his words, that can go anywhere in the country and take on almost any threat. Do you disagree with General Petraeus' assessment that there are 48 battalions, approximately, police and ministry-of-defense battalions, about 40,000 people, that can go anywhere in the country and take on almost any threat? Do you agree with that?

General ABIZAID. I agree with what General Petraeus said. But I think there are about 90 battalions that are capable of moving around. But are they capable of fighting alone against the insurgency, and winning, now? The answer is no. But they will be.

Senator LEVIN. I'm sorry. Do you agree that 89 of those 90 are, quote—this is in the appropriations request—"89 of the 90 are lightly-equipped and armed and have very limited mobility and sustainment capabilities"? Do you agree with the appropriation request?

General ABIZAID. I agree that they are lightly armed, in terms of comparison against our own battalions. I believe that they are not as mobile as our own battalions. But I also believe that there are an awful lot of initiatives that will be enabled by the supplemental, and will also be enabled by a new Iraqi government that emerges, that will allow them to be more heavily armed, more capable, and more sustainable in the field. But I remind you, Senator, that institution-building takes a long time.

Senator LEVIN. No, and I agree with that. We shouldn't kid ourselves as to how long it does take.

Finally, General, do you agree that it would be desirable to change the status of coalition forces from that of a perceived occupier to that of an invited partner? In other words, would it be desirable if the Iraqi government, once formed, would affirmatively invite the U.S.-led coalition to stay in Iraq, in terms of changing that perception from occupier to an invited partner?

General ABIZAID. I believe one of the most important things that has to happen in 2005 is that we change the perception of occupation and move towards self-reliance and partnership.

Senator LEVIN. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin. I join your concept that that transformation of status would help, where the government invites us to be there.

Before we leave that important question, first you should give us some estimate of the size of a battalion. In the United States, our infantry battalions, Army and Marine Corps, I believe are around 500 to 600. I don't believe those sizes are in the Iraqi forces.

Then, General Brown, you have a mission, in terms of your forces integrating and working with the Iraqi forces. I think your opinion would be valuable on this, your assessment.

So, first, as to the sizes, and then General Brown.

General ABIZAID. Well, on the sizes, it varies from type of battalion to type of battalion. Senator, we've built very, very many different types of battalions. Some battalions, as a matter of fact, we didn't build; the Iraqis built on their own and then asked us to sanction them later, like the special police commando battalions. But I'd say the general size is between 300 to 450.

Chairman WARNER. Somewhat smaller.

General ABIZAID. Somewhat smaller.

General BROWN. One of the missions that we have is foreign internal defense, in support of General Abizaid and CENTCOM, and that's training foreign armies. The two I have visited over there on the ground were the 36 commandos in the Iraqi Counterterrorism Force (ICTF), which both of those units—which Special Operations Forces trained and so my knowledge is from actually seeing the forces on the ground. I get the reports every day from our Special Forces A-teams in support of those battalions and the battalions that they work with. I would tell you that those two forces that I

visited were very, very capable forces. They were well equipped and well trained.

Chairman WARNER. Thank you very much.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Well, first of all, let me just say that I appreciate the statement the way you characterized it in your opening statement, General Abizaid, when you said you were amazed to see the Middle East the way it is. I'm amazed, too. Every time I go over, I'm in somewhat of a shock to see the progress from the last time. Senator Thune and I were there immediately following the election, to look at two groups: one, our troops over there; and two, the Iraqi people—to talk to people who are voting for the first time. A lady told us, through an interpreter, that she couldn't see the ballot because of her tears in her eyes. Then it occurred to her right before she voted—we talk about 35 years of Saddam Hussein, but, in her words, it was, "This is the first time," she said, as she was voting.

In 7,000 years, we've had an opportunity of self-determination. These things are going on right now, and I just applaud the three of you, and all of those with whom you are working, at the incredible successes that you're having.

I happened to be there several months ago, when the training of the Afghans was transferred over to the Afghan National Army (ANA). To me, that was the—would be serving as the model that we're looking at for Iraq. Sure enough, it is. Now, when I was there—we can sit around and talk about numbers, but General Petraeus gave us a very well-defined 14 categories of trained and equipped Iraqis. It came, at that time, to 136,000. We had, in the pipeline, some 51,000 either in school or waiting in line to get in. So, that would be somewhere up around 187,000. Now, you could sit around and argue as to how many there are and how much they're trained, but this is light years ahead of where we ever believed we would be before this. I just—and our troops—when you go by—I always make it a point to stop by Landstuhl when I'm over there and I'm sure that Senator Thune would agree with this—we didn't talk to one person, a man or a woman, a trooper, that didn't say, first thing, "I want to get back with my unit." That's the way they are. They're all committed, and they're somewhat distressed by the bad publicity they get here in this country.

General Jones, you know I've been interested, and you've been very helpful to me in working with you on what I consider to be the next area of a serious problem; that being, the continent of Africa. I've spent several times over in Djibouti and seeing, in the Horn, what's happening with the squeeze on terrorism in the Middle East. A lot of it, very likely, could be going down there.

You commented in your statement that through the Trans-Sahara Counterterrorism Initiative, we'll help develop the internal security forces necessary to control the borders and the interior. We've been working on the five African brigades. To me, that concept should be—and I'm saying this as a member of this committee and observing what's happening in the training of the Afghans and the Iraqis—that should be a model from which we can learn. I'd like to have your response to how you think things are going in the

continent of Africa, and what help we can be in helping them to form these internal African brigades.

General JONES. Thank you, Senator. Thank you for your interest in a very exciting part of the world, in a region which is, I think, going to be increasingly important to all of us. I think the work that we're doing right now in Africa is so very important, simply because we don't want to see happen in Africa what's happened in Iraq and other places. So, to the extent that we can help Africans help themselves, and help the fledgling democracies flourish and bring trade and bring hope and bring renewed aspirations in areas where they have had no such aspiration, I think, is just time well spent.

The programs that underscore our policy, they're very successful, and for the most part, relatively low cost. I mentioned things like the Gulf of Guinea guard operation, which emphasizes the importance of the region around the Gulf of Guinea; the Trans-Sahara Counterterrorism Initiatives, which are trying to do very small things across a wide number of nations, in cooperation with other like-minded nations.

I think what we're trying to do in Africa, if I could sum it up, is to try to engage in a proactive way before we have to engage in a reactive way. We've done some studies to show, for example, in Liberia, that if we had just sustained proactive engagements in Liberia, we would have spent much less money than in our reactive cycles of going back to revisit Liberia every 4 or 5 years.

So emphasis through Economic Community of West African States (ECOWAS), the African Union, showing that American industry plays a part in the rejuvenation of some of these areas, having a greater appreciation of the immensity of Africa as a continent, a continent in which you could fit all of China, all of Russia, and most of Europe and still have a lot of space left over.

Senator INHOFE. Yes. We're running out of time here, General Jones, but I appreciate that very much.

General Abizaid, while we were over there, General Chiarelli gave us great presentations—he has a real passion for being able to do some things in Baghdad itself. You've seen the presentation. It would be about $400 million, which isn't a lot when you stop and realize, if the account I read in the paper yesterday was correct, the $18 billion in last year's supplemental, only about $3 billion was spent in the infrastructure rebuilding program.

I'd ask you for a short answer as to what you think about General Chiarelli's idea about doing something about the raw sewage that's coming down the streets and these things, and how that might help our overall effort there. The request I would have is that you can do something to beef up the Commander's Emergency Response Program, because, to me, it's the generals over there that have a better understanding than we do over here as to how to keep these people as excited as they are right now after these victories that we've had.

General ABIZAID. Thank you, Senator Inhofe.

One of the most important things we can do in Iraq is get the angry young men off the streets, and that's put them to work. General Chiarelli's idea is to put them to work, using Commanders' Emergency Response Program (CERP) funds, in many different

projects. I support his ideas. The amount of money that we've requested—I believe some of which is supported in the supplemental—will help our commanders in the field. So I'd very much like to put a plug in for CERP. It's very important to the commanders in the field.

Senator INHOFE. All right.

General ABIZAID. Finally, I'd like to just mention one other thing. I know you know that we have a headquarters in Africa, as well, the Combined Joint Task Force, Horn of Africa, and it's a 1,400-person force, and they do a very good job working to help people help themselves against terrorism and against some of the other plagues of that region.

Senator INHOFE. I know. I've been there. I appreciate that very much.

Lastly, just for the record, Mr. Chairman——

Chairman WARNER. Yes, go on.

Senator INHOFE.—because I know I've extended my time here, General Brown, you used the term "the schools are full." I think your shortfall is in the number of people you have to train these people that are going into this program. Now, I know the program is working. We had an experience in our own office. Out here in the second row, sitting next to General Holmes, is a young man, Jeremy Shull, who, at one of our meetings with General Schoomaker, was so impressed that he went out and joined your program, and is going through that right now. I believe that was the direct civilian recruiting.

Would you like to comment on the success of that? If there's time, Mr. Chairman. Then the——

Chairman WARNER. The last question.

Senator INHOFE.—last question would be for the record.

General BROWN. The direct civilian recruiting is a program we call the 18 X-ray (18X). It's been going on for about 3 years now. It started when I was the commander at Army Special Operations Command. What it allows us to do is to take key individuals with certain skills and bring them directly off the street, through basic training and advanced infantry training, airborne school, through a 3-week prep course, and then bring them into the Green Beret pipeline. The first classes that went through were very successful. We do this with a very limited number of people, because one of the keys to special forces is the maturity of our force, and we don't want to bring that maturity level down. But we think that we can get some of these younger guys in and allow them to be mentored and grow and help fill up our ranks.

Our schools are full. We've grown our schools, especially in the Special Warfare Center and School at Fort Bragg. We've grown it to accommodate a future pipeline where we can bring our numbers up. We're still not at 100 percent strength, so the first thing we have to do is get our force to 100 percent, and then start to grow.

Senator INHOFE. You're headed that direction.

General BROWN. We are headed that direction. We also did it, sir, out at the Navy Special Warfare Training Center. We have plussed them up with instructors and money, ranges and capability, so that we can take on these two SEAL team equivalents.

Senator INHOFE. Okay——

General BROWN. The last thing I have, sir, on the 18X program is that I think it's a successful program. I think it'll work out. I am an 18X. I came in off the street through the Green Beret program as a young enlisted guy, and became a noncommissioned officer (NCO) on a special forces A-team through the earlier days of the 18X program.

Senator INHOFE. You've done all right.

General BROWN. It's worked out so far. [Laughter.]

Senator INHOFE. Thank you very much.

For the record, Mr. Chairman, if we can just——

Chairman WARNER. Yes, please.

Senator INHOFE. General Brown, within the next fairly short period of time—I know how important accurate interrogation is to you and to your forces. There is a device called the "voice stress analyzer" that I think right now a lot of the police forces around are using it. It's a different concept that's supposed to have some tremendous successes. I'd like to have your assessment of this device and—how we're using it and what successes and to what extent we'd like to expand that program, for the record.

General BROWN. Yes, sir.

Senator INHOFE. Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator. I think that's an important thing that you brought up at the end, I think it's worthy.

Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman. Welcome.

General Abizaid, we're making good progress on the up-armoring of the Humvees and the trucks and also on the jammers?

General ABIZAID. Yes, we are, Senator.

Senator KENNEDY. Yes. Let me ask you, we, by our own government's account of the strength of the insurgency—these are reports, published reports—have quadrupled since the transfer of sovereignty, from 5,000, mid-2004; to 16,000, last October; to 20,000 now. Vice Admiral Jacoby, who's the head of the Defense Intelligence Agency (DIA), told the Intelligence Committee, on February 17, that the Iraqi insurgency had grown in size and complexity over the past years. The insurgents are launching 60 attacks per day, he said, more than twice as many as a year ago. He also said the U.S. must still be concerned about the Shi'ite militant loyalty to al Sadr. They may be silent now, he said, but—Jacoby said—but they are quietly rearming and reorganizing and training, and that Sadr is keeping his options open.

Then Central Intelligence Agency (CIA) Director Porter Goss said at the same hearing, that the insurgency achieved at least some of its election-day goals, remains a serious threat to stable representative government in Iraq.

However, when asked about the conflicting assessments of the insurgency from the CIA and the DIA, Secretary Rumsfeld told the House Armed Services Committee, the same day, "I see these reports, and, frankly, I don't have a lot of confidence in any of them."

General Myers told the House Armed Services Committee, "We essentially know what that capability is, and I would characterize it as—it's limited."

So there clearly seems to be a difference of opinion between the Secretary Rumsfeld and General Myers, on the one hand, who

downright downplay the insurgency, and the intelligence agency, on the other hand. So who is right?

General ABIZAID. Senator, I'm glad we don't have one of these voice-stress analyzers here——[Laughter.]

—in front of me, to answer a question like that. I will, with your permission——

Senator KENNEDY. Okay.

General ABIZAID.—not comment on my bosses——

Senator KENNEDY. Right.

General ABIZAID.—but I will comment on the strength of the insurgency.

First of all, no doubt that the Sunni Arab insurgency in Iraq was stronger through the period December—November/December/January than it was at the same time last year. So it did, in fact, increase in intensity. But I think the single most important thing for us to look at in judging the ability of the insurgency—first of all, you have trigger pullers, then you have supporters, then you have sympathizers. Those three numbers, whatever they may be, they can ebb and flow based on the politics, based on the most recent problem that's in the area, based upon big offensive operations, et cetera.

But, to me, the most important number that I would keep in mind about the insurgency is that, on election day, it was the single most important day for the insurgents to come out in force and to disrupt. It was their stated goal. Terrorists, Baathists, you name it, they had to come out, and they had to make it fail. As General Casey and I and our intelligence people looked to the total number of people that were fielded that day, we clearly come to a number of around 3,500 or so. We say to ourselves, why didn't they put more people in the field? Where were they? They threw their whole force at us, we think, and yet they were unable to disturb the elections, because people wanted to vote.

So I believe that there is probably a lot of room for interpretation in the numbers of the insurgency, but I think that the voting in Iraq, the political process that's going on in Iraq, the fact that people of moderate disposition have a chance for a better future, have driven those numbers down. I think that the combination of the multinational force and Iraqi security forces can certainly deal with whatever is out there, although it will not be easy.

There's other problems that we should anticipate. We have yet to see the end of Muqtada al Sadr's challenge. It's possible he could come out and challenge, in a violent way, the new government. We have yet to see what other actions might take place, in terms of insurgents being reinforced by foreign fighters, for different reasons.

So there is fighting ahead. We should not kid ourselves.

Senator KENNEDY. I think everyone is heartened by this, the elections. I think, for many of us, we may have a difference in the Iraq policy, but—to demonstrate that Iraq for the Iraqis—is enormously important. You mentioned, in response to Senator Levin, that we needed the self reliance and partnership that he's—among the Iraqis, so they have not got the sense of occupation.

Let me just go quickly to General Brown. Last year, there were 37,000 graduates, from the Infantry Soldiers School, that had 13

weeks of training. My wife's nephew is over in Mosul. Thirteen weeks at Fort Benning, 4 days, Fort Lewis, was supposed to have a month's training Kuwait, didn't, and is the tail gunner in a Stryker outside of Mosul today. Just returned.

We have 37,000 graduates from a 13-week training program. I understand we're running a 13-week training program, training Iraqi counterterrorists, in Jordan. The Iraqi police force receives a 6-week training program. I understand you have overhauled the Iraqi training on an Afghan model which gives recruits a 10-week basic course, followed by 8 weeks of advanced training.

The Iraqis think that they are able to make progress. General Sab'awi, the head of the Iraqi army, said, "God willing, during this year, our units will be fully armed, trained, have enough soldiers." General Sabawi said that, "If Iraqi forces continue to improve, we'll be able to protect our cities and villages within 6 months." The Iraqis are the best, and the Iraqis are being trained, and they think they can do it. Paul Wolfowitz was up here saying, 14 of the 18 provinces are basically safe and secure.

So when are we going to get some idea about what the—General Abizaid said, our—the forces that are in being trained today are better than they were a month ago, and the ones a month from now are going to be better trained than they are today. I mean, when are we going to have some sense that these Iraqis are going to be prepared to defend their own country, and die for it, and that all the good news that both of you comment about, in terms of what's happening over there, is going to reflect itself in the idea that we are at least going to be able to establish, not a deadline, but at least a framework—at least a framework, a plan—so that American troops can be withdrawn with honor?

General Brown, maybe just on the training aspects——

General BROWN. Well——

Senator KENNEDY.—if you could comment on that.

General BROWN.—I would go back to what I said earlier, Senator. That training is being done in the AOR by our special operations component over there, and our Combined Joint Special Operations Task Force. The only two units that I have had an opportunity to visit, and that was when I spent Christmas over there, were the two that I spoke about. Quite frankly, I was very impressed with them. But the details of the entire training program, I just don't have that detailed a knowledge of it.

General ABIZAID. I'll give you my opinion——

Senator KENNEDY. Yes.

General ABIZAID.—Senator Kennedy. Nothing in the Middle East moves in a straight line. We will have periods where units will perform brilliantly, and then we'll have periods where units won't do well. So, as we move towards a goal of increasing more and more responsibility—giving more and more responsibility to Iraqi security forces, we always have to assess.

I believe that, in 2005, the most important statement that we should be able to make is that, in the majority of the country, Iraqi security forces will take the lead in fighting the counterinsurgency. That's our goal. Will they be able to do that in the toughest areas? It remains to be seen. Perhaps. We'll have to see.

But I also know that more Iraqi soldiers have been killed in combat since the Iraqi Interim Government (IIG) came into existence than American soldiers. So they are fighting, they're trying to get organized. It's not the metrics that we need to look at; it's the important aspects of loyalty and leadership. There are many Iraqi soldiers eager to get in the fight, eager to defend their country. I think when we saw them defending the 5,000 polling sites on election day, that we have a glimpse of how good they can be. They will get better, and I think in 2005, they'll take on the majority of the tasks necessary to be done.

Senator KENNEDY. Thank you very much.

Chairman WARNER. Thank you, Senator Kennedy.

That was a very interesting response that you provided, General.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

I want to echo what's already been said and thank our Generals today for the extraordinary job that both you and the troops have been doing in Iraq and Afghanistan and elsewhere in the world, and echo what Senator Inhofe said earlier.

I had the opportunity to travel with him to Iraq recently, on a congressional troop that he led, it was shortly after the elections, and there were some very lasting impressions of that trip. First was, of course, the exuberance of the Iraqi people having had the opportunity to vote. It truly was a tribute to the power of freedom. It was a remarkable thing, to have some conversations with folks who had voted for the very first time.

Second, the important work that's being done, in terms of training the Iraqi security forces. General Petraeus walked us through what they are doing, and it became very clear, I think, in the course of that discussion, that what we really need now is the command structure. We need the—and that's where the governance piece is so important, so that there is a command structure in place, that they can build the leadership capacity to lead the Iraqi troops.

Finally, the last observation I would make, and that, as Senator Inhofe alluded to earlier, is visiting a military hospital at Landstuhl. It was incredible to talk to those soldiers, many of whom had been wounded in Iraq, there was simply none of the hand-wringing that goes on around here, just soldiers who want to get back to the fight, who believe in the mission, because they believe they're doing freedom's work there. So, we're extremely grateful for the commitment of your troops and the great work that you, as their leaders, are doing, as well.

Just a couple of questions, if I might. I have attended a number of National Guard deactivation ceremonies. Just attended one yesterday in South Dakota. I guess I have a question, perhaps that all could respond to, but, more specifically for General Brown, and that is that the special forces units have performed superbly in both Iraq and Afghanistan, and also in ways that I don't think had been contemplated prior to that; horse-mounted special forces in Afghanistan, for example. I guess the question I would have is, How do you see the war and the planned force restructuring, together, impacting the role and the unique capabilities of special operations in the next decade? More specifically, what role do you see

the National Guard and Reserve special-force units playing in the future of your command? Any of the Generals could comment, as well, on things that we ought to be doing in this DOD reauthorization to make sure that our Guard units are prepared and equipped and have all the necessary tools that they need in order to be a part of that mission.

General BROWN. Thank you, Senator.

You're exactly correct, our National Guard special-forces groups over there, the 19th and 20th, which we have used over there—to include one of their headquarters being our headquarters for all active and Guard Special Operations Forces in Afghanistan, were absolutely critical to us. As we continue to build this force structure for additional special forces, we need to make sure that we put the emphasis on our Guard units, the 19th and 20th groups to make sure that they are well cared for in this plan, because they are going to be very important to us in the future as we continue to fight these kind of battles.

We still use them today in our engagements around the world. When they become available, they immediately go back into their traditional role that we were using the 19th and 20th, before we put them into Afghanistan and Iraq. But both of those units have served in their entirety, and served very well over there, to include their headquarters. I think we have a commitment to keep them trained and ready.

On the other side of the Reserve piece is our civil affairs forces, which we have 27 battalions, 26 of which are in the Army Reserve. We've pretty well burned through all those, and we're making some arrangements for how we're going to continue to meet the CENTCOM requirement in the future. There is some growth in our civil affairs, because I think that is one of the things in the future, as we go on down the road, that we're going to continue to have a big civil affairs requirement.

Today we've used about 90 percent of our civil affairs. Ninety percent of our civil-affairs reserve capability have deployed into theater and we have used them. So we're going through the analysis now to figure out, do we need to continue to grow them, how is the best way to organize them so we can maximize the effect for our civil affairs. We've gained about 1,300 spaces in civil affairs over the past 3 or 4 years, and we have a couple of more initiatives going on in their area.

By the end of the year, our reserve Psychological Operations (PSYOPs) units will also have been gone through. Ninety percent of them will have deployed, and we're looking at much of the same thing for them.

The forces that you're talking about—the special forces, in particular; the civil affairs, specifically; and then our psychological operations forces—as we go on with this type of warfare around the world, is going to be very, very important to us in the future.

General ABIZAID. Senator, as far as my points, I'd very quickly just say, we have to conduct counterterrorist operations, counterinsurgency operations, and stability operations in our area. On the two ends, counterterrorist and stability, the role that the special operators play is intensely important.

So, as I look to the future about how we sustain what I think will be a long war posture against the terrorists in the theater, the demands against Doug's forces become—General Brown's forces—become greater and greater. So, being able, not only to use his National Guard and Reserve Forces for our national objectives, but also being able to use his regular forces, his Active Forces, are very important to getting the job done.

General BROWN. Could I make one more—I'm sorry, General Jones—can I make one real quick point?

The challenge for sustaining our 19th and 20th group for the future is that there is no Reserve or National Guard course for our Green Berets. They have to come in and go to through the same school that everybody else goes through, which means a commitment of 14, 16 months. They have to have a language capability, just like every Green Beret does, before he graduates. So that's a real challenge in the National Guard world. So a lot of those folks are people that got out—went through the course, and then got out and went into the 19th and 20th. So that's a challenge for us, trying to maintain those two groups in the future.

General JONES. Senator, EUCOM Guard and Reserve Forces make up about 5 percent of our total force, and contribute very significantly. But one of the programs I'd like to talk about, and I hope there is a map in front of your desk, is the State Partnership Program, exclusively sourced from Air Guard and Army National Guard units. We have 21 states participating in 19 European countries. Two years ago, we had none in Africa. Now we have four. These State Partnership Programs are really one of the mainstays of our theater security cooperation plans, and they do absolutely wonderful things. We look very actively to have more of these things.

So this contribution to stability, the contribution of maintaining the link to the United States through those two, the Air National Guard and the Army National Guard, is one of the key pillars of what it is we're doing in the United States European Command.

Senator THUNE. I appreciate that. I would simply, in—my time is expired—but say that I hope that you will keep us apprised, as well, of what things we should be doing, in terms of the authorization process and funding, to make sure that our Guard units have everything that they need, as well. That is something that—my impression is, from talking with a number of our Guard members who have returned, that they feel very good about, when I talk to the commanders in the field that it's been a very seamless operation, that the component—the Guard component is so critical now to our force structure. I guess the only thing I would hope is that, in the future, we can provide a little more predictability to their deployment, because that's one thing that you do hear consistently from them, and their families, as well.

But I appreciate your testimony. Mr. Chairman, I yield back.

Chairman WARNER. Thank you. That's an important issue that you raised.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to the three of you for your testimony and for your extraordinary service.

I want to come back, as many members of the committee have, to General Abizaid's opening statement about the extraordinary movements occurring in the Middle East today, and to thank the three of you, and all American servicemen and -women who serve under you, for the role that you have played in that.

I mean, we are living through times that are difficult. You read about the 121 Iraqis killed in a suicide bombing yesterday. That's a tragedy, a terrible tragedy. Yet, in another sense, the news every day is thrilling as you watch the movement of freedom across the Middle East. It is literally hard to believe.

I have been feeling, in recent days, something like I felt during the days around and after the collapse of the Berlin Wall. I'm not comparing these directly. These are very different circumstances, politically, historically, but something extremely significant is happening—as you said, the elections in Iraq, the elections in the Palestinian Authority, the elections in Saudi Arabia, the proposal by President Mubarak for multiparty elections, the uprising—I have to call it that—of Syrian nationalism—excuse me, of Lebanese nationalism against Syrian domination. These are unbelievable and unpredictable. Nobody would have guessed that we would be witnessing these events today. I think we have to stop in the middle of what I hope and believe we will look back on as historic days and appreciate what's happening.

I do want to say, to the three of you and all who serve under you, that none of this would have happened if the American military had not united with coalition forces to overthrow Saddam Hussein. That was a historically defining, transforming act. Because, to say the obvious, without the overthrow of Saddam Hussein, the elections in Iraq would not have occurred. The elections in Iraq have spawned all the rest, including the very clear policies of our government in support of freedom.

I want to go back to the Cold War/Soviet example. Because there was an earlier expression of a yearning of people for freedom there, in the spring revolution in Prague and the Hungarian uprising, suppressed by the Soviet armies. What gives me confidence about what we're witnessing today in the Middle East, though the movements toward freedom are in their infancy, is the strength of the United States military, our commitment to transforming that region in pursuit of democracy, but, of course, in protection of our security, because nothing, in the long run, could be more significant in deterring the creation of thousands of new terrorists than the spread of freedom and opportunity throughout those areas. What gives me hope that what we are seeing now in the Middle East will—we will not look back at as the Prague Spring or the Hungarian Revolution, but as more like what happened around the collapse of the Berlin Wall, is the presence of your—our—service men and women there, the shield that the American military gives to freedom. I hear it whenever I go to in the Middle East.

I'll just finally share with you this anecdote. Awhile ago, I met an Iranian-American who had been back to his country recently, and he said everyone he spoke to, from the taxi drivers to the storekeepers to the doctors to the business people, said to him, knowing he was an Iranian American, that the only thing that

gives them hope of a better, freer future is America and the presence of the American military in the region.

So, God bless you, and thank you. I think—not only to thank you, but that the American service people, those who lost their lives, the families of those who lost their lives, I think, feel, every day, that their loved ones didn't die in vain, that they died in a cause that is transforming the Middle East and will protect our security, and our children's and our grandchildren's, for decades to come. I wanted to thank you for that.

General Abizaid, going——

Chairman WARNER. Senator, I'd like to associate myself with your very powerful statement.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Senator CHAMBLISS. Mr. Chairman, could I do likewise, please? That was powerful.

Senator LIEBERMAN. I appreciate my colleagues. Thank you.

General Abizaid, going from that back down to the ground, you've been asked a lot about metrics for determining the capability of the Iraqi forces. I want to ask you this question. Because, though success is measured, in one sense, in Iraq, by the elections and the self-government that's beginning to take place, we and our Iraqi allies continue to face an enemy, a group of killers, however many they may be. I wanted to ask you, as we go forward, how we and our Iraqi allies can judge and measure success in that battle.

I want to just tell you, I was recently in a conversation about this, and one defense analyst said, "Maybe one measurement is comparing how many offensives are initiated by the enemy and how many are initiated against us and Iraqis, and how many are initiated by us and the Iraqis against them." Is that a reasonable standard? If not, what is, as we go forward to try to stop this enemy?

General ABIZAID. Thank you, Senator Lieberman. I appreciate your comments, and I thank you, on behalf of all the troops in the Central Command area of operations.

I would like to say, before going down to answer the specific question, as optimistic as I am, and as revolutionary as the times may be, we should not underestimate our enemies, not only in Iraq, but in the region.

Senator LIEBERMAN. Agreed.

General ABIZAID. The terrorist enemy that is represented by bin Laden, Zawahiri, Zarqawi, is an ideological enemy. It is very dangerous. It is empowered by the Internet. It can, and will seek to—try to—gain access or development of weapons of mass destruction. If they ever do so, they'll use them against us. This ideological enemy, I think, is as dangerous to our Nation as Bolshevism was in the early 1900s, or Fascism was in the early 1920s.

The good news is, the majority of the people in the region don't support these people, they regard them as being just what they are, murderers and absolutely deadly and vengeful people that have no vision of the future whatsoever. So the good news for us is that the vast majority of the people want to move forward. We share two common things with them. Number one is the hope for a better future, and number two is the destruction of this despicable enemy.

And 2005 can be the year when we have an opportunity to reach out to the people in the region and say, "You have voted. You have tried to move forward on your own towards a better future. Let's work together better in 2005 to defeat this common enemy." If we do that, it will be good for the people of the region in a way that I think is difficult to imagine now.

Senator LIEBERMAN. Very well said. Thank you.

General ABIZAID. I guess to answer your specific question, that—to me, the most important metric—and it's not a metric that is measured in the business sense; it has to do with the establishment of an Iraqi chain of command that is loyal and capable, that takes orders from the Iraqi head of state through the lawful chain of command, and then fights to serve the people of Iraq. Once that is established, we are well on our way to winning. But it will take time. We must be patient. We must understand that building that chain of command is absolutely essential to success.

Senator LIEBERMAN. What do you say—the final question—to the suggestion that we ought to measure our success militarily—and the Iraqis should—in part, by the standard of how many offensives we're initiating against the enemy, as compared to what they're initiating against us? They seem on the offensive. I guess that's the point of that standard.

General ABIZAID. I think we should be leery of judging anything, in a counterinsurgency environment, in terms of offensives. We had a very successful offensive in Fallujah. We had a very successful offensive in Samarra, in Mosul, et cetera. But, also, they came about because we tried, probably, to move Iraqi forces to the forefront in those areas before they were ready to go. So what we really need to judge our success upon is whether or not Iraqi security forces go into an area and, on their own, start to defeat the insurgents. Where that starts to happen, place by place, step by step, that's when we'll win the insurgency, and it'll take a long time.

Senator LIEBERMAN. Thanks, General.

My time is up, and I apologize. I have a couple of other questions for General Jones and General Brown, but I'm going to submit them for the record. Thank you.

Thanks, Mr. Chairman.

Senator CHAMBLISS [presiding]. It's hard to make a statement any stronger than what my friend, Senator Lieberman, made, but as I sat there, General Abizaid, and listened to you, in your opening statement, talk about the accomplishments that have taken place in the Middle East over the last several months—sitting here 12 months ago, nobody in the world would have believed that you could sit here and say what you did, relative to what's happened in that part of the world. While we had a President who had a great vision for seeing freedom and democracy reign in that part of the world, and while we had a Congress and the American public that supported that vision, none of it would have happened without the American military. We're not just the best-trained, best-equipped, made up of the very best that America has to offer, but we're, by far, the best-led military in the world. To each of you, I commend you, but it reaches all the way down to every officer and every enlisted person in each branch of our military. All of you are to be commended for the great work that you've done in making

sure that freedom does ring around the world and that America is a safer and more secure place. So, once again, I want to totally associate myself with the comments of Senator Lieberman.

General Jones, we are, of course, in the midst of the budget around here right now, and in particular, the budget relative to the Department of Defense. One of the items that is included in the administration's budget is the termination of the C–130J program. I know you, in your many years in the military, have had experience with this program, and you're having experience with it in your command now. The termination would have a significant impact, particularly on the United States Marine Corps. I wish you would comment on, give us your thoughts on, the effectiveness of that weapon system and, in particular, what it's done for you in your present command.

General JONES. Senator, the C–130J program was a much-needed program while I served as Commandant of the Marine Corps because of the age of the C–130s that we have in the fleet—we had in the fleet—and particularly during Operation Enduring Freedom. We were flying some remarkable missions, but it was the skill of the pilots flying some very, very old aircraft that stimulated me, at the time, to elevate the C–130J program at the very height of our service acquisition objectives.

I believe that this is a technology that's absolutely needed—the capabilities in the cockpit, the ranges, the defense mechanisms. This aircraft, I think, is not only good for America's forces, but also will be well received on the international market, too. As a matter of fact, if I'm not mistaken, I think a C–130J just made several stops in the European Command area demonstrating its capabilities.

So we would hope—I would hope very much, from the military's standpoint, that that program would proceed. I think it's extremely important, particularly when we look at the age on our C–130 fleet and the technology that the C–130J can bring to our capabilities.

Senator CHAMBLISS. Thank you.

General Jones, again, I noted, your emphasis on NATO training missions in Iraq in your written statement, and I appreciate that emphasis, as this training is absolutely central to what we're trying to accomplish in Iraq. The North Atlantic Council decided to embark on this training in September 2004, and I am pleased to see that we are making progress.

Recently, the Secretary General of NATO reported that all 26 member nations have committed to training Iraqi security forces. Can you provide some details about how the current training is going, how you foresee it growing in the coming months, and the rate and length of this training? Also, I'd appreciate your assessment on the level of NATO contribution to this effort and whether it is possible to expand the number of NATO personnel involved.

General JONES. Senator, I'll try to be very brief, and I'll follow it up with a more detailed paper so you can have better information and more detailed information.

[The information referred to follows:]

Despite initial tensions resulting from Operation Iraqi Freedom, our Allies understand that a free, stable, democratic Iraq is in the interest of all. Consequently, the North Atlantic Treaty Organization (NATO) has taken steps to help realize this

goal. NATO Allies, including the U.S., which made a significant commitment, have provided almost all the personnel for current training operations inside Iraq, and many are contributing to training (both NATO and bilateral) outside the country. NATO nations will soon provide up to 1,000 personnel for training at the Iraqi Training, Education and Doctrine Center. Finally, NATO nations surpassed by almost 2.0 million the 3.5 million goal for the travel and subsistence trust fund to cover costs for Iraqi personnel receiving training inside and outside Iraq. Overall, I'm optimistic about the expansion of the NATO mission and personnel in Iraq. Details of the training mission are provided below.

GENERAL INFORMATION ON NATO TRAINING MISSION—IRAQ

- All Allies are contributing to the NATO Training Mission-Iraq (NTM–I) through inside Iraq training, outside Iraq training, equipping and/or by financing a trust fund.
- NTM–I is providing training and advice to middle and senior-level leaders of Iraq's security forces, and is coordinating Allied and NATO partner equipment donations.
- NTM–I is a separate and distinct mission under the command of U.S. Lt. General David Petraeus, who also commands the Multinational Force Iraq (MNF–I) training and equipping program.
- NTM–I has four phases: Phase One - Assessment and preparation (Initial Training and Planning); Phase Two - Graduated Approach (Implementation); Phase Three Transition (Handover to Iraqis); Phase Four - Redeployment (Handover complete and NTM–I elements return to home stations).
- Phase Two (Implementation) has three overlapping stages:
  - Stage One (currently ongoing)—NATO expands training/mentoring in downtown Baghdad in the international zone. (361 personnel)
  - Stage Two—NATO establishes with the Iraqi Government the Iraqi Training, Education, and Doctrine Center (TEDC) at ar-Rustamiyah. This facility is under renovation on the eastern outskirts of Baghdad. (over 1,000 NATO personnel estimated)
  - Stage Three—pending a North Atlantic Council decision, NATO would take on additional training responsibilities, with a view possibly to take on responsibility for all training activities inside Iraq.

Phase Two—NATO Training Inside Iraq:

- 17 Allies have committed personnel to training inside Iraq. This number includes four Allies who are not members of Multinational Force-Iraq (MNF–I).
- Up to 100 NATO military personnel were deployed to Iraq for initial planning and mentoring/training from August 2004 to February 2005.
- There are currently 121 NATO personnel in Baghdad and training in the International Zone is underway. This number will grow to approximately 361 personnel when Stage One training in Baghdad reaches full capacity.
- Stage One personnel requirements are 161 trainers and headquarters staff and 200 force protection, logistics, and support personnel.
- Allies have filled all but 32 of the required 361 personnel for Stage One.
- The remaining 32 required personnel are a combination of trainers and headquarters staff positions.
- The Stage Two targeted start date is Sept. 2005 when training operations move to the Training, Education, and Doctrine Center (TEDC) in ar-Rustamiyah.
- Pilot courses for the TEDC organized by NATO will begin in Baghdad in April 2005.
- NATO plans to have the capacity to train 1,000 Iraqis in country when the TEDC opens in September.

PHASE TWO—NATO TRAINING OUTSIDE IRAQ:

- NATO has offered to enroll over 550 Iraqis in NATO training facilities in 2005 (Note: This figure does not include Allies' bilateral offers of training assistance to Iraq).
- NATO plans to double the number of Iraqis it can accept at NATO training facilities in 2006.
- In February 2005, approximately 50 Iraqis began training at the NATO School in Oberammergau and the NATO Defense College in Rome.
- Another 30 Iraqi key leaders will begin training in March at the NATO training facility in Stavanger, Norway.

• Germany has agreed to place its training and equipping operations in the United Arab Emirates under NTM–I. Belgium has announced its intention to provide 5–10 officers to this important effort to assist the Iraqi security forces.
• Canada and Slovakia have announced that they will provide 30 and 5 officers respectively to NTM–I for outside Iraq training.

The NATO Equipping Effort:

• As part of the NTM–I mission, Supreme Allied Command - Transformation, based in Norfolk, Virginia, established the NATO Training and Equipment Coordination Group (NTECG) in Brussels to facilitate NATO Alliance, Partnership for Peace and other national donations of military equipment and training to the Iraqi security forces.
• The in-country coordination arm is the NTM–I Training, Equipment and Synchronization Cell (TESC) in Baghdad, which addresses the Iraqi Ministry of Defense and Ministry of Interior requirements by coordinating the delivery of NATO offers of equipment and training.
• Several Allies have contributed equipment to the Iraqi security forces, while other Allies are supporting the transport of that equipment.
• The Multinational Security Transformation Command-Iraq (MNSTC–I), MNF–I's training and equipping command led by Lt. General David Petraeus, has assisted NTM–I in the delivery of all shipments to the Iraqi authorities. The NATO equipping effort has been highly praised by the Iraqis. Thousands of required equipment items arrived in time to directly support the Iraqi security forces for the January 30 Iraqi elections.

NATO Trust Funds:

• Allies surpassed the February 2005 NATO Summit goal of raising 3.5 million euro for the Travel and Subsistence trust fund to finance training efforts (both inside and outside Iraq) in 2005.
• 23 Allies have contributed 5.24 million euro to this trust fund effort. The number of contributing nations has grown steadily as Allies have decided to support this important activity.
• NATO plans to establish two more trust funds to pay for equipment and ordnance purchases/transportation to fill priority equipment needs of the Iraqi security forces.

In general, the effort that NATO is bringing to this mission in Iraq is to do three things. One is to train the Iraqis in Iraq. The second is to train Iraqis outside of Iraq. The third is to provide a clearinghouse for equipment for the Iraqi forces.

The size of the NATO mission will be somewhat modest, in terms of numbers, but hopefully very useful, in terms of the capability of it. At its full maturity, it's envisioned to be about a thousand NATO members, NATO member nations contributing forces. We have a stated level of ambition of training a thousand junior officers per year at the training camp in Ar Rustimayah, southeast of Baghdad, and 500 more outside of Iraq. Since day one, we've been involved in mentoring and training, inside the international zone, of the senior Department of Defense officials and the emerging Iraqi general staff. We've trained some 300 of those. We've had 43 Iraqis go to our schools in Oberammergau, Germany, and Stavanger, Norway. We anticipate more of that coming online as nations are now lining up to provide different capabilities in different parts of the world that will greatly assist, I think, General Abizaid and General Casey in their mission.

So this has the potential of making a substantial contribution. I think the Commander in Chief's visit—the President's visit, the Secretary of State, and the Secretary of Defense, got this agreement that all 26 nations of the alliance would do something. That's coming to pass as we speak.

Senator CHAMBLISS. Great. My time is up, but, General Abizaid, very quickly, I don't like to get hung up in these numbers on how many security forces, or how many military forces, we have trained over there. I think what's important to the future of Iraq is, How many of these forces are doing the job that they are trained to do? We've had some recent testimony, relative to a number of security forces, who, while they may have been trained in the way that we wanted them to be trained, when it came time to stand up and defend a police station or defend the Iraqi people, they simply cut and run. So, irrespective of what the numbers are, if you don't have the people there who are going to do the job, it doesn't help us very much.

But we also, at that same time, had testimony relative to an improvement in this area of our training, and the performance of those Iraqi security personnel. Could you quickly comment on what your thoughts are as to how we're doing in that particular area?

General ABIZAID. Well, I'm mindful of our own experience in the Revolutionary War, where we had moments of great brilliance, and moments of terrible performance that led to terrible defeats, yet, overall, we kept getting better and better and better. Ultimately, we were able to win the war, with the help of some of our friends, but primarily through our own effort. I think that that's a good sort of model for us to keep in mind when we think about Iraqi security forces. They keep getting better and better.

The Iraqi security forces are, as I said before, still not ready to take the lead. I'm confident we can move towards taking the lead, but we also have to know that we're in the middle of a war, that there can be unexpected circumstances that take place that could knock some of the best units off the field. Whatever happens, the question for us will be, Do we have a coherent plan that allows us to build on capacity and encourage leadership to take charge and to be effective on the Iraqi side? I'm very confident in General Petraeus, very confident in General Casey, in their ability to stay at this program. But we'll have to show some patience, and we'll have to also understand that there is undoubtedly going to be some setbacks along the way. But, ultimately, the overall progress, I feel, will be good.

Senator CHAMBLISS. Thank you. Again, thanks to all three of you for the terrific job that you're doing.

Senator Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

General Abizaid, has the United States military had any contact with President Assad or any of the Syrian military with regard to closing of the Syrian/Iraqi border?

General ABIZAID. Senator, no American military commander in the field has talked with him directly, that I know of. I certainly haven't. I know General Casey hasn't. Perhaps the attaché may have delivered a message or two. But military commanders on the border have done very minor degrees of liaison, at specific points, with Syrian military commanders. I would call it minor.

Senator BILL NELSON. By "minor," does that mean that the effectiveness has not been very good?

General ABIZAID. I'd say the effectiveness, to my mind, has not been good enough, although, as I stated earlier, I believe they are trying to do better.

Senator BILL NELSON. Does the recent capture of this al Qaeda person—does this portend anything new for us in the relationship with Syria?

General ABIZAID. If you're talking about the capture of Sab'awi, who is one of the leaders of the insurgency, I will have to wait and see what he knows, what the Iraqis are able to tell us that he knows, and piece everything together to let you know just how significant it has been. The Iraqis believe that it is very, very significant. It remains to be seen why he appeared.

Senator BILL NELSON. Was he captured by the Syrians?

General ABIZAID. I don't have all of the circumstances. I would prefer to answer for the record in a classified manner.

[The information referred to follows:]

[Deleted.]

Senator BILL NELSON. For all three of you, let me share with you—I have just returned from Florida, doing 10 townhall meetings in medium and small communities. Since both of you, I have the privilege of having in my State, you will recognize some of the names—Arcadia, Wauchula, Dade City, Brooksville, Inverness, Bushnell, and then on into North Florida, in Perry, in Madison, in Live Oak, and Lake City. I was struck by the mamas and the daddies and the wives and the husbands that expressed to me that they were concerned about the Reserves and the National Guard being called upon for extended tours.

I took the liberty of quoting you, General Abizaid, from our previous meetings right here in this room, and gave them my own opinion, that until we can get the Iraqi army and the Iraqi police trained, that we were going to be there for some period of time with a substantial number of United States troops, but that, in so doing, that we were going to have to plan for that with the force structure of the regular Army and Marines, and not keep shifting this burden to the Guard and the Reserves. Am I correct that, of the forces that are there now in Iraq, that some 40 or 50 percent are Guard and Reserves?

General ABIZAID. Yes, sir, that's correct.

Senator BILL NELSON. Well, as we have said on this committee to you and to many others, your superiors, over the period of time, that the Guard the Reserves are going to start voting with their feet by not re-enlisting. Every time we've said this over the last 2 years, the answer comes back, from that witness table, "Oh no, that's not the case. In fact, the recruitment numbers are up," and so forth. But, in fact, we're beginning to learn otherwise. Would any of you all comment about our force structure for the future and how we, as the overseers of you, the United States military—and the executive branch—ought to ensure that we have the force structure that we need? Who would like to take that one?

General BROWN. Senator, the only thing I'd say is that, from a Special Operations Command perspective—and I don't have the exact figure, but I'd be glad to provide that—we probably have about 20 percent of our force that's on the battlefield today in our

Reserve component. That's specifically those forces in our civil affairs and our psychological operations units. So while we've gone through all of our civil affairs, and we have come back and asked for force structure and built and grown our civil affairs forces—we've grown them over 1,300 spaces, and we're re-looking whether we need to continue to do that—for the Special Operations Command, the real stress point on the battlefield for our Reserve component today is in our civil affairs. We're only about 20 percent Reserve component on the battlefield.

Senator BILL NELSON. You are an elite group, and people voting with their feet, I would assume, are going to be a lot less than the regular Army.

General BROWN. I think you're right.

Senator BILL NELSON. General Abizaid?

General ABIZAID. Senator, first of all, I appreciate you talking to the folks in Florida, and I appreciate seeing Florida National Guard units in the field. I've flown with them, I've seen them everywhere out there, along with the States—every State that's represented here, and they do a great job. We can't fight and win the war without them.

In the entire CENTCOM AOR, there's nearly 75,000 Reserve component people on active duty out there fighting. In Iraq, the numbers are probably 41, 42 percent, although I need to get you the exact number, but it is a high number, no doubt about it.

As I look at—and I have talked to the Army and my friends in the Army chain of command—it's clear that the Army has to reorganize itself in a manner to be able to bear the brunt of longer campaigns than we may have envisioned before we got involved in this conflict. That requires redesignation of units from what is no longer proving to be useful to other type units that we need a lot of. For example, we certainly need a lot of military police in the field. It also means, as General Schoomaker has talked about, having to be able to figure out a way how to get at his entire force pool of National Guard and reservists, because some people are paying a triple price, while other people are not being called up at all. So, structural reform is the first step we need to make, and I think that's very important.

Within the theater, we have to look at everything from tour lengths to how the Iraqis can do more in certain areas to being able to do other activities with other coalition partners. I think it's clear to me that our logistics capability over time will be challenged if we don't make some changes soon.

Senator BILL NELSON. Thank you.

Senator CHAMBLISS. Senator Talent.

Senator TALENT. Thank you, Mr. Chairman.

A question for both of you, and then a question for General Abizaid.

What's the status regarding air lift? Is it adequate, given current needs? I'd just like a survey of your views on that, the mobility capability studies coming out later in the year, and so, if you'd share your views on that.

Then, General Abizaid, I have been briefed by just about everybody having anything to do with improvised explosive devices (IEDs), and I have been pleased at the amount of progress and the

focus on it over the last year or so. But obviously we still have a ways to go. Is there anything that we could be doing that we're not doing, in your view? Can we help at all? I mean, is there any way we can help expedite this process?

I do want to say, I don't know if I had a chance to mention this to you, General Abizaid—but when I was in the Mid-East last December, I got briefed, I think, by everybody in the Israeli Government who has anything to do with antiterrorism. I was very pleased that, in each case, they told me that their American counterparts had been there and had talked to them already. So it's clear we are trying to learn from anybody we can learn from, and I think that's a good sign.

But if you guys would address that, I'd appreciate it—if you gentleman would. Thank you.

General JONES. I'll start with lift. Lift is absolutely the sine qua non of our capability in expeditionary operations. I'm very happy with the trend and the commitment we made to acquiring the C–17 as the workhorse of the fleet. I think without that aircraft we'd have a very serious problem.

I also, in that context, am an advocate for the C–130J. I think that's a very important complement to the lift capability that we have. The United States still has a military monopoly on airlift. It's something that we're very short of in NATO. It'll take some time for NATO nations to catch up. But this is one area that we cannot afford to see atrophy.

I would also just like to put in a plug for sealift, which is also extremely important and accounted for a lot of the successes that we've had in OEF and OIF and other areas in the world where we're engaged. So I think we should watch those accounts very carefully, make sure that they're funded and modern, as modern as we can make them, because they are the difference between success and failure in the early days of a conflict.

Thank you.

General BROWN. Sir, I think the C–17 has been a great success story. In special operations we use it not only for strategic lift, but also for tactical operations, and it's been very successful in that role also. We think—or I think U.S. Transportation Command (TRANSCOM) has done a fabulous job of lift during this whole thing, and deserves a real pat on the back. When you take it down a notch to tactical lift for Special Operations Forces, of course, we're building 10 new C–130s, our MC–130 Combat Talons. Seven of them will be new-builds, and three of them are replacements for combat losses we've suffered in Iraq and Afghanistan. On our helicopter side, for lift of our forces in the tactical arena, we're building 24 brand-new MH–47-echo (MH–47E) Chinooks that—or G-model Chinooks—that will be at—stood up at Fort Lewis, Washington. It'll be the first special operations helicopter force west of the Mississippi to support those forces that are out there that will then be oriented towards the Pacific area of operations. As I said earlier, we're waiting for a safe, reliable, and a maintainable CV–22 that will add a lot to our force structure when it comes in.

General ABIZAID. Senator, I'd like to say, with regard to lift, first of all, the C–17 is probably the most essential piece of equipment that flies in the Central Command area of operations. We can't get

our job done without it. The C–130 is right behind it. So we are an intratheater user at the present time, with 225,000 troops in the field, but we can't live without it.

But I would also like to make sure we understand that, with the nearly million people that have come in and out of our area in this fourth year of war—over 4 years of war, nearly 4 years of war—plus all of the equipment that we've moved, that we couldn't do it without sealift, as well. So airlift and sealift really are as important to us as our combat soldiers in the field. We have to be able to get them there, and that's essential.

With regard to the IEDs, we have an awful lot of people and a lot of resources thrown into the effort to discover how better to defend ourselves against the IEDs, and how to find them. A lot of different technological and protective measures are being used. The efforts are showing some ability, but I would like to stress that the enemy changes his tactics, techniques, and procedures, adjusts to us. I think, rather than commenting on specific successes or failures, I would say it's an ongoing battle. This IED threat has migrated from Iraq to Pakistan to Afghanistan. As long as we are fighting the enemies that we are fighting, in the connected manner that they're fighting the battle, we'll see it continuing to migrate.

So I think what we need to do is not just talk to the international folks, but to develop an international effort to get at this threat more efficiently than we've done thus far.

Senator TALENT. Thank you, General. I realized, after asking the question, there's probably not a lot you can say, in an open hearing, on what you're doing. But I know all of us feel the same way. This is the asymmetrical threat that we have to deal with, and, you're right, it's showing up all over the theater, and will show up all over the world.

So, again, if there's anything I can do, personally, or the committee, I'm sure we all feel we want to be supportive.

General ABIZAID. Thank you, Senator, and thanks for your visit.

Senator CHAMBLISS. Senator Reed.

Senator REED. Thank you, Mr. Chairman. Thank you, gentlemen, for your service to the Nation.

General Abizaid, given a new emphasis on training and mentoring Iraqi forces, given what is, I think you would recognize, a long-term commitment to an extraordinarily complicated region, does this budget reflect the kind of emphasis on language skills and cultural awareness for individual soldiers, not just in the immediate several months, but going forward for several years, in your view?

General ABIZAID. Senator, I don't have enough visibility on what's in the budget, precisely, to be able to say yes or no, but I'm probably of the opinion that does not. I would tell you that, at the height of the Cold War, we had literally hundreds of thousands of young officers, older officers, specialists, analysts, et cetera, that knew everything they needed to know about the enemy that we fight.

When I look at my inventory within CENTCOM, I'd say it's literally hundreds, and so, we have a long-term problem in the region. We don't aim to occupy the region, certainly, but we will have a long-term problem to help the people help themselves against the

extremist threat over time, and we will need people who know the language, understand the culture. We must invest in the human capital of the United States of America to have more experts.

We also have to invest in the human capital of the people in the region to come here, to go to our courses, to be part of understanding how the United States military works and is organized. This investment in human capital, both Middle Eastern and U.S., will do much to bridge the respect gap which is driving so much of the unnecessary violence over there.

I think any dollar spent on sending officers to school to learn the culture, to learn the religion, to learn the language, is a dollar well spent. I'd also say we need to change our culture within our Services so that officers who do this sort of thing are valued and not regarded as some sort of a secondary appendage to what has to be done.

Senator REED. Thank you, General.

General, it seems that the insurgents are targeting the Shiite community—the security forces, generally Shiite—but it also seems, based upon the reaction of some of the officials in the newly-emerging government, that they're going to undertake another de-Baathification program of rooting out the Baathists. In fact, Adnan Jawad, the security advisor, indicated today that in response to bombing, they were going to redouble their efforts to root out former Baathists.

The politics there are probably more challenging, in some respects, than the tactical operations. But it seems that two unsettling trends are developing: targeting Shiite to provoke a Shiite reaction, and then the government targeting former Baathists, or anyone, probably Sunni, to cause them to feel even more marginalized. Can you comment upon those trends?

General ABIZAID. Senator Reed, my belief is that Iraq has to move together as one community, as one nation, as one sovereign state in order to be successful, that there have to be more people in the country trying to hold it together than tear it apart, and that, in particular, the victors in the election process, primarily the Shiite community, need to reach out to the Sunni Arab community and have a process of reconciliation that allows people to move forward to be part of the future of Iraq. My impression is that the vast majority of the Sunni Arab community, but for the intimidation of the Baathists and the terrorists, would have moved forward and elected, and they would be playing a much more important role in the formation of the new government had they done so. I think it will be a matter of important statesmanship for Iraqi responsible officials to move forward to reach out to the people in all communities and bring them forward in a way that's good for Iraq.

But I also have no illusions. There are a large number of people in all of the communities that are absolutely anti-democratic, that will do anything to make this effort fail. Those people will have to be confronted militarily by Iraqis and by multinational forces as long as we're there. We must defeat them, and we must understand that at times they will have some successes.

But the politics, as you suggested, are, in my mind—at this point, anyway—more important than the military activity. We will not be defeated. We will not be thrown out of this place. We will

defeat any threat that emerges. But, most importantly, we need politics to stay nonviolent. I think the effort at reconciliation is extremely important for success.

Senator REED. Without putting words in your mouth, it is somewhat disheartening to hear a figure in the administration, like Mr. Jawad, talk about renewed de-Baathification and rooting out Baathists.

General ABIZAID. Senator, it's like any government that's emergent—there are different people that say different things in an undisciplined manner that may not be representative of the broad majority of the people. My impression is that the efforts that are going on within Iraq now to forge a democratic consensus are more powerful than those that would tear it apart. I have heard as many people say the opposite as——

Senator REED. Let me just change the subject slightly. Some might argue that the best indigenous Iraqi force, military force, is the Peshmerga. They are armed. They don't seem to be giving up their arms. They represent not only a military factor, but a political factor. How would you propose that the new government in Iraq deal with, not just the Kurdish issue, but the issue of a very skilled military force which gives them power?

General ABIZAID. Senator, it's an interesting question as to how various militias will be dealt with, the most important of which, of course, is the Peshmerga. They fought next to us as allies in the war. We're very mindful of that. They provide a very stabilizing role in the northern areas. But, ultimately, the Iraqis have to take inventory of their own forces. They have to form a direction that is Iraqi for their armed forces, and they have to know that, over time, if Iraq is to survive as a sovereign state, they must have one Iraqi armed force, and not several.

Senator REED. But, at this point, the issue of one Iraqi force is still in some doubt. You have the challenge of building a national army, but then you have the related, but slightly separate challenge of somehow integrating these militias, or disarming these militias. That remains a significant challenge.

General ABIZAID. It does, Senator. It is a challenge, but it is doable. I look at the model in Afghanistan, and I see how we were able to, with the assistance of the Afghan Government, move in a positive direction in disarmament of some of the militias. That work is not completely done there, either, by the way. But, ultimately, we will have to move with the Afghan Government and the Iraqi Government and the international community to provide loyal armed forces and not many militias. It will be a tough job, no doubt, and it'll be a long job, but I believe it's achievable.

Senator REED. Thank you. Thank you, General.

My time has expired. I'm not going to ask for a question on the record.

Senator CHAMBLISS. Thank you, Senator Reed.

Senator Clinton.

Senator CLINTON. Thank you very much, and thank you, gentlemen.

General Abizaid, thank you for taking time out last week to meet with the Congressional Delegation that Senator McCain led, the forced march through CENTCOM. I appreciate all that you're doing

and your sensitivity to these difficult political issues, as well as the military ones.

I wanted to follow up on the direction that Senator Reed was heading with his questions. I am concerned about what does develop with the new Iraqi Government, and I think, largely, it is out of our hands from the experiences we had, and the conversations that we engaged in, much of what will happen in the future depends upon the statesmanship and patriotism of whoever emerges as the head of this government. I know that there are a number of forces at work to influence how that government is established and what positions it might take.

I was hoping, General, that you might enlighten us on your current assessment as to what role the neighbors are playing—particularly Iran, but not exclusively Iran—whether Syria and Turkey are involved in the political side of this. Because, to me, that's the most important dynamic that's occurring right now.

General ABIZAID. It's a very difficult question. First of all, thanks for coming out there. It was good to have you and the delegation out there.

The most frequently talked about difficulty for the emergence of a new government comes—and it's really talked about more inside Iraq than it is anywhere else—and it has to do with the degree to which Iran will exercise some sort of control over the new government. There is a lot of concern in the Sunni Arab community, in particular, that Iran is seeking to make Iraq a puppet state.

I know an awful lot of the people involved in this process of building a new Iraq, and I believe that they're Iraqi Arabs before they're anything else. Yes, they're Shiite; yes, they have been, in the past, friendly with Iran. But I do not believe that there is much of an impetus inside of Iraq for a Shiite theocratic-style state to show up, as is evident in Iran. I think it's very unlikely. I think they'll move toward something very Iraqi, very Arab, but also that, by necessity, must be very inclusive.

Now, the Iranians have played an unhelpful role. They played an unhelpful role with Muqtada al Sadr. They continue to have significant intelligence activities inside of Iraq that are of concern, not only to us, but to everybody that believes in the sovereignty of Iraq.

So, the most important message for the Iranians is that Iraq is a free and a sovereign nation that will develop its own future. I think it's inevitable that Iran and Iraq will have a closer relationship, certainly than they did back in the days of Saddam, but, on the other hand, I believe that Iraq will be drawn more into the orbit of its Arab neighbors than Iran.

As far as Syria is concerned there's another model that the Shiite talk about, and that other model is what they would call a Salafist extremist state would emerge. They say that they would get this sort of support from a place like Syria. I don't find that very likely. I don't think that the Syrians, or anybody else in the region, have any interest in an extremist, religious, Sunni type of state to emerge, whatsoever. This is the mantra of bin Laden, Zawahiri, Zarqawi, et cetera. It is very unlikely that there would ever be enough support for that to happen, although we shouldn't underestimate their ability to intimidate people and to cause damage and to terrorize people towards that direction.

Syria also plays an unhelpful role, in that I think they're ultimately worried about what the United States will do in the region, and their future. They think, by continuing to stir the pot in Iraq, they will avoid whatever they think might be coming. Really, again, the message to Syria is the same as to Iran: Help in the stability of Iraq, and you'll help in your own peace and prosperity. It's a very, very simple equation.

The Turks look down to the south, and they're worried about a Kurdish state emerging, but the Kurds and the Shiite and the Sunni of Iraq, they're no fools, they know they have to move together or the state will break up and their worst nightmare will come true. Again, the message for Turkey, a good ally, is: The Kurds will move together within a sovereign Iraq, with the Shiite and the Sunni, to build a new community.

Looking to Saudi Arabia, the Saudis are concerned. Continued instability in Iraq is a problem for Saudi Arabia. It's a problem for Kuwait. It's a problem for all the smaller Gulf states. There is a school of thought that the insurgency in the Sunni Arab community will spawn additional terrorism to the south, especially in the Gulf and in Saudi Arabia. It's a legitimate concern. So the sooner the nations and the region control the movement of these extremists jihadists, the sooner we'll be able to control the pace of the insurgency in Iraq and achieve stability in the region.

Ultimately, as stability is achieved, obviously we bring down our force structure, because, over time, it's not to anybody's interest to continue to have a large American presence there. We need to have a shield that helps the region move towards moderation and prosperity and peace. We don't need to have a domineering military presence there. But until Iraq can be stabilized, Afghanistan can be stabilized—and Pakistan and Saudi Arabia have a chance to help themselves against the extremists—we'll be there for awhile.

Senator CLINTON. Thank you, General.

General Jones, thank you, too, for your extraordinary leadership in Europe. I appreciated being with you at the Munich Security Conference. Certainly, NATO is going through some challenging times, but your presence there is very important.

I wanted to ask you about Darfur. I apologize if somebody's already asked you, because I couldn't get here any earlier. When we were in Munich, one of the requests that was very clear in the conversations I had is that if there's any hope—if we're not going to have—if we're going to have a deadlocked Security Council, which I think, unfortunately, is at this moment, the fact—and I regret it, and I think it has to do with China and Russia and oil and lots of other things that the Sudanese government is promising, and unless we're able to break that loose—and I hope we're still trying—then the African Union is basically down there, inadequately prepared to deal with what we expect them to do. When talking with people who know about the situation of the African Union, a number of respondents said that what they need more than anything is just one transport plane. They just don't have any way of getting around. They have very little logistics, very little command and control. Is there any potential for one of the member states of NATO helping, or NATO themselves helping? Because I just feel

like this is one of those situations that we're all going to look back on and wonder, How did we let it happen again?

General JONES. Darfur has been a subject of the Secretary General's—Secretary General of NATO's discussion within the North Atlantic Council, but it hasn't resulted in any traction for the Alliance to do something as an alliance. It is a horrific situation. But whatever is being done is going to have to be done on a bilateral basis, because the consensus has not emerged in the North Atlantic Council. It's regrettable. The Secretary General is doing what he can to illuminate the problem and to force discussions on it. But, as yet, there has been no consensus with regard to a NATO—any kind of NATO mission there.

Senator CLINTON. Well, my time is up, but I just find that so regrettable, because here we are, it's 2005, we can't get the Security Council to do anything, can't get NATO to do anything and everybody knows what's happening. We do have these relationships with the African Union. I know you've really advanced our commitments there. I look at this extraordinary map and see these developing partnerships, and our credibility, it seems to me, is going to be very low if we can't even get them a transport plane or do something to help them with some visible means of support.

So, perhaps this could be carried on at a level within our own Government, because I just worry that all the good work you're trying to do in Africa will look like it's basically insubstantial and unsupported.

General JONES. We periodically point out that one of the qualities and capabilities built into the NATO Response Force is, in fact, to do humanitarian-relief and disaster-relief operations. It's a capability that is increasingly resident in our portfolio, so to speak. But in order to act, we need the political consensus. So when that comes, I think that, within the inventory of NATO, there's quite a few things that we could do in disaster relief, and the one you're talking about, in particular.

Senator CLINTON. Thank you. Thank you.

Senator CHAMBLISS. General Abizaid, we had Director Goss and Admiral Jacoby in 2 weeks ago to talk to us about intelligence operations inside of Iraq. They gave us some encouraging news about some improvement in that area. But I'm particularly concerned about the involvement of the Iraqi people, particularly after the very successful elections.

From your perspective, are we making progress in the area of intelligence? With regard to the participation of the citizens of Iraq, turning in individuals and giving us information, are you seeing an improvement in that area, particularly?

General ABIZAID. Senator, we are seeing some improvement in some of the more difficult Sunni areas, especially up and around Mosul and down into Salah ad Din province, less so in al Anbar province, although there has been a slight increase in people coming forward and saying, "You need to go check out this particular location. You need to go talk to this particular person," et cetera. So, there has been an increase. But I think the increase will really come when the new Iraqi Government gets itself situated where they organize the Iraqi intelligence services in such a manner that

their own people are able to go out there and use their intelligence to enable Iraqi units to go after some of the specific targets.

As General Brown knows, in our workings with the Iraqi Special Operations Forces, this has turned out to be pretty successful, and, here recently, they've gotten a lot more intelligence tips since the election.

On the other hand, I do want to point out and make sure everybody understands that, as we move forward in Iraq, it's a year of great political activity. We're forming a government. They are going to seat the national assembly. They're going to pick a prime minister. They're going to establish new ministers. They're going to write a constitution. They're going to ratify a constitution. Then, come December, there's going to be another election. So this political turmoil will probably not allow the institutions to really get as established as we would like, so we have to be cautious in expecting that they will develop faster or more efficiently than we might expect.

Senator CHAMBLISS. But, in the meantime, are you satisfied with the level of intelligence that you are actually provided, as a warfighter on the ground?

General ABIZAID. I think our operations, where we really focus our intelligence, especially against the terrorist networks worldwide and the terrorist networks, in particular, inside Iraq, have been very, very good. It's a combination of all the various types of intelligence coming together that enable us to do some precise targeting. We're better now than we were, and we need to get better, still. But we are doing pretty well in that regard.

The intelligence against the broader insurgency, however, still has gaps, and it's very important that we continue to develop our human intelligence, in particular. As much as there has been great improvements throughout the theater, especially in places like Afghanistan, the Afghanistan/Pakistan border area, et cetera, there is still a long ways to go. I think the deficit that we started the war with, in human intelligence—through no fault of the intelligence community, I believe—has to be made up.

Senator CHAMBLISS. Lastly, on intel—you mentioned the Afghanistan/Pakistani border—there seems to, obviously, be more concentration, press-wise, on the situation in Iraq, but, in Afghanistan, Pakistan, that region somewhere, we know bin Laden still operates. Is the pressure increasing on bin Laden, relative to locating him?

General ABIZAID. The pressure on the al Qaeda network and associated networks throughout the CENTCOM AOR has increased on them greatly over the past year. They are having trouble recruiting. They're having trouble making money. Recently, despite the number of videos and the number of statements they've made, they're having trouble causing people to pay attention to them because of all of the great political activity that's going on that show that moderation actually has a chance to win.

So, it's interesting to see what's happening to the extremist cause out there. It's still dangerous. It's still deadly, and we still need to keep the pressure on them. The Pakistanis have moved about 70,000 troops up and along the border area. There's still more work that needs to be done there on their side. We need to stay vigilant

on our side. It's very clear to me that the linkages between bin Laden, Zawahiri, Zarqawi, and other groups are targeting us here at home. It's also very clear to me that al Qaeda will target the Afghan elections, parliamentary elections, that are scheduled, I think, now for June.

While we have done very well, and while the threat is much reduced in both Afghanistan and Pakistan, it's a long way from being over. We have to continue our counterterrorist activities and get them even more sophisticated.

Senator CHAMBLISS. Thank you.

Mr. Chairman, I'll hand it back to you.

Chairman WARNER [presiding]. Senator, I thank you for filling in for me a minute here. I must say that I introduced legislation, just now, to provide some tax benefits for the men and women in the Armed Forces and other Federal employees in connection with the costs of their premiums for healthcare. So I'm still working on behalf of the military, in another arena.

Why don't you go, Senator Levin, and then I'll follow up with my questions.

Senator LEVIN. Thank you.

General Jones, in your written statement, you emphasize the clear value of U.S. leadership within NATO's military structure, and for NATO's ongoing transformation efforts, but your statement also contains the following warning, "Unfortunately, if the level of U.S. contributions"—referring to forces and resources to NATO—"continues to decline, our claim to leadership posts will inevitably be challenged." Can you expand on that a bit?

General JONES. That refers essentially to the reality that NATO, and particularly in its transformed status, has to maintain a close affiliation with the United States, and the United States, despite its being heavily taxed in other parts of the world, still has very important roles—leadership roles, capabilities roles—to play in the development of the NATO Response Force, for example, in the manning of the new headquarters, in the staffing of the Allied Command Transformation and all aspects of the military transformation of the Alliance. It is important to continue to maintain those levels of engagement; and, therefore, those levels of leadership that go with that responsibility.

To that end, EUCOM is playing a much more cohesive role with regard to its visibility as to what's going on in the North Atlantic Treaty Organization. We are doing, I think, some very exciting things to ensure that the level of U.S. participation, which is always watched closely by our friends and allies is, in spite of our ongoing challenges around the world to do the very important things we're doing, of such sufficiency that our leadership position will be unchallenged.

Chairman WARNER. Senator——

Senator LEVIN. Has the level declined? Is that——

Chairman WARNER. —the dollar. Let's address the dollars. Weren't you——

Senator LEVIN. —for forces and resources.

Chairman WARNER. Yes.

General JONES. Forces and resources.

Chairman WARNER. Is there a decline in the U.S. contributions?

General JONES. There is no decline in the percentage of resources that have been provided for the Alliance. We pay our bills. But, periodically, we do have to remind ourselves that the U.S. role in the NATO missions has to also be maintained at a sufficient level. For example, in Afghanistan, we have ISAF in Operation Enduring Freedom. For a long time, all of ISAF, basically, was friends and allies, with the U.S. being only in Operation Enduring Freedom. As we expand the mission to stage one and stage two, in the west, in Herat, two U.S. Provincial Reconstruction Teams will be transferred under NATO command. It's that kind of engagement that has to be visible and has to be tangible. Otherwise, friends and allies look around and say, "Well, where is the U.S.?" So, a lot of it's perception, but sometimes the numbers are very real. We're working through that. It's more of a warning, more than a reality.

Senator LEVIN. General Abizaid, I want to pick up the militia issue with you, because there's been a lot written about this recently, and you made reference to the Peshmerga. But I want to go to the other militias, in addition to that particular one.

There was a article in the Wall Street Journal which made reference to the number of militias that were used to guard the polls for the recent election, and one of them, called "The Defenders of Baghdad Brigade," according to the article, was supplied with rifles, ammunition, and body armor by U.S. officials, and a second militia in the town of Amarah, a Shiite city set up in early January in Baghdad's old defense ministry. The Journal quotes Colonel Jim Bullion as saying, "These groups just started appearing like mushrooms. In the last month, they have been appearing so quickly we can barely keep track of them." According to the Journal, military officials say that they aren't sure what will happen to these groups after the election.

The Journal also quotes Colonel Bullion as saying, "It's really heartening to see the Iraqis seizing the initiative." I'm wondering whether you would comment on the growth of these militias. You've made some reference to it earlier this morning, in response to Senator Reed. But, basically, do these militias represent a positive move? Do they represent, for instance, at last, our willingness to support the emergence of Iraqi military leaders who are taking some initiative, in a top-down approach, to form units, to fight the insurgency? Or do they represent something of a challenge, making it difficult to put together an Iraqi army? Or both? What's your assessment?

General ABIZAID. Senator, my assessment is, ultimately, like any sovereign country, Iraq needs to have no militias, other than those militias that are agreed upon by the Federal Government, or whatever type of government is established there, necessary to maintain peace and security and tranquility.

The appearance of some militias in places like al Amarah and other towns in order to help with the election process was, in some way, a good thing; it showed local people very interested in protecting their interests and moving forward in the political process.

But I would rather see the initiative displayed in the new Iraqi security forces, and we should also understand that the new Iraqi security forces won't necessarily emerge as we have planned them to emerge.

While we say that the end state is this and that, as you talk to General Petraeus, I think, as the new Iraqi transitional government emerges, there will be changes to the plan that will show Iraqi initiative to do different things in different ways, especially with things such police commando battalions.

So my clear preference—and I'm sure I'm speaking for General Casey, as well; and I'm also sure I will speak for the eventual leaders in the democratically-elected government of Iraq—is that militias are strictly controlled, that they come under governmental supervision, and they will not be allowed to independently operate.

Senator LEVIN. Is that going to represent a real difficult chore for us, to achieve that goal? Do these militias know that the Iraqi Government now takes that view of them? Do they know that that's our view of them?

General ABIZAID. I think the view has—is yet to be fully formed.

Senator LEVIN. The Iraqi Government? Or ours?

General ABIZAID. The Iraqi Government view is yet to be fully formed. I mean, for example, I could see a way forward for Kurdish militia, where Kurdish militia—some is demobilized and they are put into other security-force work, or that they are given other opportunities within the country. You could see various other levels of demobilization and integration going on, not unlike what we saw in Afghanistan.

So, it's workable, but it's going to have to be determined primarily by the Iraqis. We'll help them in that effort, just like we've helped the Afghans in the demobilization and reintegration efforts there. Ultimately, Senator, it's destabilizing.

Senator LEVIN. Thank you. Just one last question.

How many of our forces are embedded in units of Iraqi security forces? I know that we've seen just different estimates. What's the current number, and what is the goal?

General ABIZAID. I don't know that I would want to give you the current number off the top of my head. I would like to take that for the record and provide it for the record.

The goal is certainly to increase the level of coalition forces dealing daily with Iraqi forces, in terms of their training and mentoring. I wouldn't want to give you the number, because we haven't really determined what the number is yet.

Chairman WARNER. Was that part of the Luck program recommendations? I know it existed prior to General Luck coming over, but did he recommend——

General ABIZAID. Well, Senator Warner—yes, sir?

Chairman WARNER. Yes, did he recommend augmenting?

General ABIZAID. I think all of us, independently, at one time or another, have recommended that we have to do more with the Iraqi security forces. But, of course, we do have a sovereign government that's forming. They do have an opinion that we're going to have to take into effect as we move forward. We have yet to fully come up with the numbers needed to staff this effort. That has to be determined by the Secretary, and ultimately needs to be briefed to the President. So we don't have the precision yet on what we want to do, but there is broad general agreement that we must do more in the training, advising, mentoring, helping of Iraqi security forces.

Chairman WARNER. The Luck participation—and I have a very high regard for General Luck—we've been told by the Department of Defense that he made a series of recommendations that were given to you, and you would then, so to speak, chomp on them and give your own independent thinking. Then it would go back to the Secretary. Is that process working, so that eventually the committee can have the benefit of some of these activities by General Luck and his colleagues?

General ABIZAID. Sir, it would be up to the Department as to what they release, but I'm sure that the Secretary would characterize the Luck report in much the same way as I would, and that is, it wasn't necessarily "go-inspect-report." It was collaborative. General Luck has been with us every step of the way. He's been in and out of there numerous times. He looked to see what General Casey had in mind, what General Petraeus had in mind, and what the Iraqis were thinking. He added his own ideas. He came back, and he briefed me and the Secretary. We're, as I said, in broad general agreement that we need to do more in accelerating the quality of the Iraqi security-force establishment.

Chairman WARNER. The augmentation of our forces to be integrated in special units?

General ABIZAID. The degree to which they have to be augmented is really precisely what we're involved in right now, trying to figure out how much augmentation will be required.

Senator LEVIN. If you could supply, for the record, two numbers, then; one is the current number of our people who are embedded with Iraqi units, in that role; and, second, do we have a goal——

General ABIZAID. Yes, sir, I will.

Senator LEVIN. —in that regard? Those two things for the record.

[The information referred to follows:]

[Deleted.]

Senator LEVIN. I just had one other question for——

Chairman WARNER. Yes, go ahead.

Senator LEVIN. —General Brown, then I would be done.

This has to do with the question of whether you favor a Marine Corps component in the Special Operations Command. That issue seems to come up every once in a while, so I wouldn't want you to leave here without asking that question.

General BROWN. Senator, Special Operations Command and the United States Marine Corps are working very well together, and have a bunch of initiatives going on, which we went back and briefed the Secretary on a couple of weeks ago.

One of the initiatives, for example, is foreign military training units, which they will be standing up. You might have read a couple of press reports about it. The interesting thing that I think the press didn't mention in those reports is that, in every one of those, there will be embedded special forces officers and NCOs as a joint team to do this foreign military training organization. Additionally, Special Operations Command will be the ones that decide where they're employed. So when we do our annual deployment conference where we decide which of the missions we can support and which ones we can't, we'll be in charge. Special Operations Com-

mand will actually be scheduling the foreign military training units.

There's a whole bunch of initiatives I could get into. We're trading staff officers. I'm putting six more marines on my staff. We're putting more out into the Special Operations Command in all of the geographic combatant command areas, and we are in the discussion of whether we need a Marine Corps SOCOM component, and we're looking at what those requirements are and, if we have them, how the Marines would fill them.

Senator LEVIN. Thank you, General.

Thanks.

Chairman WARNER. To follow on that, would that, then, require a naval component to accommodate the SEALs and people——

General BROWN. Sir, I already have a naval component.

Chairman WARNER. So you—in other words—I recognize that, but would it be complementary? I mean, the Marines would be a similar type of——

General BROWN. If the Marines come over as a component, they would be a Marine Corps component, exactly like my Army, Navy, and my Air Force.

Chairman WARNER. Army, Navy. It would be all. I see. Fine, thank you.

General Abizaid, I was out of the room, but I do believe you touched on this subject with several responses. But I have before me a timeline that I've worked up with regard to the formation of this new Iraqi Government. The kickoff, really, is February 15, when the elections were certified. The next step is the presidency council, president of the state, and two deputies. Then that's to be followed by the presidency council selects a prime minister within 2 weeks of being seated. Then that's—the prime minister selects council members within a month. Then the Transitional National Assembly (TNA) approves prime minister and council of ministers, majority vote, Iraqi transitional government formed, interim Iraqi government dissolved, no fixed date.

I guess I was optimistic, and I think people in a position to know, in briefings that I've had, together with other Senators, felt that this process would be pretty well along by April. But, given these timelines and politics being what it is, when do you anticipate a government that will be in a position to begin to be operative and the Iraq—interim Iraqi government, which the Allawi group have now, would be dissolved?

General ABIZAID. Mr. Chairman, I am really not in a position to make predictions. Ambassador Negroponte would certainly have a better feel for it than I. But I can tell you, your description——

Chairman WARNER. Beg your pardon?

General ABIZAID. Your description of bare-knuckled politics going on is exactly right. That's what's going on. I am optimistic that the political process will shortly yield the seating of the national assembly, the choosing a prime minister, the development of the presidency council, and then the all-important work necessary to write the constitution.

The real question for us, Is there anything in the process that we see now that would prevent us from getting to national elections in December? My answer is no. I'd say the politics is moving

forward, they'll move towards resolution. They know they have to do it. I think you'll see the emergence of a government here soon, although I can't predict when. But, more importantly, I think you will also see them move in a very important way towards these elections in December.

Chairman WARNER. Well, all well and good about December. Yes, politics has been my main occupation now for over a quarter of a century here in this Senate, with my good friend, Carl Levin. We came together here 27 years ago.

Senator LEVIN. I'm afraid so.

Chairman WARNER. But, General, I'm not lecturing you or your colleagues here with you, but I do want to make a statement that, fine, I appreciate the political challenges, but when I get up every morning—I say my prayers, as I go to bed tonight, for the young men and women of the Armed Forces of the United States and coalition and, indeed, the Iraqis, that are being killed and wounded, every day. They have to bear that in mind. They have to pull themselves together and structure this government and dissolve the existing government and get on with their business.

I was led to believe that could well be the first week in April. I cannot see that happening in the timeline that I've given here, in that time frame. Now, if you want to differ from me, I'd be happy to get your views. But I see this thing dragging on. The uncertainty could well breed more antagonism and attack towards our troops. Don't you share that view?

General ABIZAID. Sir, I believe that uncertainty will almost certainly breed more violence. The more certain that we can be in the steps that the politics makes, the more certain we can be that we'll move towards a better security situation. I think there's no question of that.

But I also know that, as I said before, nothing in the Middle East moves in a straight line.

Chairman WARNER. Good.

General ABIZAID. We have to have patience, courage, and perseverance.

Chairman WARNER. I agree with all of that, but you feel every one of those deaths. You and I talked privately about that.

General ABIZAID. Yes, sir. We——

Chairman WARNER. That's it.

General ABIZAID. They will do it. I trust them.

Chairman WARNER. All right. But let's bear in mind that we're paying a very heavy cost in life and limb to let this political situation work itself out.

General ABIZAID. I agree, sir.

Chairman WARNER. Tell me about the——

Senator LEVIN. Could I——

Chairman WARNER. Yes.

Senator LEVIN. —ask——

Chairman WARNER. Yes, go ahead.

Senator LEVIN. Before you leave the political situation——

Chairman WARNER. Yes, go ahead.

Senator LEVIN. Are you going to change to a different subject?

Chairman WARNER. I was going to talk about the Arab media.

Senator LEVIN. Could I just——

Chairman WARNER. Make an observation.

Senator LEVIN. —ask a question on that line? On the timeline, if I could just borrow your timeline——

Chairman WARNER. Yes, sure.

Senator LEVIN. —Mr. Chairman. I agree with you on certainty, by the way. I think the Chairman's comments are exactly right on certainty. That's why it was important the election proceed first. As I understand it, the referendum on the constitution is supposed to be October 15——

General ABIZAID. That's correct.

Senator LEVIN. —according to the timeline, and that under the law that apparently prevails, three provinces can veto that constitution by a two-thirds vote. Does that, in your mind, introduce a significant element of uncertainty, given, apparently, the fact that three of those—what is it, 15 provinces, 14 provinces?—are pretty well Sunni-dominated provinces? Is that a significant element of uncertainty, in your mind? Are you worried about that?

General ABIZAID. No, I think the road ahead, the way it was fashioned, is prudent. I think it's workable. I think it's also very smart to have that provision, so that various regions, provinces of the country are able to have a say in the future, the political future, of the nation in a country that they never had any say whatsoever before, it was all so completely centralized. So, as an effort at decentralization, I think it's inherently more stabilizing, not less.

But, again, I'm out of my league in this regard. I will stress to you that Iraqi security forces, over this period, will become stronger. U.S. forces will continue their vigilance and continue to help Iraqi security forces develop.

If there were a concern I have in this process, it would be that we prolong it, as Senator Warner suggested could happen, and you have considerable churn in the Ministries of Interior and Defense, or you have what people might call a purge in those ministries because of political reasons. I think we need to keep people that have been fighting and serving the nation of Iraq as we go through this process.

So, I would hope—and I can only hope—it's outside my purview—I can only hope that the statesmen of Iraq know that they must do whatever they can to keep things stable in the political process ahead. I'm confident they can.

Chairman WARNER. I want to pick up on—thank you very much, Senator Levin.

You said, very clearly, that the quantity, type, and timing of inserting more of our forces into their operating units to work with them is dependent upon the new government agreeing to it. Did I understand you to say that?

General ABIZAID. It's dependent upon working closely with the new government.

Chairman WARNER. You bet.

General ABIZAID. They're a sovereign government, and they have a say in what happens.

Chairman WARNER. I agree with that. But all of us want these Iraqi forces to be strengthened, to be better trained, more operational. It's the military judgement of yourselves that they need to have the closer benefit of our troops by integrating our troops into

those units, and that's awaiting the new government to give its approval. So it seems to me, on the one hand, our movement towards strengthening the Iraqi security forces, a significant part of that being—having our troops integrated into their units, that's basically—that part of the strengthening is somewhat on hold—and I agree with you—until the new government comes in and gives it's approval. Have I, sort of, stated the case correctly?

General ABIZAID. Well, again, I wouldn't regard the embedding of additional U.S. forces to do more work, to accelerate the quality and the quantity of Iraqi forces developing, as being a revolutionary change in what we're doing. I'd say it's evolutionary. We already have a lot of people, as Senator Levin noted, doing this work. So, it's a matter of increasing it. But we do believe that we must consult with the new government. I think that——

Chairman WARNER. Nobody's questioning that. I'm just pointing out this timeline of the formation of the new government, and the price that's being paid every day, every week, in terms of life and limb.

General ABIZAID. Senator, my belief is, nobody is more anxious in Iraq to take over Iraqi security duties than the Iraqis themselves.

Chairman WARNER. Good.

General ABIZAID. They fight with us, they bleed with us, they die with us. I don't know what more we could ask of them. They want their country back, and they're willing to fight for it. We need, though, to be patient, to understand that it'll take some while to build their capacity.

Chairman WARNER. Now, in that time, what has been your observation with regard to the Arab media? Do you feel there's a degree of objectivity coming in now, or is it still that, sort of, very slanted al Jazeera initiative? Now, of course, when I use the term "media," we're talking about not only the television, but—how many newspapers are there now in Baghdad? I mean, America is astounded over the number of newspapers. What is it? Forty? Seventy? Fifty?

General ABIZAID. Lots. Well, my view on the Arab media——

Chairman WARNER. Well, how many newspapers, now? What's the estimate? I mean, these are——

General ABIZAID. Sir, I couldn't tell you the number. I'd have to provide it to you. But it's a lot.

Chairman WARNER. It's a lot. I mean, there's 50 or 60, I believe.

General ABIZAID. It's more than Washington, DC.

Chairman WARNER. Well, we won't get into that. I mean, that's too close to home for me to deal with it. But, anyway, I know exactly how many are here. But there are 50 or 60, I think, on the streets of Baghdad.

General ABIZAID. It's a lot.

Chairman WARNER. Thank you. Go ahead.

General ABIZAID. So, my answer on the media, Senator, is, there are things happening in the Arab world and in the Middle East and in Central Asia that I've been associated with this area for a long time. I'm a student of it. I appreciate the people, the customs, the culture. But there are things afoot, to include freedom of the media, freedom of expression, willingness to build a media, willing-

ness to express themselves, that are absolutely revolutionary. There are as many opinions out there in the Arab world today as there are anywhere else in the world. There are certainly very anti-American stations and media outlets. But there are very many more that are pro-moderation and are trying to urge people forward towards reform.

I think, ultimately, what's happening out there is good, and that people have the right to express themselves and a right to shape their own future is important. You never would have seen it 10 years ago.

Chairman WARNER. But you just made a very, I think, dramatic statement, "No one, Senator, is more anxious than the Iraqi people to take back their nation." It seems to me the media ought to begin to get behind that tremendous commitment and desire and the sacrifice that they're, likewise, suffering daily.

General ABIZAID. It's just not the Iraqi people; it's all of them. Everywhere you look in the Middle East, if there's not—if there is not a new media or newspaper outlet in a particular country, you'll find it in London or somewhere in Europe or some other location. So, people are talking. They're talking about a way forward that, I think, is extraordinary. I don't think it would have been possible without what has happened there in the past 4 or 5 years.

Chairman WARNER. Let's turn to Afghanistan. We've covered parts of that today in this hearing. But, to General Jones first, then to—back to you, General Abizaid. That is, the drug cultivation and trafficking has become a major issue. Such activities comprising over 50 percent of Afghanistan's overall economy, gross national product (GNP). We've adopted a new strategy and will devote a significant amount of resources, over $700 million of American taxpayers' money, to countering drug activities in Afghanistan in the fiscal year 2005, coming up.

General Jones, can you comment on that?

General JONES. Mr. Chairman, I can comment on the fact that this is a serious problem that the Karzai regime fully intends to take on. I've been in the President's discussion chambers when he said that he considers the dependence on narcotics to be a national shame for his citizens. He worries—I think he would like to have an Afghan face on whatever happens with regard to the eradication program. I think it's extremely important that the entire community in Afghanistan, all of us who are there, from nongovernmental organizations (NGOs) to Operation Enduring Freedom, ISAF, United Nations Assistance Mission in Afghanistan (UNAMA), are together on what is going to happen and what the strategy is going to be so that we can correctly assess the efficacy of the program, and also whatever threat conditions change as a result of that.

I think that everyone realizes that it has to be done. What I'm waiting to see is exactly how nations are going to react when the full plan is laid out and we embark on the——

Chairman WARNER. When is that plan to be laid out?

General JONES. I'd defer to General Abizaid on that, a little bit. There's been starts already with the Karzai government. The United Kingdom has been a lead nation for this. But my sense is that they're trying to make a decision as to whether to start now

or whether to wait until after the parliamentary election and have the full government seated, and then do it.

Chairman WARNER. Which will take place when?

General JONES. The elections are scheduled to be in June. That's what we're hoping that the Karzai government will be able to do. Then when they get the full government seated, then go on into a more aggressive plan. But whatever the answer is, it's not in the long term; it's in the near term.

Chairman WARNER. Thank you.

General Abizaid, do you wish to amplify?

General ABIZAID. Sir, the only thing I would add is that President Karzai has tried to move forward with his very limited counternarcotics forces that he has in the country, here in the last several months. He's targeted certain areas for some poppy eradication and for some drug seizures. I believe the numbers I saw were 64,000 pounds worth of drugs seized and destroyed, here in the past 3 months. So, he is making an effort. It will be important for the international community, the United States—not led by our military arm, but through our State Department—and the Afghan law-enforcement forces to really move against narcotics this year.

Chairman WARNER. General Abizaid, it's important that you update the committee with regard to the efforts of our military, working with others, to apprehend Osama bin Laden. He's back up on the internet again. He's allegedly communicating with Zarqawi. You might also touch on the—I know, personally—the tremendous efforts that your command is doing to apprehend Zarqawi. So, perhaps you should touch on both.

General ABIZAID. Sir, clearly, ever since 9/11, bin Laden and the al Qaeda senior leadership have been our priority target. They are operating, in my view, in the Afghan/Pakistan border area. I believe that, as our intelligence continues to mature, as the Pakistanis continue to place pressure on the organization, and as we continue to put pressure on the organization, that we'll narrow and narrow the ring until it's eventually to the point that we get the senior leadership.

As we are looking for the senior leadership, it's important for all of us to know that military forces do best in attacking the network, as opposed to looking for a specific person. We have been successful in really working specific aspects of the network in such a way that the network is much less effective this year than it was last year. In the Pakistan/Afghanistan area, in particular, there's indications that they're having difficulty gaining money, and there's indications of concern, from various intelligence sources, about the safety of being able to continue to operate in those areas.

We should not, however, declare victory too soon. It's a difficult area. There's a lot of different places they can go to. It's a borderless enemy. There are a lot of places they have been known to operate before, and it's really a global campaign; it's not just specifically the Afghan/Pakistan border area.

Against Zarqawi—we have been very successful against his network. We have been successful against his network because of Iraqi intelligence sources, because of treason within his own organization, because people are getting tired of what he's doing, which is

killing innocent Iraqi people for no reason whatsoever. His days in Iraq are numbered.

Chairman WARNER. Thank you very much. I wish you well in both of those campaigns.

General Brown, clearly the operational focus for much of the force structure is on combating terrorism and the related insurgencies, like we see in Iraq and Afghanistan. Can you share with the committee what you see as the principal threat that our Special Operations Forces must be prepared to confront in the next 10 to 15 years? What are you putting in place today to ensure that we can meet those contingencies?

General BROWN. I think the principal, Senator, is exactly what we've been talking about here today. It's the al Qaeda network around the world. It's asymmetric warfare. We have taken a hard look at what our requirements are, and we are moving all of our programs and our force structure towards the types of equipment and programs that would best support those kind of operations.

Chairman WARNER. All right.

General Abizaid, the IEDs, the roadside bombs, are we providing, as a government, every possible bit of research and funding to try and overcome this frightful weaponry, which is so basic and elementary in some ways, yet highly technological in others? It's almost a leapfrog. As soon as we get to a system which seems to be reducing the effectiveness, they leapfrog to another technology and keep moving forward.

General ABIZAID. Mr. Chairman, what you see in the IED campaign is very clearly asymmetrical warfare being waged in a manner that's effective on the part of the enemy. We counter it through protection, we counter it through technological means, we counter it through our tactics and our techniques and our procedures.

I think that we are doing a good job, in terms of looking at the technologies that are available, reaching out to industry to find other technologies available, working with our new troops in the field that have just come in, training them properly before they get there, offering them the protection that we can. But, that having been said, it is a problem that requires not just an American effort, but an international effort. Because we see the technology moving from—and the tactics and techniques—moving from Iraq to Pakistan to Afghanistan. Wherever this enemy shows himself, we will see this type of attack. The more we can share tactics, techniques, procedures, technologies, and talk about sources of control of these types of munitions, et cetera, the better off we'll be.

The main problem in Iraq is just the huge amount of ammunition that's available. But, even there, we continue to find, more and more, the supply is shrinking. But, ultimately, in the region, we need to get a very, very firm control on the movement of explosives, artillery ammunition, et cetera. Ultimately, that's what will control this threat.

Chairman WARNER. Are you satisfied, though, with the infrastructure in this country, and the funding level to support that infrastructure, in our all-out effort to try and bring this problem into some controllable dimensions?

General ABIZAID. I am satisfied that the right people are working on it, that the right funds are available. But I'm not satisfied that

we have come up with the solutions that we could if we really rolled up our sleeves and looked at it the way that it needs to be looked at.

Chairman WARNER. Okay. That's a very challenging statement, and I will probe that on your behalf.

General ABIZAID. Thank you, sir.

Chairman WARNER. Thank you for making it.

General Brown, do you have anything to add on that?

General BROWN. No, sir.

Chairman WARNER. Fine.

General Brown, there's been a series of recent articles in the media about clandestine military activities and military intelligence activities that are being planned or conducted that may exceed statutory authorities for the Department of Defense, and that could intrude upon the responsibilities of the CIA and, in some cases, our overseas ambassadors. Are you satisfied that the missions which you and your forces are being called upon to conduct fall within the correct statutory authorities that exist today, that—traditional military intelligence-gathering activities in support of our objectives?

General BROWN. Mr. Chairman, absolutely. I know the press reports that you're referring to, and I would tell you, unequivocally, that we have never put Special Operations Forces into any country without full coordination with the ambassador and the country team. I think all the operations we're doing today are very, very well coordinated through the interagency. Our coordination and cooperation with the interagency is one of the keys to the future as we take on this global war on terror, so we're very sensitive to that cooperation and coordination. I would say that it is—in spite of what's being reported—it is probably at a higher level of cooperation and coordination than ever. I'm very comfortable that we're acting inside all of the appropriate legislative controls.

Chairman WARNER. I thank you for that reassuring response. We're known as a Nation that operates under the rule of law, and I strongly support the Secretary of Defense in his initiatives on this area, but provided they're within the prescribed framework of laws that we have.

I thank you, gentlemen. We've had, in my judgement, an excellent hearing. Once again, on behalf of the citizens of this country, we thank you for your service to the Nation.

The hearing is concluded.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

AFRICA

1. Senator INHOFE. General Jones, I was sorry I missed you when I was in Germany last month. I stopped through on my way to and from Iraq and understand that you were at a conference in Italy. I have a very strong and abiding interest in the African continent. I have long been a proponent of helping the people and nations of Africa address some very critical needs, including self-sufficiency and self-protection that is very much a threat to many of the fledgling democracies. I was pleased to see in your statement the proposal for the Trans-Sahara Counterterrorism Initiative (TSCTI) that will help develop internal security forces necessary to control borders and combat terrorism. This kind of investment in giving the responsibility to African people for looking after Africa is exactly what I believe we need to do. What resources and organizational changes will be required by U.S. mili-

tary forces to make this proposal a reality and please discuss how we will know when we have provided sufficient training to meet our objective and what ongoing engagement with these nations do you envision around this initiative?

General JONES. The global war on terrorism, expanding Theater Security Cooperation (TSC) requirements, instability in Africa, the Caucasus, and the eastward expansion of NATO largely define the changes taking place in the current century which necessitate a paradigm shift in EUCOM's theater strategy. The new security menace is transnational, characterized by enemies without territory, without borders and without fixed bases. It includes threats such as the export and franchising of terrorism, eroding control of weapons of mass destruction, narco-trafficking, unanticipated and uncontrolled refugee flow, and illegal immigration. Many of these threats are nurtured in misgoverned or ungoverned regions in Africa as terrorists and extremist organizations seek new havens from which to operate.

EUCOM's objective is to increase our strategic effectiveness through a realignment of bases and the improvement of access and force capabilities. Our ongoing transformation includes adjustments to a wide range of activities that include: relationships with alliance partners and host nations where our forces are based; improvements to facilities where our forces are based and train; legal arrangements that permit our presence and operations from forward bases; interoperability and development of professional militaries; and enhancing our ability to surge forces to and through our theater in response to global events. Taken together, these transformed elements will enable us to address present day challenges and better support our national security interests.

Programs like the Trans Sahara Counterterrorism Initiative (TSCTI) are examples of Theater Security Cooperation (TSC) activities that form the centerpiece of our efforts to promote security and stability by building and strengthening relationships with our allies and regional partners throughout our AOR. These regionally focused TSC programs are designed to assist our allies with contingency and peacekeeping operations with forces from neighboring countries, regional organizations such as the African Union, as well as with the United States military.

TSCTI is a long-term, multi-dimensional, interagency program that seeks to build indigenous counterterrorism capabilities in willing Trans-Sahara African nations, including Algeria, Chad, Mali, Mauritania, Morocco, Niger, Senegal, Nigeria, and Tunisia, by capitalizing on the success of the 2004 Pan Sahel Initiative (PSI). Evidence has already begun to emerge which points to the success of TSC activities like the Pan Sahel Initiative. Following conclusion of PSI training last year, elements of the Chadian military were involved in counterterrorism activities which culminated in the capture of a tier-one terrorist in North Africa. Other engagement with African militaries including the facilitation of the deployment African Union forces to the Darfur region, provide examples of the success than can result from our sustained engagement with our African partners.

Security Cooperation Activities are managed programs planned and executed for the purpose of shaping the future security environment in ways favorable to U.S. interests. Key among EUCOM's TSC tools are Foreign Military Financing (FMF), Foreign Military Sales (FMS), Direct Commercial Sales, International Military Education and Training (IMET), and other security cooperation programs under Title 10. The return on these small investments provides the basis to promote stability and economic opportunity in Africa. In essence, a tailored regional approach that enables Africans to help themselves. Funding for these programs is an essential component to our overarching strategy which seeks to develop indigenous capabilities with partner nations and prevent the spread of terrorist groups in the vulnerable regions of North Africa and beyond that were largely unforeseen and difficult to predict just a few short years ago.

OVERSEAS RE-BASING

2. Senator INHOFE. General Jones, the U.S. Army is undergoing a tremendous transformation with the deployment of the Stryker brigade. As Stryker is being deployed to the United States European Command (EUCOM) area of responsibility (AOR), you will be working on redeploying more than 35,000 of the 62,000 troops currently in Europe back to U.S. bases. The Army will build an even more mobile force to deploy to hot spots around the world, as opposed to having so many soldiers forward deployed in Europe. Though it will take a great deal of work by the Army, this re-basing will result in greatly cutting costs year-after-year for the Department of Defense. While I am sure that the Army will be successful in this endeavor, in your personal professional opinion, what should we be doing to minimize risking America's national security interests as we transform our Army forces in Europe?

General JONES. The U.S. European Command's (EUCOM) Strategic Theater Transformation (STT) plan ensures that we can respond to the wide range of potential contingency operations throughout the EUCOM area of responsibility, prosecute the global war on terrorism, support adjacent combatant commanders and engage in Theater Security Cooperation. EUCOM's plan balances support for Army-wide Transformation, rebasing and restructuring efforts with the well-being of our soldiers and families. Key to this is well thought out command and control (C2) capabilities that assure effective transformation by providing the ability to plan, synchronize, and direct transformation-related events. A stable and effective C2 structure is essential to ensure unity of command and unity of effort. Additionally, as we transform our force structure we will consolidate our installation footprint. The timing of these changes is event driven to ensure that we collapse units and bases when needed, but not so prematurely as to undermine our robust C2 structure or to diminish our capacity to support the global war on terrorism.

Finally, of all our military assets, there are none more important than our troops and their families. The quality of our force is key to achieving our theater goals and is the direct result of our strong and sustained commitment to Quality of Life issues. We must continue to support our servicemembers and their families during this period of transformation.

COMMANDER'S EMERGENCY RESPONSE PROGRAM FUNDS

3. Senator INHOFE. General Abizaid, I was in Iraq a month ago and was excited to see the great progress that has been made by our men and women in uniform since my previous trip, in securing liberty on behalf of the Iraqi people. The work that has been done to defeat insurgents, train the Iraqi security forces and rebuild Iraq is exceptional and there is not another military force in the world that could meet with the success of our coalition forces. When I was in Iraq 4 weeks ago, I had a briefing by General Chiarelli, the Commanding General of the 1st Calvary. He told us of an awful situation where raw sewage was spilling out of pipes from homes and that children were playing in the area on a daily basis, exposing them to germs and disease. These kinds of issues exist there and are something that the local people look to as an indicator of commitment to them. General Chiarelli stated that we could really have an impact on the hearts and minds of the Baghdad people if we had more funds assigned to the Commander's Emergency Response Program (CERP). His budget projections stated that approximately $400 million would all but eliminate these types of problems in Baghdad. What are we doing to better fund the CERP accounts?

General ABIZAID. CERP remains one of our most effective counterinsurgency tools and Congress has been extremely supportive of our CERP requirements. General Casey, in conjunction with his subordinate commanders, developed and submitted his plan for CERP funded projects throughout Iraq. I reviewed and fully supported his request. With the strong support of Congress, the Fiscal Year 2005 Emergency Supplemental Appropriation Bill provided $854 million in CERP authority, an increase of $354 million above the previously authorized level of $500 million. The additional funding will provide our commanders much needed flexibility and the resources to address situations such as those identified by Major General Chiarelli.

KURDS

4. Senator INHOFE. General Abizaid, while I was in Iraq, I met with Barham Salih, a Kurd and deputy prime minister in the interim government. In the election held recently the Shiite majority earned a plurality of votes but not an outright majority. The combined Kurdish parties earned enough votes that they will partner with the Shiites to earn the overall majority needed to lead the National Assembly and govern Iraq. Not long ago there were many who speculated that the Kurds would not want to remain a part of Iraq but would want their own independence. How do you assess the current situation in the Kurdish portion of Iraq and what will it take to keep the Kurds included in the greater Iraq?

General ABIZAID. While there has been much speculation over the future of the Kurds, they have repeatedly demonstrated their desire to remain part of a unified Iraq as evidenced most recently by their participation in the election process. Having recently won 75 of the 275 seats in the Iraqi National Assembly, the Kurdish Alliance will play a significant role in the future of Iraq even as they seek to retain some degree of regional autonomy.

The Shia based United Iraqi Alliance has worked closely with the Kurdish Alliance to form a coalition government. Major sticking points remain and include the

return of the oil-rich city of Kirkuk to the Kurdish region, retention of the Peshmerga as a security force, and the establishment of a national government not solely based on Islamic Law. Although the Kurds may not be successful in immediately achieving all of their demands, continued progress towards resolution should ensure active Kurdish participation in the new Iraqi government.

The most important point for us to keep in mind is that for stability to emerge in Iraq, Kurds must be part of the new Iraqi nation. I'm confident that the most senior Kurdish leaders understand this.

DECEMBER ELECTION IN IRAQ

5. Senator INHOFE. General Abizaid, the National Assembly will be drafting a constitution for Iraq and then a second vote will be held later this year in compliance with the new Iraqi constitution. With the Iraqi security forces securing polling places so that 58 percent of the population could vote and now the Sunni population questioning whether it did the right thing by not participating in the January election, what concerns do you foresee for the election later this year?

General ABIZAID. The success of the 30 January elections has created considerable momentum for the democratic process in Iraq. Many previously skeptical Iraqis now seem much more supportive of the political process and I believe we will see strong participation by all ethnic and political groups in the development of the new Iraqi government. We expect the Iraqi people will vote twice before the end of this year provided the new government adheres to the current schedule. In October 2005, there will be a referendum for the new constitution, and if ratified, the Iraqi people will go to the polls again in December to select a permanent national government.

While we are encouraged by recent progress, there remain areas of concern including political infighting that delayed the formation ofthe Transitional Government, ensuring legitimate sunni participation in the new government, and establishing a security climate that will facilitate the democratic process. After a long delay, it now appears that the newly formed Iraqi government has begun to move forward with the crafting of the new constitution. This is an important milestoneas the delay served as further fuel for the insurgency. However, meeting the current timeline may prove difficult without a determined effort by the new government. Disenfranchisement of the Sunni populace also remains an area of concern and we therefore must continue to look for ways to encourage Sunni involvement in the political process. Finally, establishing a secure environment is a critical element in setting the necessary conditions for the democratic process. The coalition will continue to mentor Iraqi security force development even as we assist in establishing a secure climate in which local, regional and national elections can occur free of terror and intimidation.

At the end of the day, I firmly believe the process will succeed and will produce a legitimate and representative Iraqi government.

IRAQI SECURITY FORCES

6. Senator INHOFE. General Abizaid, I recently learned the Iraqi 40th National Guard Brigade has taken over responsibility for security in part of Baghdad. As I understand it is one of the most dangerous areas. Although we have U.S. forces embedded with the Iraqi unit and we are providing support when and if needed, the Iraqis are patrolling the streets and manning the checkpoints, etc. I am very happy to see this taking place and I suspect from the great performance of these forces in the Iraqi election in January, this is just the beginning of this very positive trend. Please tell us how this unit is performing and how soon we will be able to turn over more of this responsibility to Iraqi forces.

General ABIZAID. The Iraqi 40th National Guard Brigade is now known as the 6th Iraqi Army Division and will consist of five brigades responsible for security in various areas in and around Baghdad. All the brigades are performing well and progressing as planned.

The 1st Iraqi Army Brigade and its four battalions are responsible for territory in central Baghdad near Haifa Street. This brigade, known as the Bengal Brigade, functions just like a U.S. brigade and is supported by a Louisiana National Guard Brigade. In addition to providing security to Haifa Street, this brigade recently discovered and liberated an Australian hostage, Doug Wood.

The 2nd Iraqi Army Brigade is on track to assume responsibility for security near Thawra City. This brigade's three battalions are already responsible for their designated areas but currently report to the U.S. 3rd Infantry Division. The 2nd Iraqi

Army Brigade headquarters is on track to assume control of its battalions in late July after successfully completing a validation exercise.

The 3rd Iraqi Army Brigade recently relocated to west Baghdad near Abu Ghraib and is being trained by the Louisiana National Guard. The two Battalions of this brigade are progressing rapidly and recently took an active role in combat patrols and check points. We project that this brigade will assume responsibility for security in the Abu Ghraib area sometime in September 05.

The 4th Iraqi Army Brigade is located in southern Baghdad and is being trained by the Georgia National Guard. Since this unit was recently assembled, its battalions are still receiving equipment and their training has just begun. However, based on some of their soldier's experiences in Fallujah and Mosul, they have been actively participating in combat patrols with coalition forces. We project that this brigade will be trained and ready to assume it's responsibilities in the December 2005 timeframe.

Lastly, the 5th Iraqi Army Brigade is located in central Baghdad near the International Zone and is being trained by the 3rd Infantry Division. This brigade has made steady progress in training and is currently conducting combat patrols and vehicle check points in central Baghdad in coordination with coalition forces. This brigade was officially activated at the end of June 2005.

SPECIAL OPERATIONS COMMAND RECRUITING

7. Senator INHOFE. General Brown, I want to commend the exceptional work that Special Operations Command (SOCOM) has done in Operations Enduring Freedom and Iraqi Freedom. Each day SOCOM contributes significantly to the global war on terrorism and requires strong, brave, and committed soldiers to meet and fulfill this mission. While we know recently that the Army Reserves and National Guard are encountering some challenges in recruiting, I believe it was 2 years ago that you stated that we were beginning to encounter a problem recruiting personnel from the Services for SOCOM. In fact, you were exploring the benefit of SOCOM recruiting directly from the civilian sector to staff your organization. How is recruiting going in SOCOM and have you utilized this initiative of direct civilian recruiting? If so, do you have enough data to support whether this initiative is something we should implement long-term as a source for SOCOM candidates?

General BROWN. Recruiting for Special Operations Forces (SOF) has always been a challenge. We look for only the highest quality person, a mature individual who displays high intelligence, is in top physical condition, and is highly motivated to succeed. Historically, Army Special Forces have recruited these individuals from within the ranks of current U.S. Army servicemembers. Over the years we have been very successful with this recruiting approach.

In order to meet the increased demand for SOF operators, we are looking at every recruiting opportunity. Three years ago we initiated the 18X program which is designed to recruit SOF candidates straight off the streets. It should be pointed out that Navy SEALS and Air Force Combat Controllers/Pararescue Jumpers (CCT/PJ) have been recruiting potential members out of basic training for years and have been very successful in doing so. From March 2002 to January 2005, 214 operators had graduated through the 18X program. Our Army component, the U.S. Army Special Operations Command (USASOC) expects to graduate an additional 50 new 18X operators this year.

To date all reports from the field on 18X operators have been extremely positive. There have been no revocations of Special Forces (SF) tabs and all anecdotal reports are that these operators remain highly motivated and are meeting all qualification milestones. USASOC is planning to conduct the first official study of the 18X program later this year.

VOICE STRESS ANALYZERS

8. Senator INHOFE. General Brown, a lot of questions have arisen about a device being used by many SOCOM soldiers that seems to aid in the interrogation of detainees. It is a device called the Voice Stress Analyzer. Several police forces have used it to help determine if someone is telling the truth when asked specific questions. I would like to have your assessment of this device. How are we using it, with what success, and to what extent would you like to expand that use?

General BROWN. Truth verification instruments play a role in this command's ability to determine the veracity of information provided by sources and indigenous personnel in a combat setting. The Under Secretary of Defense for Intelligence has established an interim policy based on scientific evaluations which indicate that the

voice stress analyzer is not a scientifically proven truth verification instrument. The foremost verification of the truth from sources and others continues to be the skill of our interrogators and the actual verification of the information by our own personnel where possible. The Department of Defense is currently sponsoring an independent evaluation of voice stress analysis by the University of Florida. The Department of Defense Polygraph Institute is studying other potential technologies that could assist. We support these efforts. Until those results are known, we should exercise great caution in applying voice stress analyzers to scenarios where operational decisions are based upon the assumption that the veracity of the information in question has been established solely, through voice stress testing results.

QUESTIONS SUBMITTED BY SENATOR PAT ROBERTS

NATO INTELLIGENCE FUSION CENTER

9. Senator ROBERTS. General Jones, Congress and the United States Government have been addressing shortcomings in the intelligence community and examining ways by which we can improve our capability. In your written statement, you identified similar shortfalls in strategic and operations intelligence within the NATO alliance. In previous testimony before this committee (March 2004), you introduced the idea of a NATO Intelligence Fusion Center (NIFC). Can you please inform the committee on the progress of implementing the NIFC, and describe how this capability will improve your intelligence functions within the Alliance?

General JONES. On 1 May of this year we will establish a baseline NATO Intelligence Fusion Center (NIFC) capability co-located with the Joint Analysis Center (JAC) in the United Kingdom to support North Atlantic Treaty Alliance (NATO) operational forces in Afghanistan (as well as the NATO training mission in Iraq). The initial organization will be a U.S.-only operation to provide operational intelligence directly to the International Security Assistance Forces (ISAF).

We are preparing to initiate a Memorandum of Understanding with other NATO nations and Supreme Headquarters Allied Powers Europe (SHAPE) which will allow us to move rapidly this year from a U.S.-only capability to a fully cost-shared multinational effort. My goal is for the NIFC to be capable of providing basic support to ISAF by the summer of 2005, and also to the NATO Response Force (NRF) by the summer of 2006, and for the NIFC to be fully mission capable by the summer of 2007.

In my mind, the NIFC represents a very modest upfront U.S. investment ($7.8 million in fiscal year 2006 and $11 million per year thereafter, and decreasing as we move toward multinational costs shared allied participation) compared with the strategic, long-term benefit it will bring both to the Alliance and to U.S. foreign policy goals. The NIFC will answer a longstanding need, apparent since the first combat operations in the Balkans in 1995, to significantly improve operational support to deployed combat forces of NATO nations.

The NIFC will improve U.S. and NATO-nation intelligence interoperability using common "Tactics, Techniques and Procedures," which are sorely missing in the Alliance's current formal intelligence structure. Most importantly, the NIFC will provide the mechanism for the fusion and production of timely, predictive NATO-releasable intelligence via the exchange and merger of products provided by the individual participant member's national contributions, overcoming the national stove-pipes currently supporting members' deployed forces. This success will achieve two U.S. strategic objectives: the operational success of ISAF and subsequent Allied military operations, and a strengthened, transformed NATO.

The NIFC will be an organization with the flexibility and agility for immediate response in support of coalition operations to emerging missions and crisis situations. It will provide indications and warning, answers to urgent requests for information, and analytic support in functional areas on a full-time basis. The NIFC will support NATO planning by providing in-depth all-source analysis across multiple disciplines; contributing to decisionmaking at the strategic level; and supporting operational planning and operations during both deployment and execution of an NRF or combined Joint Task Force (CJTF). Additionally, the NIFC will be able to provide the necessary geospatial, terrain, targeting and imagery analysis.

A long-term benefit will be the creation of a core of allied intelligence professionals operating under common tactics, techniques, and procedures. Currently, most Member Nations—except for the U.S. and the United Kingdom (U.K.)—do not share this capability. As Member Nation personnel rotate through the NIFC, we will systematically develop a cadre of intelligence professionals who can ultimately re-

duce the exceptionally heavy burden sustained by the U.S. and U.K. to man existing Multinational Force Headquarters intelligence structures.

Finally, the NIFC will ensure continuous, comprehensive situational awareness and intelligence assessments of impending crises, to inform both the Member Nations and decisionmakers at NATO Headquarters and SHAPE. In this regard, I believe it will make a tremendous contribution in helping to shape a common view of the threats we collectively face.

10. Senator ROBERTS. General Jones, what are the resources required, and do you have the funding needed, to establish this capacity?

General JONES. The NATO Intelligence Fusion Center (NIFC) requires a robust production capability with full-time watch support. It is designed to be flexible and agile so it can expand from a smaller analytic capability to comprehensive mission support when called upon. The NIFC will be comprised of U.S. and other Member Nation personnel, with the U.S. providing the command and operational level headquarters, i.e., serving as the Framework Nation. The U.S. and Member Nations will provide a total of 162 personnel to the NIFC, and operate cooperatively in a secure facility co-located with the U.S. European Command (EUCOM) Joint Analysis Center in the United Kingdom.

The President has requested $8.5 million for the NIFC in his fiscal year 2005 emergency supplemental appropriations request, under a funding line titled "NATO Intelligence Analysis and Dissemination." For fiscal year 2006, EUCOM will need $7.8 million to support the NIFC, although that funding is not currently in the fiscal year 2006 budget request. We estimate the cost to be $9.4 million in fiscal year 2007, then $11 million per year for fiscal year 2008–2011, although we expect these latter costs to adjust downward as participant nations assume fair share costs of this effort.

TRANS-SAHARA COUNTERTERRORISM INITIATIVE

11. Senator ROBERTS. General Jones, when we met last month, we discussed the Trans-Sahara Counterterrorism Initiative, and some of its recent successes in several African countries. Can you provide the committee with an update on this program, and how it addresses emerging threats and terrorist havens that are developing in North Africa?

General JONES. TSCTI is a long-term, multi-dimensional, interagency proposal that seeks to build indigenous counterterrorism capabilities in willing TransSahara African nations, including Algeria, Chad, Mali, Mauritania, Morocco, Niger, Senegal, Nigeria, and Tunisia, by capitalizing on the success of the 2004 Pan Sahel Initiative (PSI). Key aspects of TSCTI training would include basic marksmanship, planning, communications, land navigation, patrolling and medical care. In recent communications that I have had with the Chairman of the Joint Chiefs of Staff, the TSCTI program proposal has been well received by both the Deputies Committee and the Joint Staff. Currently, the Joint Staff and the Office of the Secretary of Defense are engaged with their counterparts at the Department of State to resource this important initiative.

The complexity of today's security environment requires new methodologies to prevent conflict and address the challenges that threaten to undermine regional stability. A military approach alone will not deliver the desired outcome in countries or regions where there is little or no experience in responsible governance. Integrated interagency and international action is necessary to achieve long-term strategic objectives. The U.S. strategic goal in North Africa is to improve the ability of the governments in the Trans-Sahara region to exercise sovereign control and authority over their territories and borders in order to prevent large tracts of uninhabited land from becoming a safe haven to terrorist groups. TSCTI is a comprehensive interagency approach that supports our national security aims and provides a viable mechanism to confront Islamist terrorist organizations that threaten the stability of an already vulnerable region.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

SPECIAL OPERATIONS—TRAINING OF IRAQI MILITARY

12. Senator LEVIN. General Brown, I understand that Special Operations Forces units have been training the Iraqi National Guard units, with some positive results. As a consequence, one option that is being considered is to deploy more Special Operations Forces to train the conventional Iraqi Army units. Given the existing oper-

ational and personnel tempo for special operators and the fact that so many non-Middle Eastern specialized operators are being pulled to the Central Command (CENTCOM) area, would you support increasing the commitment of Special Operations Forces to training the Iraqi conventional army?

General BROWN. [Deleted.]

SPECIAL OPERATIONS—INTELLIGENCE OPERATIONS AND PARAMILITARY OPERATIONS

13. Senator LEVIN. General Brown, there have been several newspaper articles in The Washington Post and The New York Times regarding the use of special operators for intelligence purposes with several intimating that special operators may have been conducting covert operations. Are special operators conducting covert operations? If so, under what authorities?

General BROWN. Special Operations Forces may not conduct covert action unless specifically authorized to do so by the President. [Deleted.] When so detailed, these Special Operations Forces have operated under the CIA's authorities and rules of engagement, while remaining subject to the law of armed conflict and the Uniform Code of Military Justice.

14. Senator LEVIN. General Brown, do you favor such authority for special operators?

General BROWN. The President already has the authority under the provisions of 50 U.S.C. 413b to direct the Department of Defense to conduct a covert operation. If so authorized and directed, USSOCOM does have a covert capability, although it does not possess the covert support infrastructure that CIA enjoys. It is my view that DOD and CIA should leverage each other's capabilities, with full transparency and cooperation, to provide the best options possible for the U.S. inventory.

15. Senator LEVIN. General Brown, the 9/11 Commission recommended that responsibility for paramilitary operations be transferred from the CIA to the Department of Defense and Special Operations Command. I understand that the Secretary is about to issue his decision on this issue. Do you believe that special operators should be responsible for conducting paramilitary operations? If so, under what circumstances?

General BROWN. I have told both the Secretary of Defense and the Director of Central Intelligence that I agree with their conclusion not to endorse the 9/11 Commission's recommendation. No change is required in the responsibility of the CIA for foreign intelligence collection and covert action, or that of the DOD for traditional military activities. The distribution of responsibility and capability between CIA and DOD provides the President with great flexibility in achieving national security objectives.

JOINT COMBINED EXERCISE TRAINING

16. Senator LEVIN. General Brown, as you mention in your written testimony, Joint Combined Exercise Training (JCET) consists of training activities that contribute to deterrence and other strategic objectives by developing the capabilities of foreign militaries and establishing valuable relationships with those states. How many requests by embassies for JCET have been turned down last year and so far this year because we haven't had enough Special Operations Forces or other special operators to conduct the training?

General BROWN. [Deleted.]

17. Senator LEVIN. General Brown, what is the impact on Special Operations Forces of being unable to conduct JCET because of other obligations, primarily in the Central Command theater and how do you plan to mitigate the negative effects in the future?

General BROWN. Although we have developed a combat-tested force of special operators unrivaled at any time since Vietnam, we have nevertheless been forced to trade off some training opportunities we would have otherwise enjoyed with partner nations in the various Theater Security Cooperation programs. To reestablish our global opportunities and mitigate negative effects in the future, we intend to free Special Operations Forces from combat operations when possible by turning over to conventional forces those tasks that do not require unique special operations skills. JCETs remain a vital tool for both Special Operations Forces and for geographic combatant commanders in fostering partner nation participation in the global war on terrorism.

ADVANCED SEAL DELIVERY SYSTEM

18. Senator LEVIN. General Brown, in your testimony you mention the Advanced SEAL Delivery System (ASDS), one of your "flagship programs." As a result of technical problems, this program is 7 years behind the original schedule and costs have gone up exponentially. We are still waiting for a Milestone C decision by the Under Secretary of Defense for Acquisition, Technology and Logistics to determine whether this particular mini-sub design is the right one to meet SOCOM's requirements. Can you tell us what SOCOM, the Navy, and the Office of the Secretary of Defense are doing to ensure that Congress gets a realistic timetable and cost estimate for this program? Please provide us with the results of your review of the program within a week or so of your meeting.

General BROWN. The Acting Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) designated the Advanced SEAL Delivery System (ASDS) an Acquisition Category (ACAT) 1D program on November 1, 2004. This was done to achieve a higher level of program oversight. The Acting USD (AT&L) also directed that the Office of the Secretary of Defense (OSD) Cost Analysis Improvement Group (CAIG) conduct an independent cost estimate (ICE). The results of the ICE will inform leadership of the need of any program adjustments, if any.

Technological challenges were the primary drivers to ASDS cost and schedule growth. However, the Department of the Navy team has resolved the major development issues, thus I have better confidence in planned program events. The lithium ion battery and titanium tail are scheduled to begin installation in June 2005.

I have initiated and chaired an Executive Integrated Product Team (EIPT) with senior leaders from the Navy, OSD, SOCOM, and Northrop Grumman. EIPT meetings provide a forum for high-level and immediate attention to the program so that we stay on track.

The Secretary of Defense will notify the congressional defense committees of the results of the ASDS Milestone C decision, currently projected for December 2005. The notification will include a detailed summary of the program's revised cost estimate and future cost estimates validated by the OSD Cost Analysis Improvement Group; an evaluation of contractor performance; a detailed acquisition strategy; and a plan to demonstrate realistic solutions to key technical and performance problems identified during testing and operations.

I hosted an ASDS EIPT on March 3, 2005. Senior leaders from SOCOM, the Navy, USD(AT&L), the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, and Northrop Grumman Corporation attended. Discussion topics included: Operational Perspectives, Program Manager and Northrop Grumman Status/Update, and Acquisition Strategies.

The program is on schedule with the lithium ion battery and titanium tail planned for June/July installation. The OSD CAIG has commenced its cost estimate analysis which is scheduled for completion in October 2005.

The EIPT accomplished its objective, by reinforcing the operational requirement and capability, demonstrating commitment of all parties present, and stressing the importance of no more delays so that Milestone C will occur on schedule (December 2005).

The next EIPT will be held in May 2005. At this time we will have updated progress reports on the Lithium Ion battery, Titanium Tail, and OSD CAIG analysis, all critical to Milestone C.

COUNTERDRUG EFFORTS IN AFGHANISTAN—U.S. MILITARY ROLE

19. Senator LEVIN. General Abizaid, do you have an estimate regarding what percentage or proportion of the Afghan drug profits go to funding terrorist activities in Afghanistan or elsewhere?

General ABIZAID. CENTCOM does not have an estimate of the percentage or proportion of Afghan drug profits which may fund terrorist activities.

20. Senator LEVIN. General Abizaid, given the argument that Hamid Karzai has made that the cash from drug proceeds could be used to benefit warlords and terrorists, do you believe that the U.S. military should take deliberate, planned direct action against the production and trade of illicit drugs? If not, why?

General ABIZAID. CENTCOM will continue to support counternarcotics efforts in consonance with President Karzai's program and within our current authorities. His Government has complemented the international effort and put an Afghan face on all counternarcotics enforcement activities in the country. While we fully support the efforts of International, U.S. Government and Afghan law enforcement agencies

charged with countering the drug trade in Central Asia, we continue to believe the only effective solution lies in a long term, holistic approach which fosters economic development and provides viable alternative lifestyles for Afghan farmers. Because such a large proportion of the population relies on poppies for subsistence, the problem is one best addressed through law enforcement avenues as direct involvement of CENTCOM forces risks turning farmers into insurgents.

21. Senator LEVIN. General Abizaid, what, if any, additional guidance have you issued to your forces regarding when and how U.S. forces should destroy labs, interdict drugs, and pursue major traffickers?

General ABIZAID. [Deleted.]

22. Senator LEVIN. General Abizaid, do you think CENTCOM forces should take a more active role in fighting narco-terrorism?

General ABIZAID. CENTCOM will continue to fully support counternarcotics efforts in consonance with President Karzai's program and we believe our current level of effort is appropriate. His Government has helped legitimize the international effort and put an Afghan face on all counternarcotics enforcement activities in the country. While we fully support the efforts of International, U.S. Government and Afghan law enforcement agencies charged with countering the drug trade in Central Asia, we continue to believe the only effective solution lies in a long term, holistic approach which fosters economic development and provides viable alternative lifestyles for Afghan farmers. Because such a large proportion of the population relies on poppies for subsistence, the problem is one best addressed through law enforcement avenues as direct involvement of CENTCOM forces risks turning farmers into insurgents.

23. Senator LEVIN. General Abizaid, what payments are being made to traffickers with DOD funds currently, and if there are any, would you favor halting them?

General ABIZAID. CENTCOM has no program to compensate traffickers.

QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

IRAQI RECONSTRUCTION

24. Senator LIEBERMAN. General Abizaid, there are several ongoing factors that are fueling some sense of frustration on the part of the Iraqi people. There are reports of problems with water supplies and food distribution infrastructures, the lack of employment opportunities, and the slow recovery of local economies. Obviously, the insurgency has complicated our effort to improve local conditions. What improvements would you like to see done within Iraq's infrastructure, economy, and security to help with your mission; who can and should be in charge; who should execute these efforts; and which of these improvements in your opinion are most critical in enabling successful progress in Iraq?

General ABIZAID. The sovereign Iraqi Government is, and must remain the primary driver in addressing the infrastructure, economy and security problems in Iraq. We, in concert with the Department of State and other U.S. Government agencies, continue to provide all necessary assistance in supporting their efforts.

GLOBAL WAR ON TERRORISM OBJECTIVES

25. Senator LIEBERMAN. General Abizaid, what do you foresee as the major near-term objectives for CENTCOM forces as they conduct the global war on terrorism in Afghanistan and what resources do you need in order to vigilantly and aggressively continue these operations against this terrorist threat?

General ABIZAID. CENTCOM believes significant progress has been made in the conduct of the global war on terrorism in Afghanistan. Afghanistan no longer provides sanctuary for terrorist or insurgent forces and our operations have evolved from a single focus on counterterrorism to a much broader counterinsurgency campaign. Nevertheless, a complex, interrelated set of political, administrative, economic and social challenges remains. Continued international support and the resources commensurate with the challenges are required to assist in the development of effective governmental institutions in Afghanistan. The recently approved fiscal year 2005 Emergency Supplemental Appropriation illustrated the strong support of Congress and provides CENTCOM the necessary resources to continue our campaign against extremism.

LANGUAGE TRAINING

26. Senator LIEBERMAN. General Abizaid and General Brown, some believe that we will need better and more language skills and detailed cultural knowledge to effectively fight the terrorists. Are you satisfied with what you have now and is it a good idea that the Services are cutting education?

General ABIZAID. CENTCOM is not satisfied with the number of linguists we currently have to conduct the global war on terror. Our commanders do not have sufficient language and cultural resources to sustain a steady flow of strategic, operational and tactical intelligence. However, we also do not believe the Services are cutting back on education even as they struggle to meet the increased demand for linguists. Education is more critical than ever as we seek a professional military cadre that clearly understands the cultural nuances of our adversaries. We must undertake a broad, holistic approach to the linguist challenge and no single Service or Joint Organization alone will provide the solution.

General BROWN. The Services are actually growing their language education. We are not satisfied with the SOF capability, as good as it is and with over 50 percent of all DOD language billets. In fact, we are raising the foreign language standards for graduation from the Special Forces Qualification Course to require even higher skill levels in reading, writing, and understanding. Not only do we have the responsibility to find, fix, and finish terrorist targets and organizations, but we also have the task to train and assist our allies in developing effective counterterrorist forces. In order to do that, our SOF must be capable of communicating with our allies and understanding their culture. Conventional forces that deal with local nationals also need some working level of language and cultural expertise.

NORTH ATLANTIC TREATY ORGANIZATION ALLIES

27. Senator LIEBERMAN. General Jones, we have heard that the North Atlantic Treaty Organization (NATO) and U.S. European Command (EUCOM) are transforming to more effectively meet new threats. This transformation is essential if NATO is to remain the pillar of international security in the 21st century as it was in the 20th century. Yet there are some significant obstacles to overcome. Many member nations are reducing their defense budgets and the size of their forces, and many place restrictions on the missions their forces can carry out, tying the hands of the commanders on the ground. What recommendations do you have to overcome either these issues, or others, so that NATO continues to be a vital organization well into the future?

General JONES. The North Atlantic Treaty Organization (NATO) remains the most successful political-military alliance in history. NATO transformation efforts, begun in earnest following the Prague Summit in 2002, continue apace today, and are yielding tangible results in the form of an enhanced military capability that is deployable to the trouble spots of the globe. New initiatives, including the NATO Response Force and a more efficient command structure, are providing NATO with capabilities to react more swiftly to a variety of threats, both within and outside of NATO's traditional area of responsibility. We see the results of the transformation of the Alliance in the successful accomplishment of military operations and training in the Mediterranean, the Balkans, Iraq, and Afghanistan.

As you noted, however, cuts in European defense budgets are a concern, as it deprives the European militaries of the resources necessary to fund continued transformation. Budget cuts without transformation simply result in a net loss of capability. The U.S. invests a great deal in the ability to project and sustain our military power and in new technologies. Our NATO Allies simply have not made the same level of commitment, though some (notably the UK and France) have done better than others. Consequently, the interoperability of U.S. and Allied forces operating in the field is threatened by a growing capabilities gap, which further budget cuts will exacerbate. Additionally, while U.S. forces are highly trained and ready to move where needed on short notice, only a small percentage of Europe's 2.4 million Active-Duty and Reserve Forces are trained and capable of being deployed in a timely manner. This is what makes the transformation of NATO so important. It also underscores the critical link of EUCOM's transformation as a model for the Alliance and the importance of U.S. leadership to shape its future. If nations live up to the commitments made at Prague, we will see improved readiness and deployability in our Allies, as well as the capability to quickly get them to where they are needed and sustain them in the field.

Practically speaking, there may not be much we can do to positively influence the domestic policies of our Allies to encourage greater investment in defense spending

and greater usability of their forces. However, there are some steps we can and should take:

- At every opportunity, and at all levels, U.S. political and military leadership should continue to emphasize the primacy of NATO in our transatlantic security relationship.
- The U.S. must continue to support NATO missions with appropriate resources and forces. We have always been in a position to lead in NATO, and even during times when our forces are operating in many locations, we must demonstrate our commitment to NATO missions. If we are perceived as not being supportive of NATO, it will be easier for others to adopt the same approach.
- Continue to press our Allies, as we have been doing with some success for months, to remove national restrictions (caveats) on the employment of their forces in the field so as to ensure the NATO commander can use those forces as needed.
- Encourage our Allies at every opportunity to live up to the transformational commitments they made at the Prague Summit in 2002 and elsewhere. This includes fulfilling requirements under the Prague Capabilities Commitment, supporting the continued development of the NATO Response Force and NATO command structure, and continuing internal defense reforms to get maximum benefit from the resources they commit.
- As the European Union continues to develop its own security and defense identity, we must insist that it do so in a way that is complementary with, and not competitive with or duplicative of NATO's military capabilities.

28. Senator LIEBERMAN. General Jones, a key strategy for NATO's future is to transform it into a more flexible and agile organization. The NATO Reaction Force, a highly trained and flexible force of up to 20,000 troops that can be deployed between 5 and 30 days to go anywhere in the world, is an important element of this plan. Yet today NATO finances many of these operations as it did in the Cold War, through a system known as "costs lie where they fall". This means that any country that contributed troops or equipment to a NATO mission was obliged to pick up all the costs. This financing mechanism seems ill-suited for a flexible and agile organization, as NATO hopes to become. It will lessen the enthusiasm of some nations to participate in the Reaction Force or other operations, as it places the financial burdens on those countries that do participate in NATO missions while sparing those who choose not to help. How would you recommend NATO reform its financial structure and is this being worked now, and if so, what progress is being made?

General JONES. While the "costs lie where they fall" principle worked fairly well for North Atlantic Treaty Organization (NATO) in the past, it is too restrictive for operations in which we are currently engaged or those we might envision in the future. Since February 2000, when the last official NATO guidance on funding policy for contingency operations was published, NATO has become more expeditionary and has moved dramatically out of its traditional area of responsibility. In essence, the Alliance is conducting operations under a different paradigm, yet the mechanisms that are required to support a more deployable, responsive force are still tied to an outdated funding mechanism. For the Allies providing forces and capabilities for such operations, there are a number of expenses that go beyond the previously accepted costs attributable to each nation. This is especially true of theater-level headquarters and theater-level enablers (e.g., communications, intelligence, headquarters support, facilities and infrastructure, transportation of key equipment, etc.) that are critical to an operation but are not currently reimbursable by NATO. Consequently, nations may not be anxious to be among the first to step forward and incur these costs.

In 2004, the NATO Military Committee asked Admiral Giambastiani and I, as NATO's Strategic Commanders, for our proposals on expanding the eligibility criteria for NATO common funding to help address this issue. The Military Committee consolidated our inputs, added their evaluation and then forwarded the issue to NATO's Senior Resource Board (SRB), where it is under active consideration. Although the SRB is not questioning the principle that nations absorb the cost of their participation in a NATO-led operation, they are examining the idea of expanding eligibility for "common funding" of costs that should not be attributable to a specific nation, making it easier for nations to provide key force enablers for NATO operations. The SRB is meeting again in April 2005, and I am hopeful that we will see significant expansion in the eligibility of missions for NATO common funding. Such an expansion should help our force generation process. Once we see the effect of these changes, we will be able to suggest, as necessary, further expansion of common funding. Ultimately, however, the key to NATO force generation, responsive-

ness and flexibility is Allies putting the necessary resources and forces behind their words and votes.

HIGH-DEMAND LOW-DENSITY ASSETS

29. Senator LIEBERMAN. General Jones, in your opening statement you note that "Current airlift and air refueling assets do not satisfy the minimum requirements set forth in the Mobility Requirements Study 2005 completed in 2001. The shortfall in air mobility assets is accentuated by the increasing demand on these assets driven by the global war on terrorism and the decreasing reliability of our aging fleet." We've recently seen indications of that reliability when a number of very old C–130s were grounded. In light of your statement, the military's growing emphasis on mobility, and now the problems we're seeing in the older aircraft, are you comfortable with the direction of intra-lift capability, and airlift in general, as outlined in this budget and what other high-demand low-density assets would you identify as critical?

General JONES. Airlift is critical to EUCOM's transformation efforts and the prosecution of global war on terrorism. In Europe and Africa, the U.S. requires inter- and intra-theater air mobility capability and an en route infrastructure to support the global posture initiatives directed in the Strategic Planning Guidance.

Central to EUCOM's Theater Transformation Plan are significant reductions of permanently assigned forces, primarily in Western Europe, and greater reliance on rotational units from the continental U.S. These rotational forces will be deployed throughout a greater portion of EUCOM's AOR (Eastern Europe and Africa). As EUCOM forces become more expeditionary, air mobility is a critical component that will increase our strategic effectiveness and better protect U.S. interests. Future air mobility capabilities will ultimately be driven by the extent to which the Transformation Plan is implemented and the results of the 2005 Mobility Capabilities Study.

Continued procurement of C–17s is vital to future success in the EUCOM area of responsibility. While commercial contract airlift remains a viable option for meeting some of these airlift needs, organic capability provides flexibility, responsiveness, and the ability to move over and outsized cargo required to combat the global nature of today's threats in the most austere environments. The vast distances associated with operations in the EUCOM force us to turn to aircraft like the C–17 with its long-range, air-refuelable, heavy lift capability.

The global sourcing process is drawing EUCOM air mobility assets away from our theater in order to support the U.S. Central Command (CENTCOM) operations. Furthermore, EUCOM strategic transformation to Eastern European and African operating locations will demand increased lift. The recent grounding of C–130E and C–130H aircraft with high equivalent hours indicates that now is the time to begin recapitalizing the fleet. I believe that the capabilities of the C–130J are absolutely needed. This type of aircraft is not only good for America's forces, but also will be well-received on the international market, too. I would hope very much, from the military standpoint, that that program would proceed. I think it's extremely important, particularly when we look at the age of our C–130 fleet and the technology that the C–130J can bring to our capabilities.

Other theater investment requirements include the high speed intratheater sealift capability, such as provided by the Theater Support Vessel (TSV). The TSV will provide EUCOM a viable alternative to intra-theater airlift for the operational movement and sustainment of combat forces at every point of the spectrum of operations. Complementing Army Transformation, it will create an opportunity to achieve operations throughput and provide a means to counter unanticipated anti-access threats. Of equal importance is our ability to move and maneuver in littoral regions, the launching point for most expeditionary operations. Current efforts to deliver the Littoral Combat Ship to the fleet will help secure our dominance of that critical battlespace. Speed and agility in littoral operations are often the key to success and future missions will become increasingly reliant on these capabilities.

An additional theater investment need is the upgrade of EUCOM's Network centric Command, Control, Communication and Computers (C4) infrastructure. The Department of Defense has made enormous strides in enhancing bandwidth to the warfighter with programs such as the Global Information Grid Bandwidth Expansion (GIG–BE) and Transformational Satellite (TSAT). Unfortunately, many of our current installations and military communities do not have the infrastructure necessary to support these two vital projects, thus limiting our ability to achieve information and decision superiority.

EUCOM continues coordination with the Services to increase Intelligence, Surveillance, and Reconnaissance (ISR) assets and analytical resources to effectively prosecute the global war on terrorism. Persistent ISR would improve our ability to find, track and interdict mobile and technically competent terrorist groups operating within the vast, ungoverned regions of our AOR. Unmanned air, surface and subsurface persistent surveillance platforms will be essential to forward operations based on our reduced footprint in theater. A major EUCOM focus is joint and combined interoperability of ISR systems to optimize information collection by NATO and non-NATO partners and to complement the Department of Defense and Central Intelligence Agency human intelligence capabilities.

SPECIAL OPERATIONS FORCES ENTERING FOREIGN COUNTRIES

30. Senator LIEBERMAN. General Brown, we have heard that the Pentagon is promoting a plan that would allow Special Operations Forces to enter a foreign country to conduct military operations without explicit concurrence from the U.S. ambassador. The special operations missions envisioned in the plan would be largely secret, known only to a handful of officials from the foreign country, if any. Under this plan it is possible that neither the U.S. ambassador nor the Central Intelligence Agency's (CIA) Chief of Station might be aware of Special Operations Forces operating in their country of responsibility. Should not someone in charge, i.e. the Chief of Mission, understand and coordinate activity in a foreign country to make sure that in effect that the left hand knows what the right hand is doing and without that coordination, don't we run a higher risk of unforeseen consequences, perhaps different operators unknowingly "bumping into" each other?

General BROWN. I know of no plan that does not require coordination of military operations with the Chief of Mission, and would not support one for the very reasons suggested in the question. Special Operations Forces are required by Department of Defense directives and by my own policies to coordinate all special operations with the appropriate members of country teams.

SPECIAL OPERATIONS FORCES BUDGETING

31. Senator LIEBERMAN. General Brown, the fiscal year 2006 budget increases Special Operations Forces by 1,400 people (1,200 military, 200 civilian), but some believe a substantial increase in Special Operations Forces will be needed in the coming years. Do we need more and should there be a different organization and do we need to rebalance existing capabilities; e.g. between the active components and the Reserve components?

General BROWN. The United States Special Operations Command (USSOCOM) is constantly looking at how we can increase our responsiveness and effectiveness to fight the global war on terror as directed by the President and Secretary of Defense. The global war on terrorism is expanding Special Operations Forces' roles and missions, which has increased the strain on our forces. But, global war on terrorism continues to be our primary focus requiring us to recruit, assess, train, and develop more Special Operations Forces. The requirement for additional force structure is primarily generated in four areas: Command, Control, Communications, Computers and Intelligence (C^4I), joint standing task force, Theater Special Operations Commands, and USSOCOM's Center for Special Operations. Additional rotary-wing, fixed-wing, and maritime growth will be required to support forward deployed, training and rotational requirements. To achieve these goals, we will continuously make adjustments and realignments to our Special Operations Forces. We continue to look at the balance of Active component/Reserve component force structure striving to achieve the optimum force mix with additional increases in both the Active and Reserve components and continue to reevaluate, in concert with the Services, future force structure requirements to relieve stress on the force.

32. Senator LIEBERMAN. General Brown, can you recruit and train substantially more Special Operations Forces and what training and educational assets do you need that we don't have or don't have enough of?

General BROWN. One of our Special Operations Forces (SOF) truths is that quality is better than quantity. We can not recruit and train substantially more SOF operators without sacrificing the quality of our operators. We are not willing to do that. To only grow through additional recruitment introduces a large group of inexperienced operators into SOF that would hinder special operations for years. In order for us to successfully continue our plan for programmed growth, we are taking a

balanced approach. We are stepping up recruiting and, at the same time, taking steps to improve retention across all segments of an operator's career.

In December 2004, we took a major step in that direction when the Department of Defense initiated the SOF Retention Incentive Initiative aimed at retaining our most senior and experienced operators. In addition, the Services have recognized the need to retain junior operators by offering generous re-enlistment bonuses for SOF operators through 14 years of service (YOS). I am still concerned about the lack of any incentives to increase retention of operators with 14–19 YOS. The SOF operator's career path does not follow the traditional service model of a 20 year career. It is our goal to retain the majority of our operators through 25 YOS and to offer them nothing in the years immediately prior to the traditional 20 year retirement eligibility point is an area of great concern for us. In order for us to better manage our personnel; we need incentives for this critical group of operators.

In answering the second part of your question it needs to be said that USSOCOM utilizes many of the best training facilities in the world. However, some of these facilities have limited capabilities to handle large student loads. The net result is that some of our new operators get back-logged in their training pipelines. Sometimes these schools are pre-requisites for additional follow-on training and these delays set the training curriculum back while students wait for class openings.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

SPECIAL OPERATIONS REQUIREMENTS

33. Senator AKAKA. General Brown, you recently stated that there is an imbalance that exists between your new global war on terrorism mission and your Program Objective Memorandum and that your next term focus was to realign your requirements and programs to better address the war on terrorism mission. What have you done to correct this imbalance and is it reflected in the fiscal year 2006 President's budget request?

General BROWN. As we developed USSOCOM's submission for the fiscal year 2006 President's Budget we purposefully reviewed and addressed the critical resources necessary to succeed at USSOCOM's global war on terrorism mission, our #1 priority. To meet this serious challenge, USSOCOM's fiscal year 2006/2007 budget estimates balance resources to support a coherent global war on terrorism strategy that addresses three vital areas: planning and directing the global war on terrorism preserving the readiness of our Special Operations Forces (SOF) and transforming SOF to be more agile, adaptive, and responsive warriors. Our budgets reflect a clear shift away from a platform centric strategy that was driven by a focus on major combat operations to an increased emphasis on soldier/sailor/airman systems that emphasize the capabilities of "on-the-ground" warriors. The resourcing decisions incorporated in USSOCOM's budget estimates will help ensure that SOF will remain at the highest level of operational readiness possible in order to continue to lead the fight against terrorism.

34. Senator AKAKA. General Brown, one of the core tasks of the U.S. Special Forces is the training of other nations' military forces to conduct operations, also know as foreign internal defense. The Iraqi Armed Forces includes a high-end strike force containing two trained battalions, the force is said to have earned distinction in many operations throughout Iraq, fighting anti-Iraqi forces while continuing to stand up the unit. Is there a process in place to ensure that those being made part of these Iraqi forces units are not insurgents? If so, is the process that could be duplicated in the general Iraqi Army?

General BROWN. [Deleted.]

INFORMATION TECHNOLOGY SHORTFALLS IN U.S. EUROPEAN COMMAND

35. Senator AKAKA. General Jones, in your prepared statement you made several references to existing shortfalls in resources and technology within your area of responsibility that limit the United States' ability to achieve information and decision superiority. You stated that there are problems with some of our information technology infrastructure and you also stated that there is a shortfall within NATO for strategic and operational intelligence. What efforts are being made within the Department of Defense to address and resolve these problems?

General JONES. As I stated, many of our current installations do not have the infrastructure necessary to support Global Information Grid Bandwidth Expansion (GIG–BE) or Transformational Satellite (TSAT). There are robust programs within

the command, being executed by the various components, to remedy these problems by upgrading, for example, the physical lines which carry information at the various installations. These programs, listed below, could provide EUCOM with the needed infrastructure over the next 5 years:

- USAREUR, through the Department of Army, is implementing the "Installation Information Infrastructure Modernization Program" (I3MP);
- USAFE is implementing the "Engineering & Installation Program"; and
- NAVEUR is implementing the "One Net and Service Wide Communications Programs."

Our problem, frankly, has been one of prioritization: The Department has decided—and properly so—that the funds that would go to these programs would be better spent on the direct costs of the global war on terrorism, particularly our efforts in Iraq and Afghanistan. Nevertheless, we are continuing to pursue these efforts as funds permit.

To improve the U.S. contribution to NATO's strategic and operational intelligence capability EUCOM has initiated the NATO Intelligence Fusion Center (NIFC). On 1 May of this year we will establish a baseline capability co-located with the Joint Analysis Center (JAC) in the United Kingdom to support NATO operational forces in Afghanistan (as well as the NATO training mission in Iraq). The initial organization will be a U.S.-only operation to provide operational intelligence directly to the International Security Assistance Forces (ISAF).

We are preparing to initiate a Memorandum of Understanding with other NATO nations and Supreme Headquarters Allied Powers Europe (SHAPE) which will allow us to move rapidly this year from a U.S.-only capability to a fully cost-shared multinational effort. My goal is for the NIFC to be capable of providing basic support to ISAF by the summer of 2005, and also to the NATO Response Force (NRF) by the summer of 2006, and for the NIFC to be fully mission capable by the summer of 2007.

In my mind, the NIFC represents a very modest upfront U.S. investment ($7.8 million in fiscal year 2006 and $11 million per year, and decreasing as we move toward multinational costs shared allied participation) compared with the strategic, long-term benefit it will bring both to the Alliance and to U.S. foreign policy goals. The NIFC will answer a long-standing need, apparent since the first combat operations in the Balkans in 1995, to significantly improve operational support to deployed combat forces of NATO nations. The NIFC will improve U.S. and NATO-nation intelligence interoperability using common "Tactics, Techniques, and Procedures," which are sorely missing in the Alliance's current formal intelligence structure. Most importantly, the NIFC will provide the mechanism for the fusion and production of timely, predictive NATO-releasable intelligence via the exchange and merger of products provided by the individual participant Member's national contributions, overcoming the national stove-pipes currently supporting members' deployed forces. This success will achieve two U.S. strategic objectives: the operational success of ISAF and subsequent Allied military operations, and a strengthened, transformed NATO.

The NIFC will be an organization with the flexibility and agility for immediate response in support of coalition operations to emerging missions and crisis situations. It will provide Indications and Warning, answers to urgent requests for information, and analytic support in functional areas on a full-time basis. The NIFC will support NATO planning by providing in-depth all-source analysis across multiple disciplines; contributing to decisionmaking at the strategic level; and supporting operational planning and operations during both deployment and execution of an NRF or Combined Joint Task Force (CJTF). Additionally, the NIFC will be able to provide the necessary geospatial, terrain, targeting and imagery analysis.

A long-term benefit will be the creation of a core of Allied intelligence professionals operating under common Tactics, Techniques, and Procedures. Currently, most Member Nations—except for the U.S. and the United Kingdom (U.K.)—do not share this capability. As Member Nation personnel rotate through the NIFC, we will systematically develop a cadre of intelligence professionals who can ultimately reduce the exceptionally heavy burden sustained by the U.S. and U.K. to man existing Multinational Force Headquarters intelligence structures.

Finally, the NIFC will ensure continuous, comprehensive situational awareness and intelligence assessments of impending crises, to inform both the Member Nations and decisionmakers at NATO Headquarters and SHAPE. In this regard, I believe it will make a tremendous contribution in helping to shape a common view of the threats we collectively face.

NATO INTELLIGENCE FUSION CENTER

36. Senator AKAKA. General Jones, you identify the NATO Intelligence Fusion Center (NIFC) that is being spearheaded to EUCOM leadership to create an Alliance-focused capability that would integrate Alliance members' intelligence capabilities and provide network-enabled intelligence. You state that the current goal is to achieve full operating capability by 2007. Given the reluctance for NATO to provide forces for Operation Iraqi Freedom, has any effort been made to encourage NATO to provide a greater share of funding for the NIFC?

General JONES. The NATO Intelligence Fusion Center (NIFC) will be established as a Multinational Organization operated under a multilateral Memorandum of Understanding (MOU) where the U.S. and other nations (not NATO itself) pay a cost share based on level of participation. NATO common funding may also be available to support operations required by the Alliance. Given current NATO commitments, I am convinced this is the most effective course of action. My intent is to build a demonstrated intelligence capability, and simultaneously move to make the NIFC part of the NATO Command Structure. Our approach is that the U.S. will serve as the Framework Nation which will require assumption of upfront costs (facilities and equipment), with all participating nations paying their own personnel costs as well sharing with common expenses as they join the effort. This is consistent with other multinational organizations in which the U.S. is a participant.

It is important not to view the NIFC solely in terms of the relative level of funding. For a very modest initial U.S. investment, the NIFC will significantly increase NATO operational capabilities, and will be a key enabler for NATO transformation. In turn, a more capable, transformed and successful NATO could substantially reduce U.S. military operational commitments and costs, while most importantly enabling the fulfillment of U.S. foreign policy objectives. In my mind, the NIFC is a very modest upfront investment compared with the benefits to the United States that a transformed, capable NATO will bring.

While there has not yet been a formal endorsement by NATO of the initiative, it has been discussed widely within the Alliance, including formal presentation to the NATO Military Intelligence Board by the Supreme Headquarters Allied Powers Europe (SHAPE) J2, and has been enthusiastically received. NATO has established a project team, under the auspices of the SHAPE J2, which is working the details of how to integrate and leverage Member Nation contributions and develop the formal request for NATO approval. I intend to advance the NIFC concept to the Military Committee and to the North Atlantic Council for formal approval no later than 29 June 2005.

EUROPEAN BASING AGREEMENTS

37. Senator AKAKA. General Jones, has the United States concluded any agreements with any countries in the EUCOM's AOR, including the governments of Romania, Bulgaria, or any governments in North Africa, for either permanent or rotational use of bases or training sites for use by U.S. military forces?

General JONES. Basing agreements require coordination with Department of State. The U.S. European Command (EUCOM), in cooperation with Joint Staff and the Office of the Secretary of Defense, is in the process of developing draft agreements which would be transmitted to the Department of State for approval and authority to negotiate with Romania and Bulgaria. We anticipate approval and commencement of negotiations by mid-year.

In North Africa, we have an existing longstanding agreement with the Kingdom of Morocco that permits us to use specified ranges for training purposes, but does not authorize a permanent presence. One of our components has a similar agreement with Tunisia, and we are seeking to obtain an expanded agreement which would permit multi-service use of the ranges there. We also have, in process, negotiations with Ghana, Gabon, Senegal, and Uganda for the use of specified limited facilities for exercise reception, administration, and storage, as well as refueling agreements.

38. Senator AKAKA. General Jones, can you assure this committee that the Department of Defense will notify congressional defense committees when any such agreements are reached, and can you also assure us that we will be notified in advance before any leasing agreements are entered into for the use of such facilities?

General JONES. When such basing agreements are reached, they will be transmitted to the Congress in accordance with the Case-Zablocki Act, 1 U.S. Code 112b.

For many years, it has been U.S. policy not to lease bases or training sites from allies, but rather that the use of such areas and facilities is provided free of charge

by the host nation. Of course, where the United States needs services in connection with their use, such as utilities, grounds maintenance and other base operations support, we will reimburse the host nation for services we request and receive. The Secretary of Defense has recently reemphasized this policy, and that guidance is being incorporated in our proposed draft agreements. Therefore, I do not envision entering into any leasing agreements for the use of bases or training sites, although we are exploring, among other options, use of build-to-lease to acquire housing for our personnel in those countries.

39. Senator AKAKA. General Jones, your prepared testimony states that you expect the relocation of major forces from Europe that were announced by the President last summer to be completed by September 2010. When do you expect these relocations to begin?

General JONES. The U.S. European Command's (EUCOM) Strategic Theater Transformation plan is fully integrated and supports the Department of Defense Integrated Global Presence Basing plans. There are three significant ongoing requirements that will affect the pace of transformation over the next several years: 1) the operational realities of the global war on terrorism, Operations Enduring Freedom and Iraqi Freedom; 2) the transformational actions of the services, especially the Army's modularization program; and 3) prioritization of requirements competing in a fiscally constrained environment. Other major issues and actions also will impact transformation such as; the findings and recommendations of the Overseas Basing Commission and the Fiscal Year 2005 Base Realignment and Closure process.

The reorganization and re-basing of U.S. ground forces in Europe is the single largest piece of the Command's transformation. EUCOM's transformation plan will be adjusted over time due to geopolitical considerations, operational requirements, fiscal realities, and other considerations that will ultimately determine the overall pace, scope, timing and degree of implementation.

40. Senator AKAKA. General Jones, last September when DOD submitted its "Strengthening U.S. Global Defense Posture" report to Congress, then-Under Secretary of Defense Feith stated in the introduction to that report that "the Defense Department will incorporate its projected overseas posture changes into the BRAC 2005 process." It is not legally required to use the BRAC process to relocate forces back to the U.S., so DOD does have a choice. These basing decisions must either be submitted to Congress and justified in the normal budget process, or they must be made part of the BRAC process and be subject to the review of the independent commission. In my view, the most efficient way to do this is for both DOD and the commission to look at all of the base restructuring the same way, and the place to do that is the BRAC process. Is it your understanding that DOD's policy continues to be that the decision on where to relocate these forces in the United States will be included in Secretary Rumsfeld's base closure recommendations that will be sent to the independent commission for their review?

General JONES. Global posture and Base Realignment and Closure (BRAC) are entirely separate processes, although they are both key components of the Department of Defense transformation agenda. The domestic implications of overseas posture (e.g., return of personnel or platforms to the United States) will have to be accounted for within BRAC decisionmaking. The U.S. European Command's is making every effort to synchronize our transformation with the other combatant commands, the Services, the North Atlantic Treaty Organization (NATO), and the Base Realignment and Closure (BRAC) process. As the component with the greatest impact to the BRAC process, U.S. Army Europe has been and will remain in close consultation with the Department of the Army BRAC office.

OPERATIONS WITH NATO FORCES

41. Senator AKAKA. General Jones, currently the United States is conducting counterterrorist missions in Afghanistan as part of Operation Enduring Freedom while NATO is conducting peacekeeping and security assistance operations there. Do you believe all U.S. and NATO operations in Afghanistan can be combined so that the U.S. and NATO are conducting completely unified operations? If you think they should be, do you think they can or will be combined?

General JONES. Yes, I believe they can be combined eventually and that it is a logical move as conditions within Afghanistan permit. As you may know, in my role as Supreme Allied Commander, Europe (SACEUR), I recently provided a paper to North Atlantic Treaty Organization's (NATO) Military Committee and North Atlantic Council with options for improving the synergy between U.S. led Operation En-

during Freedom (OEF) operations and NATO's International Security Assistance Force (ISAF). NATO has expressed a willingness to expand ISAF, and has begun discussing the means by which to ultimately combine ISAF and OEF into one NATO mission. The timing of this consolidation will be determined by the rate of expansion of the ISAF mission, as well as the security conditions in Afghanistan. Initial discussions to achieve these goals are underway.

42. Senator AKAKA. General Jones, have you, General Abizaid, and Secretary Rumsfeld considered transferring responsibility for our operations in Afghanistan to EUCOM in order to allow CENTCOM to devote more attention to our mission in Iraq?

General JONES. EUCOM is the Supporting Command to CENTCOM, providing forces, equipment, and en route infrastructure to augment and assist operational requirements. Additionally, EUCOM is engaged in the global war on terrorism, increasing Theater Security Cooperation requirements, and reducing instability in Africa, Eastern Europe, and the Caucasus, taking proactive measures to mitigate instability and help prevent future conflicts that threaten U.S. interests and are more costly. We have ongoing operations in the Balkans and the Mediterranean, plus a number of critical engagements in the Caucasus and Caspian Sea region and throughout Africa. EUCOM remains fully engaged in protecting and promoting the National Security interests of the United States in 91 countries spanning two-thirds of the world's surface and covering nearly 46 million square miles.

EUCOM and CENTCOM have long recognized the requirement for close cooperation and coordination in the execution of our responsibilities. Our commands go to great lengths to coordinate our activities along the geographic borders that represent our areas of responsibility. By integrating our efforts, we allow CENTCOM to focus on operations in Afghanistan and Iraq and prevent a seam which our adversaries can exploit.

BASING IN THE U.S. CENTRAL COMMAND

43. Senator AKAKA. General Abizaid, I understand you have completed a master plan for the basing of our forces in the CENTCOM AOR that describes the bases in the region where you envision maintaining a long-term presence. When will you or your staff brief the committee on your basing master plan?

General ABIZAID. The Office of the Secretary of Defense formally submitted the CENTCOM Master Plan to Congress on 4 March 2005. CENTCOM briefed its Master Plan to the congressional staff members of the Senate Appropriations (Military Construction) and Armed Services Committees on 7 March 2005.

44. Senator AKAKA. General Abizaid, the fiscal year 2005 supplemental request submitted to Congress requests $1 billion for military construction in the CENTCOM region, including $597 million for facilities in Iraq and $158 million in Afghanistan. In the absence of a master plan, it is difficult for Congress to properly evaluate this request. Doesn't a request for an investment of this magnitude imply we intend to maintain a long-term presence in these countries?

General ABIZAID. [Deleted.]

45. Senator AKAKA. General Abizaid, if we plan only a short-term presence, why should the American taxpayer be asked to spend that kind of money on facilities, many of which won't even be built and available for our forces until the summer of 2006, if we do not intend to use them for long?

General ABIZAID. While we are optimistic that conditions for a reduction in force presence will exist by the summer of 2006, the fact remains that we will continue to have a significant ground and air presence across the AOR. The force protection enhancements (overhead protection, perimeter upgrades, hardened barracks, dedicated military supply routes), force projection facilities (runways, aircraft ramps, control towers) and sustainment projects (hospitals, maintenance, fuel, logistics facilities, and bed down facilities) are necessary to protect our troops and enable them to be successful.

AMMUNITION BUNKER ENCAPSULATION

46. Senator AKAKA. General Abizaid, the supplemental also requests $11.3 million to encapsulate ammunition bunkers in Muthanna, Iraq. Prior to Operation Desert Storm, this was an Iraqi chemical weapons site where artillery shells containing

sarin were stored. Is this project intended to encapsulate both conventional and unconventional weapons?

General ABIZAID. [Deleted.]

FORCES IN U.S. CENTRAL COMMAND

47. Senator AKAKA. General Abizaid, the President's budget for fiscal year 2006 requested no funds to continue operations in Afghanistan and Iraq beyond September 30, 2005, which is the end of the current fiscal year. Is there any doubt in your mind that we will still have military forces in Iraq and Afghanistan, and thus require additional funding, beyond September 30, 2005?

General ABIZAID. CENTCOM anticipates a requirement to fund U.S. forces in Iraq and Afghanistan beyond September 30, 2005.

DEATH BENEFITS

48. Senator AKAKA. General Abizaid and General Jones, could each of you please give your personal views on whether any increase in the death gratuity should apply only to those servicemembers who lose their lives in a combat operation or whether, as General Myers and other senior military leaders have testified, it should apply to all servicemembers wherever the fatality may occur?

General ABIZAID. Death benefits for military personnel need to be improved and I support applying any increase to all servicemembers regardless of where a fatality may occur. All servicemembers take an oath to defend our country, whenever and wherever called upon, 24-hours a day, 7-days a week. We should acknowledge the across-the-board commitment our servicemembers make in choosing to serve their country by ensuring all who serve are equitably compensated.

General JONES. I support the increase of death gratuity as contained in the President's fiscal year 2005 supplemental request. Increasing the death gratuity in recognition of the risk inherent in military service is an appropriate and necessary improvement to the benefits given to the survivors of our fallen service men and women. I am confident that the discretionary provisions of the proposal can be equitably administered, and that the Secretary of Defense and his staff will apply the increased authority to the maximum benefit of our Armed Forces.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

ADVANCED TACTICAL LASER PROGRAM

49. Senator BILL NELSON. General Brown, the Advanced Tactical Laser (ATL) program is funded in the fiscal year 2006 request to initiate development of a combat-capable demonstration in an operational environment. What is your assessment of the technical potential of this technology and how do you envision applying it to meet Special Operations Forces' requirements?

General BROWN. The Advanced Tactical Laser (ATL) Advanced Concept Technology Demonstration (ACTD) was approved as a fiscal year 2001 ACTD. Preliminary planning (Phase I) began in fiscal year 2002, and major contractor work (Phase II) began in fiscal year 2003. The ATL is planned for completion in fiscal year 2007. SOCOM is using this ACTD to assess the military utility that such a capability offers. While it is too soon to give an official assessment, we believe an ATL capability offers unique attributes in accuracy by utilizing a narrow, silent, invisible and high-energy laser beam. This provides the ability to disable, damage, or destroy targets that are of considerable interest to Special Operations, particularly in a "danger close" situation and in scenarios where collateral damage concerns limit our ability to act. The inherent attributes of a high-energy laser also provide the SOF operator with the potential to accomplish the mission in a clandestine manner. As experience is gained with this new technology during the ongoing ATL ACTD, better ways to conduct current operational missions may be identified. We expect evaluation results in fiscal year 2007 and at that point will assess the potential such a system brings to Special Operations Forces (SOF).

50. Senator BILL NELSON. General Brown, I understand that the ATL program has successfully completed its Critical Design Review. Is the ATL program on cost and schedule and do you fully support the funding and continuation of this program?

General BROWN. The Advanced Tactical Laser (ATL) Advanced Concept Technology Demonstration (ACTD) is well past the schedule midpoint. All system Crit-

ical Design Reviews were completed as of July 2004 and fabrication and hardware deliveries are ongoing. The ATL has experienced some schedule and cost growth due to the sub-optimal funding profile for fiscal year 2005. Consequently, we adjusted the ACTD schedule to match the fiscal year 2005 funding. At this time, the prime contractor is completing a re-planning effort and the government is currently performing an Independent Cost Estimate for the remaining portion of the contract. Current estimates indicate that we have adequate funding to complete the ACTD prior to the end of fiscal year 2007. I support the completion of the ACTD and we have requested funding for the proposed follow-on development program in the fiscal year 2006 President's budget request. The final product of the ACTD, the military utility assessment, will be the key decision aid in determining further support for the planned development program.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

OPERATIONS IN AFGHANISTAN

51. Senator CLINTON. General Abizaid, many people are currently focused on the continued dangers in Iraq and the challenge of rebuilding and reconstructing that war torn nation. However, I think it is critically important that we not lose our focus on Afghanistan. As you well know, two brigades from the 10th Mountain Division out of Fort Drum are due to be deployed to Afghanistan this summer. What is your assessment of the security situation in Afghanistan?

General ABIZAID. The security situation in Afghanistan has improved significantly since the fall of 2004. The Presidential election was an important milestone in our progress towards stability, sovereignty and representative government in Afghanistan. The Anti-Coalition Forces (ACF) (Taliban and al Qaeda) who failed to make good on their threats to disrupt the elections, suffered a severe blow to their credibility. The result has been diminished support for the opposition throughout the countryside. The enemy, however, remains elusive and dangerous. Ongoing coalition military operations have severely strained the ACF and have restricted their opposition to areas primarily along the eastern border and southern Provinces. As always, no single place in any country is 100 percent safe from well planned terrorist action and we remain vigilant against a determined enemy. Throughout the coming year, we will continue our efforts to flush out and destroy ACF, deny them a safehaven and keep them on the run. Additionally, we will continue to follow the progress of the Disarmament, Demobilization and Reintegration (DDR) of Afghanistan's irregular militia forces. We remain concerned about any attempt of the warlords to reassert their authority and challenge the central government. The DDR remains an important program for long term stability and serves as a barometer for the future of the country. Finally, the narcotics trade is a destabilizing influence throughout Afghanistan and therefore CENTCOM will continue to fully support the efforts of International, U.S. Government, and Afghan law enforcement agencies charged with countering the drug trade.

52. Senator CLINTON. General Abizaid, do we have enough troops in Afghanistan to provide adequate law and order?

General ABIZAID. OEF forces conduct Security Assistance and Stability Operations and are adequately resourced for their mission. The coalition is working diligently to train Afghan security forces and prepare them to assume responsibility for security within Afghanistan. CENTCOM continues to pressure anti-coalition forces, thereby diminishing their capacity to disrupt reconstruction and destabilize the country.

53. Senator CLINTON. General Abizaid, how significant a threat are the Taliban and are they regrouping?

General ABIZAID. The Taliban retains the ability and willingness to kill Afghan citizens, Afghan and coalition soldiers, and international aid workers; however, they are now a more localized threat which lacks the ability to directly threaten the central government. Taliban efforts to regroup appear to be failing as President Karzai continues to establish an effective representative government and builds an indigenous security capability.

54. Senator CLINTON. General Jones and General Abizaid, when I visited Afghanistan in 2003, there was concern that NATO was not living up to its commitments to provide provisional reconstruction teams. What is the status of the NATO contribution in Afghanistan and are they fulfilling their commitments?

General JONES. Although the response was initially slower than we had hoped, the North Atlantic Treaty Organization (NATO) is living up to its commitment. Provisional reconstruction teams (PRT) are mixed teams of civilian and military personnel working to help extend the Government's authority and facilitate development and reconstruction. Although the U.S. still leads in this effort, with sole responsibility for 12 of the 19 PRTs and co-responsibility for a 13th, NATO continues to expand its operations.

In Stage One of the International Security Assistance Force (ISAF) expansion, NATO established five PRTs in northern Afghanistan. Stage Two, now in progress, consists of our Allies establishing two new PRTs in western Afghanistan, Italy taking over responsibility for the U.S. PRT in Herat and the transfer to ISAF of the U.S. PRT in Farah. This will give NATO four PRTs in the west.

In Stage Three, NATO Allies will establish three or four PRTs in southern Afghanistan. We have already received promising pledges from Allies for these PRTs. The final stage of expansion will be into eastern Afghanistan, which remains the least stable region of the country. However, as coalition operations improve the security and stability in that region, I believe NATO will be able to complete its expansion throughout the country.

NATO Secretary General Jaap de Hoop Scheffer stated that success in Afghanistan (i.e. a secure, stable, and representative government) is the top priority of the Alliance; failure to fulfill security commitments will be judged harshly by the international community. Consequently, in addition to providing a growing numbers of PRTs, NATO has been active in Afghanistan in other ways, including providing security for the successful presidential elections in October 2004. ISAF also supports Afghan security sector reform, including disarmament, demobilization, and reintegration of various factions; training the Afghan National Army; police training; legal system reform; and counternarcotics efforts. NATO has proven to be a helpful force in Afghanistan and should prove to be even more so in the future.

General ABIZAID. NATO is fulfilling its commitments for the expansion of provincial Reconstruction Teams (PRT) in Afghanistan. Afghan PRTs currently number 20, with 13 directed by Combined Forces Command-Afghanistan (CFC–A), and 7 under the authority of NATO. Current NATO PRT locations include Baghlan, Maimana, Mazar-e-Sharif, Kunduz, Feyzabad, Herat, and Farah. As of July 2005, NATO will expand the number of PRTs by establishing two additional teams at Qaleh-Ye Now and Chaghcharan in the west.

A four stage plan has been implemented to transition to NATO control over all PRTs in Afghanistan. As of May 2005, Stage I and II of the plan have been completed with NATO assuming responsibility for the northern and western regions. Over the next 2 years, CFC–A will implement stage III and IV of the plan and NATO will assume responsibility for the southern and eastern sectors of the country, respectively. Due to the success of the PRT program, CFC–A and NATO plan to expand to another 7 sites (Day Kundi, Nimruz, Nuristan, Lowgar, Wardak, Panjshir, and Kapisa), not including the sites at Qaleh-Ye Now and Chaghcharan, for a total of 29 PRTs by the end of 2007.

55. Senator CLINTON. General Jones and General Abizaid, what are the prospects for NATO cooperation in Iraq and what is the status of efforts to enlist NATO support, especially in the training of Iraqi forces?

General JONES. Despite initial tensions resulting from Operation Iraqi Freedom, our Allies understand that a free, stable, democratic Iraq is in the interest of all. Consequently, the North Atlantic Treaty Organization (NATO) has taken steps to help realize this goal. NATO Allies, including the U.S., which made a significant commitment, have provided almost all the personnel for current training operations inside Iraq, and many are contributing to training (both NATO and bilateral) outside the country. NATO nations will soon provide up to 1,000 personnel for training at the Iraqi Training, Education and Doctrine Center. Finally, NATO nations surpassed by almost 2.0 million the 3.5 million goal for the travel and subsistence trust fund to cover costs for Iraqi personnel receiving training inside and outside Iraq. Overall, I'm optimistic about the expansion of the NATO mission and personnel in Iraq. Details of the training mission are provided below.

General Information on NATO Training Mission—Iraq

- All Allies are contributing to the NATO Training Mission-Iraq (NTM–I) through inside Iraq training, outside Iraq training, equipping, and/or by financing a trust fund.
- NTM–I is providing training and advice to middle and senior-level leaders of Iraq's Security Forces, and is coordinating Allied and NATO partner equipment donations.

• NTM–I is a separate and distinct mission under the command of U.S. Lt. General David Petraeus, who also commands the Multinational Force-Iraq (MNF–I) training and equipping program.
• NTM–I has four phases: Phase One - Assessment and Preparation (Initial Training and Planning); Phase Two - Graduated Approach (Implementation); Phase Three Transition (Handover to Iraqis); Phase Four - Redeployment (Handover complete and NTM–I elements return to home stations).
• Phase Two (Implementation) has three overlapping stages:

  • Stage One (currently ongoing)—NATO expands the ongoing training/mentoring in downtown Baghdad in the international zone. (361 personnel)
  • Stage Two—NATO establishes with the Iraqi Government the Iraqi Training, Education, and Doctrine Center (TEDC) at ar-Rustamiyah. This facility is under renovation on the eastern outskirts of Baghdad. (over 1,000 NATO personnel estimated)
  • Stage Three—pending a North Atlantic Council decision, NATO would take on additional training responsibilities, with a view possibly to take on responsibility for all training activities inside Iraq.

Phase Two—NATO Training Inside Iraq:

• 17 Allies have committed personnel to training inside Iraq. This number includes four Allies who are not members of Multinational Force-Iraq (MNF–I).
• Up to 100 NATO military personnel were deployed to Iraq for initial planning and mentoring/training from August 2004 to February 2005.
• There are currently 121 NATO personnel in Baghdad and training in the International Zone is underway. This number will grow to approximately 361 personnel when Stage One training in Baghdad reaches full capacity.
• Stage One personnel requirements are 161 trainers and headquarters staff and 200 force protection, logistics, and support personnel.
• Allies have filled all but 32 of the required 361 personnel for Stage One. The remaining 32 required personnel are a combination of trainers and headquarters staff positions.
• The Stage Two targeted start date move is Sept. 2005 when training operations move to the Training, Education, and Doctrine Center (TEDC) in ar-Rustamiyah. Pilot courses for the TEDC organized by NATO will begin in Baghdad in April 2005.
• NATO plans to have the capacity to train 1,000 Iraqis in country when the TEDC opens in September.

Phase Two—NATO Training Outside Iraq:

• NATO has offered to enroll over 550 Iraqis in NATO training facilities in 2005 (Note: This figure does not include Allies' bilateral offers of training assistance to Iraq).
• NATO plans to double the number of Iraqis it can accept at NATO training facilities in 2006.
• In February 2005, approximately 50 Iraqis began training at the NATO School in Oberammergau and the NATO Defense College in Rome.
• Another 30 Iraqi key leaders will begin training in March at the NATO training facility in Stavanger, Norway.
• Germany has agreed to place its training and equipping operations in the United Arab Emirates under NTM–I. Belgium has announced its intention to provide 5–10 officers to this important effort to assist the Iraqi security forces.
• Canada and Slovakia have announced that they will provide 30 and 5 officers respectively to NTM–I for outside Iraq training.

The NATO Equipping Effort:

• As part of the NTM–I mission, Supreme Allied Command-Transformation, based in Norfolk, Virginia, established the NATO Training and Equipment Coordination Group (NTECG) in Brussels to facilitate NATO Alliance, Partnership for Peace and other national donations of military equipment and training to the Iraqi security forces.
• The in-country coordination arm is the NTM–I Training, Equipment and Synchronization Cell (TESC) in Baghdad, which addresses the Iraqi Ministry of Defense and Ministry of Interior requirements by coordinating the delivery of NATO offers of equipment and training.
• Several Allies have contributed equipment to the Iraqi security forces, while other Allies are supporting the transport of that equipment.

The Multinational Security Transformation Command-Iraq (MNSTC–I), MNF–I's training and equipping command led by Lt. General David Petraeus, has assisted NTM–I in the delivery of all shipments to the Iraqi authorities.

- The NATO equipping effort has been highly praised by the Iraqis. Thousands of required equipment items arrived in time to directly support the Iraqi security forces for the Jan. 30 Iraqi elections.

NATO Trust Funds:

- Allies surpassed the February 2005 NATO Summit goal of raising 3.5 million euro for the Travel and Subsistence trust fund to finance training efforts (both inside and outside Iraq) in 2005.
- 23 Allies have contributed 5.24 million euro to this trust fund effort. The number of contributing nations has grown steadily as Allies have decided to support this important activity.
- NATO plans to establish two more trust funds to pay for equipment and ordnance purchases/transportation to fill priority equipment needs of the Iraqi security forces.

General ABIZAID. The prospects for NATO cooperation in Iraq are very good. NATO is helping Iraq provide for its own security by training Iraqi personnel and supporting the development of the country's security institutions. In response to a request by the Interim Iraqi Government, NATO established a training mission in Iraq that supports the establishment of a training center for senior security and defense officials. Additionally, the Alliance is playing a pivotal role in coordinating individual NATO and partner countries contributions with all NATO member countries providing assistance through financial aid, donations of equipment, training, and/or technical assistance. NATO is also training and mentoring middle and senior level personnel from the Iraqi security forces.

OPERATIONS IN IRAQ

56. Senator CLINTON. General Abizaid, during your confirmation hearings in June 2003 you said, "we are certainly in for some difficult days ahead periodically in Iraq," and I think that has certainly turned out to be the case, especially this week with the awful carnage of the suicide bombing in Hillah. During your confirmation hearings, you also said, "For the foreseeable future, we will require a large number of troops for Iraq." Do you still agree with that assessment?

General ABIZAID. CENTCOM continually reassesses force requirements in Iraq and across the AOR. In Iraq, CENTCOM is conducting counterinsurgency operations and training Iraqi security forces (ISF) to assume responsibility for the security of their own country. The coalition has the appropriate troop levels to support the Iraqi Transitional Government and to train the ISF. In late 2005 and early 2006, an adjustment in force requirements may be considered, along with other measures, to set the conditions to effectively transition the lead for counterinsurgency operations to the ISF.

57. Senator CLINTON. General Abizaid, in your planning, how many U.S. troops do you anticipate will remain in Iraq over the next 5 years? In other words, how many troops do you think it will take to provide security in Iraq over the next 2 to 5 years?

General ABIZAID. The number of coalition forces required in Iraq is directly related to the success of the Iraqi political process and the ability of Iraqi security forces to effectively lead counterinsurgency operations. We envision adjusting force structure over the coming 2 years as Iraqi security forces mature and transition to independent operations.

[Whereupon, at 12:41 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

THURSDAY, MARCH 3, 2005

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

SERVICE SECRETARIES

The committee met, pursuant to notice, at 9:40 a.m. in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Inhofe, Sessions, Collins, Talent, Dole, Thune, Levin, Lieberman, Reed, Bill Nelson, and Clinton.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Ambrose R. Hock, professional staff member; Thomas L. MacKenzie, professional staff member; Lucian L. Niemeyer, professional staff member; Stanley R. O'Connor, Jr., professional staff member; Scott W. Stucky, general counsel; Diana G. Tabler, professional staff member; and Richard F. Walsh, counsel.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Daniel J. Cox, Jr., professional staff member; Gabriella Elsen, research assistant; Creighton Greene, professional staff member; Bridget W. Higgins, research assistant; Gerald J. Leeling, minority counsel; and Michael J. McCord, professional staff member.

Staff assistants present: Andrew W. Florell, Catherine E. Sendak, and Nicholas W. West.

Committee members' assistants present: Cord Sterling, assistant to Senator Warner; Christopher J. Paul, assistant to Senator McCain; John A. Bonsell, assistant to Senator Inhofe; Chris Arnold, assistant to Senator Roberts; Mackenzie M. Eaglen, assistant to Senator Collins; Lindsey R. Neas, assistant to Senator Talent; Clyde A. Taylor IV, assistant to Senator Chambliss; Meredith Moseley, assistant to Senator Graham; Christine O. Hill, assistant to Senator Dole; Russell J. Thomasson, assistant to Senator Cornyn; Bob Taylor, assistant to Senator Thune; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Amy Akiyama, assistant to Senator Bill Nelson; and Andrew Shapiro, assistant to Senator Clinton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, all. The committee meets today to receive the annual testimony of the Service Secretaries on the posture of each of our military Services and on their respective portions of the President's defense budget for the fiscal year 2006.

I have just been notified—I'm particularly pleased, as are all members of the committee—that 18 midshipmen from the Naval Academy and some 15 from the Army War College have joined us here in the audience today. It's the beginning of their learning experience, and all aspire to be sitting in your seats someday, gentlemen. [Laughter.]

Secretary Harvey, Secretary England, and Acting Secretary Teets, we welcome you back before the committee.

On January 30, 2005, we observed the courageous Iraqi people, in defiance of the terrorists, take the first step toward democracy by exercising the right to vote. It was an extraordinary moment in history, not just in the area in which it occurred, but it was observed throughout the world. It has sent a strong message that freedom is there for those who have the courage to seek it.

These elections were made possible, as each of you know, by the sacrifices of the men and women of the Armed Forces of the United States, their coalition partners, the Iraqi security forces, and, indeed, the families of each. This remarkable accomplishment is a testament to the professionalism and dedication of our Armed Forces, of which we are all very proud.

Within the past 48 to 72 hours we crossed the 1,500 mark in loss of life of Americans in that theater. I, before this committee here a few days ago, in the presence of all, said to General Abizaid, General Jones, and General Brown, much as I have said here. But I added, also, that I am concerned at the pace at which the Iraqi Government is being put together. I urge those Iraqi leaders to step forward and finish out this government as quickly as possible, such that that government can take a very active role in working with our Coalition Forces, and hopefully will invite them now, and, make it clear to the Iraqi people they are there at the invitation of their government for their sacrifice and participation.

We have the finest military in the world, and we'll do our part here in Congress to continue to provide our military forces and their families with the resources they need to successfully accomplish their missions.

The President's budget request for $419.3 million for the Department of Defense (DOD) represents the fifth consecutive year of growth in the defense budget. It includes a 3.1-percent pay raise for military personnel, and, in real terms, a 3-percent increase in procurement funding, and a 1.7-percent increase in research and development funding. The request goes a long way towards fulfilling the immediate manning and resource needs of the Service departments.

In keeping with a longstanding tradition, this request did not include funding for ongoing military operations in Iraq and Afghanistan. The President has submitted a supplemental budget request, which includes $75 billion for the Department of Defense to fund ongoing military operations.

I thank you, gentlemen, for your service, and I now put the balance of my statement in the record and yield to my distinguished colleague, Mr. Levin.

[The prepared statement of Chairman Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

The committee meets today to receive the annual testimony of the Service Secretaries on the posture of each of our military Services and on their respective portions of President Bush's defense budget request for fiscal year 2006 and the Future Years Defense Program.

Secretary Harvey, Secretary England, and Acting Secretary Teets, we welcome you back before this committee. I thank each of you for your leadership in these challenging times.

On January 30, 2005, we observed the courageous Iraqi people—in defiance of the terrorists—take the first steps toward democracy by exercising the right to vote. It was an extraordinary moment not just in Iraqi history, but world history. It sent a strong message far beyond the borders of Iraq. These elections were made possible by the sacrifices of the men and women of the Armed Forces of the United States, their coalition partners, and the Iraqi security forces. This remarkable accomplishment is a testament to the professionalism and dedication of our Armed Forces, of which we are all proud.

We have the finest military in the world. We will do our part here in Congress to continue to provide our military forces, and their families, with the resources they need to successfully accomplish their missions.

The President's budget request of $419.3 million for the Department of Defense represents the fifth consecutive year of growth in the Defense budget. It includes a 3.1-percent pay raise for military personnel, and in real terms, a 3.0-percent increase in procurement funding and 1.7 percent increase in research and development funding. This request goes a long way toward fulfilling the immediate manning and resource needs of the Services. In keeping with longstanding tradition, this request does not include funding for ongoing military operations in Iraq and Afghanistan. The President has submitted a supplemental budget request—which includes $75.0 billion for DOD—to fund these ongoing military operations.

I am certain that the members of the committee will have questions on certain aspects of the budget request, particularly where it appears that decisions were made late in the cycle to produce savings. Some of these decisions include the cancellation of the multi-year procurement of the C–130J aircraft, significant reductions in missile defense funding, the decommissioning of an aircraft carrier, and the curtailment of the F/A–22 fighter program. While I am well aware of the budgetary pressures faced by the Department, decisions of these magnitudes must be based on sound analysis.

We look forward to working with you in the weeks and months ahead as Congress—a co-equal branch of the government—evaluates this budget request and formulates a Defense Authorization Bill that will ensure our Armed Forces and their families have the resources, authorities, and equipment they need and deserve.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Mr. Chairman, thank you, and let me join you in giving a warm welcome to each of our witnesses and thanking them for their service.

As you have pointed out, Mr. Chairman, and each member of this committee has noted, hundreds of thousands of our military members are currently deployed far away from their homes and families, in service to us and our families. Many of those serving are in very dangerous places, like Iraq and Afghanistan. For others, the danger may be less immediate, but the potential for death and injury is always present, and the duty is often arduous and lonely. We cannot overstate the sacrifice our military personnel, all of them volunteers, are making to ensure the security of their fellow Americans. We salute them. We pledge that we will continue to do

our part to ensure that they and their families are fully-supported as they face their hardships and dangers.

The secretaries of the departments appearing before us today have the title 10 responsibility to organize, train, and equip the Armed Forces to which these military members belong. That is a major responsibility. They lead the effort in the executive branch to provide the best training and equipment that this Nation can provide so that our military members have all that they need to successfully perform their duties.

The secretaries will hopefully tell us today of any needs that may have arisen since the budget request was prepared that require funding in fiscal year 2005 supplemental or in the 2006 Defense authorization, or needs that were not reflected in those budget requests.

As it stands, the President's fiscal year 2006 budget request of $441.8 billion is incomplete in that it leaves out known costs of supporting the normal operations of the Department of Defense for fiscal year 2006. Furthermore, the request does not include any funding for the incremental costs that our military forces will incur in continuing operations in Iraq and Afghanistan.

First, there is the cost of the extra 30,000 Army personnel and 3,000 Marine Corps personnel that Congress authorized last year. The Army already has 20,000 of those additional personnel onboard today, and plans to have all 30,000 onboard when fiscal year 2006 begins, and plans to keep those personnel throughout fiscal year 2006, yet there are no funds in the 2006 budget request to pay for them.

Last month, when I asked the Chief of Staff of the Army, General Schoomaker, why the Army's 2006 budget did not fund the personnel level of 512,000 that the Army actually plans to have, instead of the 482,000 that are funded in the budget, he stated that he was given the option of funding those extra people in his core budget or in a 2006 supplemental, and that he chose the supplemental so he wouldn't have to displace other programs. Anyone can understand why the Army selected the option that it did, but that is not responsible budgeting coming from this administration. I'm not critical of the Army for making the decision they did; I'm critical of the administration for providing that kind of an option when this is a known expense that should be budgeted for.

The budget is similarly deficient with respect to the known costs of continuing the Army's conversion to a force based on modular brigades. This modularity program is requested in the supplemental for 2005, but it is not fully-funded in the Army's 2006 budget request. The Department of Defense has decided to spend $5 billion each year, from 2005 through 2011, on this conversion but included only $1.5 billion of those costs in the 2006 budget request.

The Secretary of Defense's recent testimony to our committee stated that the Department intends to fund the Army's ongoing modular brigade conversion program in 2006 primarily through another supplemental and doesn't fund it in the base budget until 2007.

This budget request further understates the true cost of our defense program, because it does not include any funds for the cost of ongoing operations in 2006 in Iraq and Afghanistan. Although

the exact costs for the operations in fiscal year 2006 are not presently known, we have been spending significant sums, about $5 billion a month, in Iraq and Afghanistan for some time now, and we know that these costs are going to continue in fiscal year 2006. Those costs should be planned on now.

Taken together, these three omissions mean that this budget underestimates and understates the known defense costs for 2006 and the true size of future deficits by a minimum of $30 billion, just in those three omissions, alone.

In addition, our current policies do not adequately address the human cost of war on our men and women in uniform and their family. I, along with many of us on the Armed Services Committee, recommend an increase in the benefits paid to the family of those who give their lives in service to our country. The death gratuity should be increased from its current level of $12,000 to $100,000. This increase should be made retroactive to the beginning of Operation Enduring Freedom (OIF), in Afghanistan, on October 7, 2001, and it should be funded. We should pay for it. It should be in this budget. This increase should apply, in my judgment, and in the judgment of most of us, to those who wear our Nation's uniform and die on duty, not merely to those who lose their lives in Iraq and Afghanistan. In testimony before our committee, that is the unanimous recommendation of our senior uniformed military leaders.

Last year, the administration failed to include any funds in its 2005 budget for the cost of operations in Iraq and Afghanistan, and administration officials stated that they did not intend to ask for a supplemental until calendar year 2005. By May 2004, the administration had reversed its position and submitted a budget amendment to partially cover the costs of operations in fiscal year 2005. I believe that this budget resolution, which will be coming before us in a few days, should also reflect those realities, those known costs of operations in Iraq and Afghanistan, plus the other items that I have identified, which are known costs. It is true that no one can predict with precision what 2006 costs will be, but we should provide funds to cover the known requirements. We should increase the budget to cover at least 6 months of those incremental costs, at the current pace of operations, of the ongoing operations in Iraq and Afghanistan. It just is the responsible thing to do for our troops, for our own budgeting, and for accuracy.

I also believe that the 2006 base budget and budget resolution should cover the full cost of the Army and Marine Corps personnel that we will actually have on duty in 2006, the cost of conversion to modular brigades, and the cost of increasing the death gratuity.

Mr. Chairman, I join you, again, in welcoming our witnesses today and thanking them for their contributions to the security of this Nation.

Chairman WARNER. Senator Levin, I thank you, and I think all members of the committee are very grateful for the service that each of you are rendering, together with your families.

Now we go in order of seniority, the United States Army being the senior Service, "We shall raise armies, but maintain a navy."

Please proceed, Mr. Secretary.

STATEMENT OF HON. FRANCIS J. HARVEY, SECRETARY OF THE ARMY

Secretary HARVEY. Chairman Warner, Senator Levin, and distinguished members of the committee, I appreciate the opportunity to be here this morning and to offer testimony on the posture of the United States Army, which today is conducting operations in Iraq, Afghanistan, and some 120 other countries around the world.

Let me begin by saying a few words about the great soldiers of our Army, the centerpiece of our formations. Our Nation is blessed with the world's finest Army, an All-Volunteer Force representing the best that our country has to offer.

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

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

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

We are implementing these strategies by means of 20 supporting initiatives. In executing these initiatives, our actions will, at all times and in all places, be guided by the highest of ethical standards.

Among the nine initiatives supporting our strategy of providing relevant and ready land power, I want to emphasize our major transformational initiative, the Army Modular Force Initiative. This initiative involves a total redesign of the operational Army into a larger, more powerful, more flexible, and more rapidly-deployable force that moves us from a division-centric structure to one built around what we call the Brigade Combat Team Unit of Action.

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

The combat power of an individual unit is not only a function of the people strengths, but also the technology and quality of the equipment, particularly the weapons systems and the information network; the effectiveness of the tactics, techniques, and proce-

dures; the adaptability and flexibility of the organization; the level of training; and, finally, the caliber and quality of the leadership. At the end of the day, it is the total combat power of the operational Army which counts.

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

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

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

With our four overarching strategies and 20 supporting initiatives, in conjunction with a fully supported base budget request and supplemental, I am confident the Army can accomplish its mission and reach our strategic goal of being relevant and ready both today and tomorrow.

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

Thank you, Mr. Chairman.

[The prepared statement of Secretary Harvey follows:]

2005

Posture Statement

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

UNITED STATES ARMY

Serving a Nation at War

A Campaign Quality Army with Joint and Expeditionary Capabilities

U.S. ARMY

A statement on the
Posture of the United States Army 2005

by

The Honorable Francis J. Harvey
and
General Peter J. Schoomaker

Presented to
The Committees and Subcommittees
of the

UNITED STATES SENATE

and the

HOUSE OF REPRESENTATIVES

FIRST SESSION, 109th CONGRESS

The annual Army Posture Statement is an unclassified summary of Army roles, missions, accomplishments, plans and programs.

Designed to reinforce the Secretary of the Army and Chief of Staff, Army's posture and budget testimony before Congress, the Army Posture Statement serves a broad audience as a basic reference on the state of the Army.

This document is available on the Army web site at www.army.mil/aps

It is a product of the Office of the Chief of Staff, U.S. Army, Executive Office of the Headquarters Staff Group

Email: Eric.Ashworth@us.army.mil

February 6, 2005

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

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

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

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

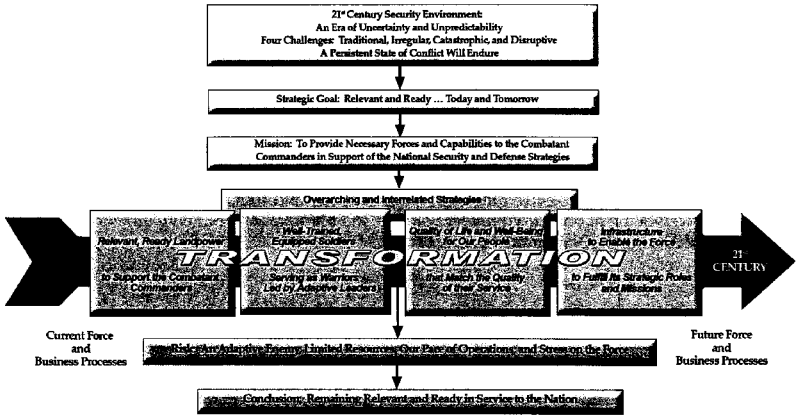
We are sustaining our global commitments while making tremendous progress in our transformation. We will need the continued support of the Congress, the President, and the American people to accomplish our mission today and tomorrow, while providing for the well-being of our All-Volunteer Soldiers, their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

Peter J. Schoomaker
General, United States Army
Chief of Staff

Francis J. Harvey
Secretary of the Army

PURPOSE AND ORGANIZATION OF THE POSTURE STATEMENT

The 2005 Army Posture Statement provides an overview of today's Army. Focusing on the Soldier, our centerpiece, it provides a perspective on the 21st century security environment. This environment provides the context for reaffirming our overarching Strategic Goal and our enduring Mission. The Posture Statement describes how the Army is executing four overarching, interrelated strategies – centered on people, forces, quality of life and infrastructure – needed to accomplish this Mission. Our initiatives, posture, progress, and requirements are explained within the context of these strategies. Army transformation is described not as an end in itself, but rather in terms of how it is already contributing to accomplishing the Mission today, while preparing the force to accomplish its Strategic Goal – to remain relevant and ready to meet the Combatant Commanders' needs — today and tomorrow. A discussion of Risk and an examination of future security challenges are furnished to complete this assessment of our current posture as we continue to serve the Nation today, while preparing for the uncertainties of tomorrow.



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2005 ARMY POSTURE STATEMENT EXECUTIVE SUMMARY

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

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

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

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

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

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

- First, we are restructuring from a division-based to a brigade-based force. These brigades are designed as *modules*, or self-sufficient and standardized Brigade Combat Teams, that can be more readily deployed and combined with other Army and joint forces to meet the precise needs of the Combatant Commanders. The result of this transformational initiative will be an operational Army that is larger and more powerful, flexible and rapidly deployable.

  This program, which we call modularity, will increase the combat power of the Active Component by 30 percent as well as the size of the Army's overall pool of available forces by 60 percent. The total number of available brigades will increase from 48 to 77 with 10 active brigades (three-and-a-third divisions in our old terms) being added by the end of 2006. Our goal for this larger pool of available forces is to enable the Army to generate forces in a rotational manner that will support two years at home following each deployed year for active forces, four years at home following each deployed year for the Army Reserve and five years at home following each deployed year for National Guard forces. Implementing this program will provide more time to train, predictable deployment schedules, and the continuous supply of landpower required by the Combatant Commanders and civil authorities.

  The force, above the brigade level, will be supported by similarly modular supporting brigades that provide aviation, fires, logistics, and other support. Our headquarters structure will also become far more versatile and efficient as we eliminate an entire echelon of command — moving from three to two levels. Similar innovations will occur in the logistics and intelligence organizations that support our forces and other Services.

  Our restructuring is already well underway. The 3rd Infantry Division, the vanguard of the invasion of Iraq, will return to Iraq as a restructured, modular force.

- Second, we are rebalancing our active and reserve forces to produce more units with the skills in highest demand. This will realign the specialties of more than 100,000 Soldiers, producing a 50 percent increase in infantry capabilities, with similar increases in military police, civil affairs, intelligence, and other critical skills. We have already converted more than 34,000 spaces.
- Third, Soldiers are being stabilized within units for longer periods to increase combat readiness and cohesion, reduce turnover and eliminate many repetitive training requirements. With fewer Soldiers and families moving, more Soldiers will be available on any given day to train or to fight. This initiative, started in 2004, also transitions our Army from an individual replacement manning system to a unit focused system – to prepare Soldiers to go to war as vital members of cohesive units.
- Fourth, we are working to complement our operational transformation by ensuring that our business, force generation and training

functions improve how we support a wartime Army and the other Services. We are divesting functions no longer relevant and reengineering business processes to increase responsiveness to the Combatant Commanders. Other improvements include developing a joint, interdependent end-to-end logistics structure, and fostering a culture of innovation to increase institutional agility. We seek to improve effectiveness and identify efficiencies that will free human and financial resources to better support operational requirements.

Balancing Risk: The Tension Between Current and Future Demands

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

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

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

Focusing Resources on Wartime Requirements: Major Decisions in 2004

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

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

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

TABLE OF CONTENTS

Purpose and Organization of the Posture Statement i

2005 Army Posture Statement Executive Summary ii

21st Century Security Environment:
An Era of Uncertainty and Unpredictability 1

Strategic Goal: Remaining Relevant and Ready ... Today and Tomorrow 2

Mission: Supporting the National Security and Defense Strategies 3

Accomplishing the Mission Today: Sustaining Global Commitments 3

Enabling Mission Accomplishment: Four Overarching, Interrelated Strategies 5

Providing Relevant and Ready Landpower to Support the Combatant Commanders 6

- Building a Campaign-Quality Force
  with Joint and Expeditionary Capabilities 6
- Enhancing Joint Interdependence 6
- Resetting the Force 6
- Converting to a Brigade-Based, Modular Force 7
- Rebalancing Active and Reserve Component Units and Skills 9
- Stabilizing Soldiers and Units to Enhance Cohesion and Predictability 9
- Leveraging Army Science and Technology Programs 10
- Spiraling Future Combat Systems Capabilities into the Current Force 10
- Restructuring Army Aviation 11

Training and Equipping Soldiers to Serve as
Warriors and Growing Adaptive Leaders 11

- Reinforcing Our Centerpiece: Soldiers as Warriors 11
- Recruiting and Retaining Soldiers 13
- Equipping Our Soldiers 13
- Training Soldiers and Growing Adaptive Leaders 14
- Enhancing the Combat Training Centers 16

UNITED STATES ARMY

Attaining a Quality of Life and Well-Being for Our People that Match the Quality of Their Service 16
- Maintaining the Viability of the All-Volunteer Force 16
- Caring for Army Families and Soldiers 17

Providing Infrastructure to Enable the Force to Fulfill Its Strategic Roles and Missions 18
- Business Transformation 18
- Maintaining Our Installations as "Flagships of Readiness" 19
- Improving Global Force Posture 19
- LandWarNet 20

Balancing Risk: The Tension Between Current and Future Demands 21
- "Buying Back" Capabilities 21
- Major Decisions in 2004 21
- Meeting Today's Demands While Preparing for Tomorrow 22

Remaining Relevant and Ready in Service to the Nation 23

ACRONYMS A-1

The 2005 Army Posture Statement with addenda can be found at http://www.army.mil/aps

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

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

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

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

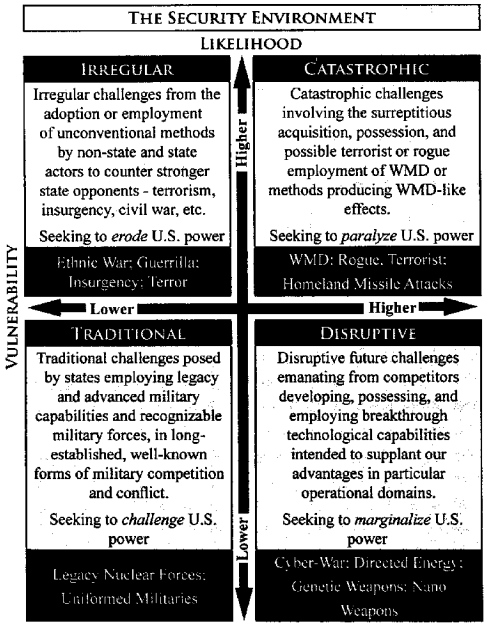


FIGURE 1

The Defense Strategy still recognizes the traditional threat paradigm, focused primarily on other states and known enemies. In the aftermath of September 11, 2001, however, it is no longer sufficient to be prepared to defend only against this type of threat. Our old concepts of security, deterrence and warning, developed through traditional

intelligence approaches, do not apply sufficiently in this new strategic environment. While we must remain ready to sustain the full range of our global commitments, our overwhelming military superiority no longer serves as an adequate deterrent against many emerging threats, especially those of radical fundamentalist terrorists.

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

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

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

Strategic Goal: Remaining Relevant and Ready ... Today and Tomorrow

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

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

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

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

Mission: Supporting the National Security and Defense Strategies

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

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

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

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

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

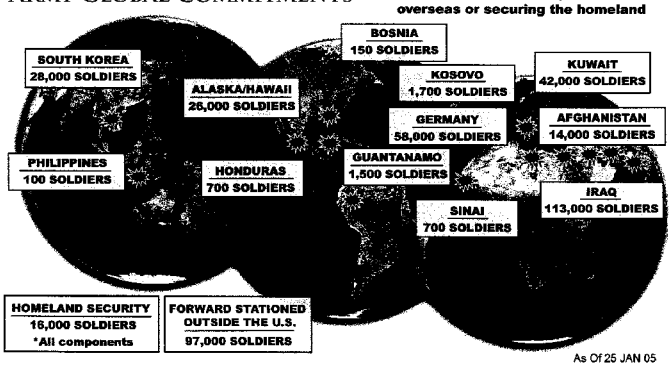
Guided by the compelling requirement to accomplish our mission in service to the Nation, the Army is changing now — and making tremendous progress. With the continued support of Congress and the Department of Defense, we will maintain the momentum we have established, through our collective efforts,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

Accomplishing the Mission Today: Sustaining Global Commitments

The Army's first priority is to sustain its increasing global commitments that extend across the full range of military missions, well beyond those associated with the Global War on Terror. Today, our Current Force is engaged, across the range of military operations, in ways we could never have

ARMY GLOBAL COMMITMENTS

315,000 Soldiers deployed, stationed overseas or securing the homeland



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forecasted before September 11, 2001, operating at a very high pace that will likely continue for some time.

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

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

Soldiers from the Army National Guard and the Army Reserve are making a vital contribution. 150,000 Soldiers are mobilized and performing a diverse range of missions worldwide. In addition to their duties overseas, Soldiers from both the Guard and the Reserve supported civil authorities during disaster relief operations, such as those which occurred in Florida following four major hurricanes.

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

and training a multicomponent brigade in Colorado and a battalion in Alaska to execute the newly assigned mission.

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

Enabling Mission Accomplishment: Four Overarching, Interrelated Strategies

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

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

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

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

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

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

Providing Relevant and Ready Landpower to Support the Combatant Commanders

Building a Campaign-Quality Force with Joint and Expeditionary Capabilities

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

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

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

Enhancing Joint Interdependence

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

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

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

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

Resetting the Force

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

The major elements of our Reset Program include:

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

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

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

The 3rd Armored Cavalry Regiment, the 3rd Infantry Division and 129 of the more than 500 Army Reserve units (over 25 percent) have already completed the Reset Program. The 4th Infantry Division, the 2nd Light Cavalry Regiment, the 10th Mountain

Division, the 1st Armored Division, the 76th Infantry Brigade (Indiana), the 30th Infantry Brigade (North Carolina), the 82nd Airborne Division and the 101st Airborne Division (Air Assault) are in various stages of the Reset Program.

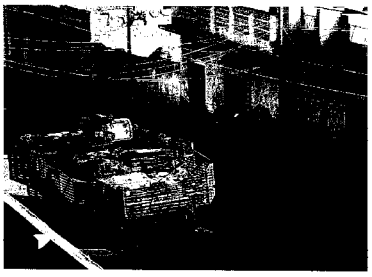
Resetting units is not a one-time event. It is required for all redeploying units. A window of vulnerability exists at the end of our current operations. We project that it will take close to two years after the return of forces from Iraq and Afghanistan to completely refit our forces and to reconstitute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

Converting to a Brigade-Based, Modular Force

Modular conversion will enable the Army to generate force packages optimized to meet the demands of a particular situation, without the overhead and support previously provided by higher commands.

Modular units are tailored to meet the Combatant Commanders' requirements. These units, known as Brigade Combat Teams (BCTs), are more robust, require less augmentation and are standardized in design to increase interoperability. They are, in essence, a self-sufficient, stand-alone tactical force, consisting of 3,500 to 4,000 Soldiers, that is organized and trains the way it fights.

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



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

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

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

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

Execution of this transformation is already well underway. As units redeploy from fighting, their conversion process begins. The 3rd Infantry Division and the 101st Airborne Division have already reorganized their existing brigades and created a new brigade each. The 3rd Infantry Division is the first converted unit returning to Iraq. The

10th Mountain Division and the 4th Infantry Division will soon follow. By the end of 2006, we will have added 10 new brigades. Potentially, we will create five more in 2007. The Army National Guard is converting 34 BCTs or separate brigades to modular designs. At the end of our effort, the Army will have 77 and potentially 82 total BCTs.

Rebalancing Active and Reserve Component Units and Skills

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

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

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

Stabilizing Soldiers and Units to Enhance Cohesion and Predictability

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

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

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

Leveraging Army Science and Technology Programs

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

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

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

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

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

Spiraling Future Combat Systems Capabilities into the Current Force

Our largest, most promising, science and technology investment remains the pursuit of Future Combat Systems (FCS) technologies. The FCS-equipped force will add crucial capabilities to the Future Force to achieve Department of Defense transformation goals. FCS is not a platform. It is a family of 18 networked air and ground-based maneuver, maneuver support and sustainment systems.

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

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

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

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

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

Restructuring Army Aviation

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

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

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

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

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

Training and Equipping Soldiers to Serve as Warriors and Growing Adaptive Leaders

Reinforcing Our Centerpiece: Soldiers as Warriors

Human skills may change as technology and warfare demand greater versatility. No matter how much the tools of warfare improve, it is the

Soldier who must exploit these tools to accomplish his mission. The Soldier will remain the ultimate combination of sensor and shooter.

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

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

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

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

Soldiers join the Army to serve. Our Soldiers know that their service is required to secure our Nation's freedoms and to maintain the American way of life. We will never take for granted the personal sacrifices our Soldiers and their families endure, which include facing the hardship of war, extended periods of

THE SOLDIER'S CREED

I AM AN AMERICAN SOLDIER.

I AM A WARRIOR AND A MEMBER OF A TEAM. I SERVE THE PEOPLE OF THE UNITED STATES AND LIVE THE ARMY VALUES.

I WILL ALWAYS PLACE THE MISSION FIRST.

I WILL NEVER ACCEPT DEFEAT.

I WILL NEVER QUIT.

I WILL NEVER LEAVE A FALLEN COMRADE.

I AM DISCIPLINED, PHYSICALLY AND MENTALLY TOUGH, TRAINED AND PROFICIENT IN MY WARRIOR TASKS AND DUTIES. I ALWAYS MAINTAIN MY WEAPONS, MY EQUIPMENT AND MYSELF.

I AM AN EXPERT AND I AM A PROFESSIONAL.

I STAND READY TO DEPLOY, ENGAGE AND DESTROY THE ENEMIES OF THE UNITED STATES OF AMERICA IN CLOSE COMBAT.

I AM A GUARDIAN OF FREEDOM AND THE AMERICAN WAY OF LIFE.

I AM AN AMERICAN SOLDIER.

FIGURE 3

ARMY VALUES

LOYALTY: BEAR TRUE FAITH AND ALLEGIANCE TO THE U.S. CONSTITUTION, THE ARMY, YOUR UNIT AND OTHER SOLDIERS.

DUTY: FULFILL YOUR OBLIGATIONS.

RESPECT: TREAT PEOPLE AS THEY SHOULD BE TREATED.

SELFLESS-SERVICE: PUT THE WELFARE OF THE NATION, THE ARMY, AND YOUR SUBORDINATES BEFORE YOUR OWN.

HONOR: LIVE UP TO ALL THE ARMY VALUES.

INTEGRITY: DO WHAT'S RIGHT, LEGALLY AND MORALLY.

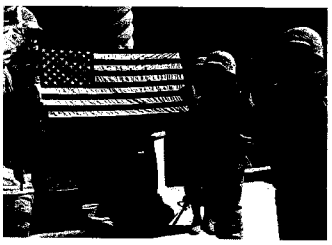
PERSONAL COURAGE: FACE FEAR, DANGER, OR ADVERSITY (PHYSICAL OR MORAL).

FIGURE 2

separation and, in the case of our Reserve Component Soldiers, concerns over continued employment and advancement in their civilian jobs.

Recruiting and Retaining Soldiers

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



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

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

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

Equipping Our Soldiers

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

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

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

EQUIPPING OUR SOLDIERS: SOLDIER PROTECTION PROGRAMS IN IRAQ AND AFGHANISTAN

AREA	WHERE WE WERE AUGUST 2003	WHERE WE ARE IN JANUARY 2005
SOLDIER BODY ARMOR	Estimated 109,000 Soldiers equipped; Deltoid Auxiliary Protectors not fielded	All Soldiers and DoD civilians in theater equipped; plus 60,000 Deltoid Auxiliary Protectors issued
UP-ARMORED HMMWVS	Approximately 250 in theater	More than 6,400 HMMWVs fielded
TACTICAL WHEELED VEHICLE ADD-ON ARMOR KITS	Developing plan to equip more than 10,000 vehicles	More than 19,000 vehicles in theater have add-on armor kits
ARMORED SECURITY VEHICLES (ASV)	ASV program cancelled during the 2003 budget and programming decision	82 ASVs in theater; total requirement of 872 approved
BRADLEY REACTIVE ARMOR TILES (BRAT)	140 vehicle sets delivered	592 sets delivered; acceleration plan in execution
COUNTER-IED DEVICE	Minimal capability in theater	1,496 systems in theater
TACTICAL AND SMALL UNMANNED AERIAL VEHICLE (UAV)	Two systems deployed to theater; requirement is 194	128 systems deployed; requirement remains 194
AIRCRAFT SURVIVABILITY EQUIPMENT (ASE)	No Fixed Wing ASE; in process of upgrading CH-47 Chinook and UH-60 Blackhawk aircraft with basic ASE	All theater aircraft upgraded with basic ASE. In process of upgrading to an advanced Common Missile Warning System/Improved Countermeasure Munitions Dispenser (CMWS/ICMD)

FIGURE 4

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

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

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

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

Training Soldiers and Growing Adaptive Leaders

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

Our programs develop leaders with the right mix of unit experiences, training and education needed to adapt to the rigors and challenges of war. We

continue to adjust training, across the Army, to reflect the joint operating environment by incorporating the lessons learned from current operations. We are also implementing the National Security Personnel System, an innovative new approach to civilian personnel management and leader identification. This will help to transform our management and development of critical Army civilians and achieve our desired objectives for the overall mindset and culture of the force.

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

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

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

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

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

To facilitate excellence in our leaders at every level, Joint Professional Military Education (JPME) is embedded throughout Army learning. Joint awareness is introduced in precommissioning education and training of all officers, as well as the mid-level noncommissioned officer courses. Our training and education systems further emphasize a more in-depth understanding of joint principles and concepts beginning at the Captain/Major level for officers and the Sergeant Major level for our noncommissioned officers. Our senior-level JPME programs develop our civilian leaders and further educate military leaders on the joint, multinational and interagency processes. This

education is reinforced by experiences obtained in joint assignments. This increased understanding of the capabilities of other Services and external organizations significantly improves our leaders' ability to support the Joint Force in achieving national objectives.

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

Enhancing the Combat Training Centers

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

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

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

Attaining a Quality of Life and Well-Being for Our People that Match the Quality of Their Service

Maintaining the Viability of the All-Volunteer Force

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

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

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

Caring for Army Families and Soldiers

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

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

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

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

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

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

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

Providing Infrastructure to Enable the Force to Fulfill Its Strategic Roles and Missions

Business Transformation

Transformation of our business, resourcing and acquisition processes promotes the long-term health of the Army. It will free human and financial resources that can be better applied towards accomplishing our warfighting requirements and accelerating other aspects of transformation.

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

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

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

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

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

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

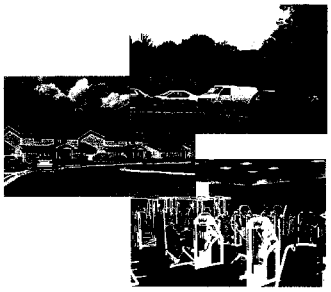
We are incorporating these objectives into a comprehensive plan for adapting the Institutional Army, process-by-process, structure-by-structure, over a multiyear period. This plan will provide context, direction and a general vector to support the immediate adaptation of the Institutional Army to reflect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

Maintaining Our Installations as "Flagships of Readiness"

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

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

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



Improving Global Force Posture

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

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

To complete the transition to an expeditionary force, we will reposition ground forces to meet emerging challenges and adjust our permanent overseas presence to a unit-rotation model that is synchronized with force generation initiatives. In Europe, both heavy divisions will return to the United States. They are being replaced by expanding the airborne brigade in Italy, enhancing the Army's training center in Germany and establishing a

possible rotational presence in Eastern Europe. We will maintain a rotational presence in the Middle East while eliminating many of our permanent bases. In the Pacific, we will maintain smaller forward-presence forces, but will station more agile and expeditionary forces capable of rapid response at power projection bases. Finally, we will leverage our improved readiness to increase our rotational training presence among our security partners.

LandWarNet

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

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

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

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

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

Accelerating the fielding of Battle Command capabilities to establish a more capable and reliable network will support the Department of

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

Balancing Risk: The Tension Between Current and Future Demands

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

"Buying Back" Capabilities

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

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

Major Decisions in 2004

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

- In May 2004, as highlighted earlier, the Army cancelled the Comanche Program. We are reinvesting the $14.6 billion in savings into pressing Army aviation requirements and correcting many chronic equipment shortfalls.
- In July 2004, the Army restructured the Future Combat Systems (FCS) Program to accelerate the introduction of crucial new capabilities to the Current Force. By accelerating FCS, the Army will be able to spiral promising technologies into the hands of Soldiers and leaders to give them the tools they need now.

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

- In October 2004, the Army was authorized by the National Defense Authorization Act to raise Active Component end strength by 20,000 Soldiers and, between 2005 and 2009, increase by an additional 10,000 Soldiers. This increase is intended to provide the personnel strength

needed to implement our modular conversion and rebalancing initiatives. The increase in end strength also expands the potential options for operational tour lengths, which we are fully evaluating in the larger context of the Army's ability to generate the combat and sustainment forces needed to support operations in multiple theaters of war.

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

Meeting Today's Demands While Preparing for Tomorrow

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

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

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

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

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

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

To reduce ***institutional*** risk, we are continuing to refine our resourcing processes to make them more agile and responsive to the immediate requirements of the Combatant Commanders and to help

prepare the Army for future challenges. Our investments in LandWarNet (to facilitate real time, common understanding of dynamic situations) are improving our installations' ability to project and sustain forces. This result is a more rapidly deployable force that requires less logistics overhead structure and a greater capacity to reach back to their home stations for intelligence, medical and other essential support.

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

Remaining Relevant and Ready in Service to the Nation

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

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

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

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

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

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

ACRONYMS

ASE	Aircraft Survivability Equipment
ASV	Armored Security Vehicle
BCT	Brigade Combat Team
BRAT	Bradley Reactive Armor Tiles
CH	Cargo Helicopter
COTS	Commercial-Off-the-Shelf
CTC	Combat Training Center
DS3	Disabled Soldier Support System
DoD	Department of Defense
FCS	Future Combat Systems
FY	Fiscal Year
HMMWV	High-Mobility Multipurpose Wheeled Vehicle
IED	Improvised Explosive Device
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
REF	Rapid Equipping Force
RFI	Rapid Fielding Initiative
UA	Unit of Action
UAV	Unmanned Aerial Vehicle
UH	Utility Helicopter
WMD	Weapons of Mass Destruction

THE SOLDIER'S CREED

I AM AN AMERICAN SOLDIER.

I AM A WARRIOR AND A MEMBER OF A TEAM. I SERVE THE PEOPLE OF THE UNITED STATES AND LIVE THE ARMY VALUES.

I WILL ALWAYS PLACE THE MISSION FIRST.

I WILL NEVER ACCEPT DEFEAT.

I WILL NEVER QUIT.

I WILL NEVER LEAVE A FALLEN COMRADE.

I AM DISCIPLINED, PHYSICALLY AND MENTALLY TOUGH, TRAINED AND PROFICIENT IN MY WARRIOR TASKS AND DRILLS. I ALWAYS MAINTAIN MY ARMS, MY EQUIPMENT AND MYSELF.

I AM AN EXPERT AND I AM A PROFESSIONAL.

I STAND READY TO DEPLOY, ENGAGE AND DESTROY THE ENEMIES OF THE UNITED STATES OF AMERICA IN CLOSE COMBAT.

I AM A GUARDIAN OF FREEDOM AND THE AMERICAN WAY OF LIFE.

I AM AN AMERICAN SOLDIER.

U.S.ARMY

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Chairman WARNER. Thank you, Mr. Secretary.

The record will reflect, in its entirety, your statement today and such other material as you and your fellow witnesses desire to put in.

Thank you.

Secretary England.

STATEMENT OF HON. GORDON R. ENGLAND, SECRETARY OF THE NAVY

Secretary ENGLAND. Chairman Warner, Chairman Levin, thank you.

First, thanks for your wonderful remarks about our magnificent men and women who serve our Nation. All of our men and women—our sailors, marines, airmen, Coast Guard, and soldiers—are, indeed, doing an absolutely magnificent job, and, I'll tell you, this is another great generation. One day, this will go down as another "Greatest Generation."

I do want to thank you for the opportunity to be here so I can discuss with you the state of our great Navy and our Marine Corps team, answer your questions, and hopefully have a dialogue with you today.

I also want to thank every member of this committee, not just for your support financially of our men and women in uniform, but what you do personally. I know many of you travel out to Bethesda and to Walter Reed. I will tell you that's hugely important to our men and women in the hospitals, but it also sends a very powerful message to all of our men and women in uniform. I thank you for your wonderful support of our great Americans who are serving.

I do want to tell you today that we have absolutely the most capable Navy and Marine Corps that this Nation has ever had. Over the last 4 years, we've faced some hard decisions in allocating our resources across competing demands. I want you to know, however, that the Navy and Marine Corps leadership team has worked very hard to make the right decisions, and, in my judgment, the readiness and the superb capability of the Navy and Marine Corps that we have today reflects those right decisions. Those decisions have also laid the foundation for a new 21st century naval force to be strong, lethal, and deter future threats.

Now, we're in the process of making the transition to a new future for our force. That's always difficult when you make this transition.

Over the past 4 years, we have stressed innovation in our forces, and that is now part of our culture. This culture stresses continuous improvement in everything we do, in our effectiveness, and in the efficiency of our entire organization.

Both our military and our civilian leaders have found that, as they increase the effectiveness of our forces, they've also invariably become more efficient. That allows us to invest dollars saved into new equipment. It's not just about the size and numbers; it's also about capability. Numbers matter, but only when carefully balanced with capability.

From our Nation's founding, 229 years ago, the Navy and Marine Corps have, in effect, been our first joint force. Today, we are an integrated part of the Nation's total joint force; and I want you to know that's our culture. Our culture is to solve national security problems through a joint national lens. That's how we approach our budget, and that's how we approach our operation as part of a total joint force.

The budget before you today reflects the same process of innovation and joint perspective in balancing the needs of today with the requirements of tomorrow. This budget delivers the right readiness posture to win the global war on terror, and continues the transformation process to ensure that we are ready to win tomorrow's fights.

The Chief of Naval Operations (CNO), Vern Clark; our Commandant, Mike Hagee; and I have formed a very strong leadership team. Four years ago, I told this committee that regardless of the investment we make of all the money you provide us, whether it's in submarines, ships, or aircraft, the value to our Nation of those assets is zero unless we have well-educated, highly-trained, and motivated people. When we have these educated, trained, and motivated people, the value of those investments that you allow us to make is then immeasurable to our Nation.

Our Navy and Marine Corps today have such people, brave young men and women at sea and ashore in Iraq, Afghanistan, and throughout the world fighting the enemies of freedom. They are, indeed, our greatest asset.

Mr. Chairman, I'd be pleased to address questions from this committee. I thank you, again, for the opportunity to do so. It's always an honor and a privilege to be here with you.

[The prepared statement of Secretary England follows:]

PREPARED STATEMENT BY HON. GORDON R. ENGLAND

WINNING TODAY . . . WHILE TRANSFORMING TO WIN TOMORROW

I. INTRODUCTION

Mr. Chairman and members of the committee, I appreciate the opportunity to appear today.

The Navy and Marine Corps team continues to answer our Nation's call in the global war on terror and in the establishment of stability and security in the world's trouble spots. From combat operations in Iraq and Afghanistan to tsunami relief in Indonesia, the Navy and Marine Corps team has proven ready to meet any task and answer any challenge. Throughout 2004, the unique capability the naval services brought to our Joint Forces was a central element of our Nation's military power.

Outstanding performance in 2004 validated the high return on your past investment in our combat readiness, people, and unique maritime warfighting capabilities. The challenge for the future is ensuring we are maintaining the proper investment balance between the needs of today and the requirements of tomorrow. Our fiscal year 2006 budget request strikes that balance. It delivers the appropriate readiness posture at the right cost to win the global war on terror, to support today's military needs, and to continue the transformation needed to ensure that we win tomorrow's fights as well. We are good stewards of the taxpayer's money, however, no amount of new capability and organizational reshaping will matter if we cannot hold down costs. The challenge in the coming decade is to stabilize the rising costs of new weapon systems, operations and maintenance, and personnel.

In the past 4 years, our country has been incredibly supportive of the Navy and Marine Corps team. Since 2001, when I first took over as the Secretary of the Navy, the Department's budget has increased from over $94 billion to over $125 billion in fiscal year 2006. Your investment has been used to significantly increase our operational readiness, fund the research and development required to provide the foundation for several transformation programs, begin the procurement of new classes of ships and aircraft, properly price the acquisition accounts, and fairly compensate our people. The Department is eternally grateful for your confidence in your Navy and Marine Corps.

The Department has made significant progress towards achieving the transformation goals set forth in the 2001 Quadrennial Defense Review (QDR). However, we continue to face the challenge of making the naval team more efficient to develop an ever more effective fighting force. When realized, these efficiencies will not only free up valuable resources but also allow the Navy and Marine Corps team to better augment the total joint force. The 2005 QDR provides an opportunity to continue to reshape the Department to meet its current and future security challenges.

Our Navy and Marine Corps are actively engaged in combat operations—we have a shared responsibility to ensure our sailors and marines are trained, equipped, and prepared for the fights we ask them to undertake. The fiscal year 2006 budget meets these requirements.

WINNING TODAY . . .

II. OPERATIONS

Winning the global war on terror is our number one priority. We continue to support the global war on terror through naval combat forces that are capable and relevant to the missions assigned.

Global War on Terror

During my last testimony to this committee, the Marine Corps was beginning preparations to send the First Marine Expeditionary Force (I MEF) to Iraq in support of Operation Iraqi Freedom (OIF). Currently, we have over 34,000 Marine Corps and 3,000 Navy personnel in Iraq taking part in combat operations and providing stability and security in the Al Anbar, An Najaf, and Karbala Provinces. Their innovative predeployment combat skills training, rapid modifications of combat equipment to meet evolving threats, and their emphasis on cultural and language capabilities contributed to considerable accomplishments in this complex region. Marines are currently executing multiple security, urban combat, counter-insurgency, command and control, and force protection missions with great confidence and skill, in the face of an adaptable and dangerous enemy.

Naval efforts in Iraq include not only the Marine Corps but also virtually every type of deployable naval asset in our inventory. Navy and Marine carrier-based aircraft flew over 21,000 hours, dropped over 54,000 pounds of ordnance, and played a vital role in the fight for Fallujah. Last year over 1,000 Active and Reserve Seabees were responsible for managing construction projects throughout the I MEF area of responsibility. Naval Coastal Warfare forces provided security for Iraqi oil terminals and thwarted terrorist forces from disrupting one of the world's largest energy supplies. Finally, hundreds of naval medical personnel deployed to Iraq in support of Marine Corps Forces. All have served with pride and compassion, providing quality medical care to wounded American and Iraqi personnel.

In Afghanistan this past spring, the Marine Corps provided, on short-notice, a regimental headquarters, an infantry battalion and a combined arms Marine Expeditionary Unit (MEU). This Marine Corps Force was a major portion of the combined joint task force assigned to counter a suspected Taliban "Spring Offensive." This force was a key element in setting the conditions for the successful election that has advanced the process of establishing a secure and stable government in Afghanistan. They continue to provide both ground and aviation forces—currently an infantry battalion, elements of two helicopter squadrons, and training teams—to protect and foster this new democracy.

Terrorist networks have a wide range of options to move personnel and cargo by sea—from containers, to merchant ships, to small dhows. The United States naval forces are well trained to carry out the mission of deterring, delaying, and disrupting the movement of terrorists and terrorist-related material at sea. In support of the global war on terror, naval forces conducted over 2,200 boarding of merchant ships.

During the year, the Navy and Marine Corps will conduct a major rotation of our Central Command deployed forces. Many of these units have previously deployed to this theater. We continue to aggressively adapt our training and equipment to the changing threat.

Global Presence/Flexibility

Humanitarian Assistance and Disaster Relief

The Navy and Marine Corps team can rapidly respond to crises around the globe, whether they are humanitarian or combat-related without impeding our ongoing commitments to combating terrorism. We continually train for humanitarian assistance missions in order to respond rapidly and efficiently to large-scale disasters.

The Navy and Marine Corps provided assistance to the governments of Indonesia, Sri Lanka, Thailand and other affected nations as they dealt with the effects of the earthquake and tsunami. At the peak of this effort, the Department of the Navy (DON) had more than 13,000 sailors and marines afloat providing humanitarian assistance. Led by forces from the Abraham Lincoln Carrier Strike Group (CSG) and the Bonhomme Richard Expeditionary Strike Group (ESG), the Navy and Marine Corps team delivered over 6 million pounds of relief supplies to the people affected by the disaster that swept Southeast Asia on December 26.

In addition, nine P–3C reconnaissance and surveillance aircraft supported search and rescue efforts, while the high speed vessel (HSV) Swift, an aluminum hulled catamaran, provided high-speed transport to the shore. United States Naval Ship (U.S.N.S.) *Mercy* is providing a base of operations for joint United States military

medical organizations and international nongovernmental and private relief operations. The hospital ship is supporting medical units ashore with internal medicine, pediatric, dental, mental health, and infectious disease control. Additionally, over 400 Seabees are deployed to the region to provide a variety of disaster recovery efforts such as clearing roads, removing debris, assessing damage, performing port surveys, and assisting in offloading Marine Prepositioning Forces (MPF) ships.

Homeland Security

Under the National Security Presidential Directive (NSPD–41) signed by the President this past December, we are continuing to cultivate relationships and develop capabilities to maximize the advantage that the maritime domain brings to homeland security. We are broadening our relationship with the navies of our international allies to prosecute the global war on terror. We are expanding the Proliferation Security Initiative (PSI) to other countries and working bilateral boarding initiatives in all hemispheres. We are integrating intelligence and command and control systems with other governmental agencies like the United States Coast Guard (USCG) in the Department of Homeland Security (DHS) to effectively evaluate the maritime environment for anything that could adversely influence the security, safety or economy of the United States and our allies. We are developing the Navy's role in the Maritime Domain Awareness (MDA) concept to identify threats as early and as distant from our borders as possible. We are working with other parts of the Department of Defense (DOD) and with DHS to develop a comprehensive national maritime security response plan to address specific security threats and command and control relationships. Lastly, this past October, the Navy, in a cooperative agreement with the USCG, transferred four patrol craft to the USCG for use in homeland security. Everything we do in the maritime domain will take into consideration the broad implication to homeland security.

Surge Capability

The global war on terror requires that the Navy operate differently in order to be ready and responsive. We continue our successful readiness transformation under the Fleet Response Plan (FRP). The goal of the FRP is to provide the Nation with five or six CSGs deployed or ready to deploy within 30 days and an additional one or two CSGs ready to go within 90 days. The FRP aims to transform the fleet into a more effective force by creating a culture of readiness; meeting new readiness and surge thresholds; changing manning, maintenance and training processes to support surge and deployment; and lengthening inter-deployment cycles.

The readiness efforts developed to support the FRP allowed the Navy to surge the U.S.S. *Bataan, Boxer,* and *Kearsarge* and enabled Marine Corps Forces to quickly redeploy in support of operations in Iraq. Last year's fleet surge exercise, "Summer Pulse 2004", successfully demonstrated the Navy's ability to operate seven carriers simultaneously in five theaters under the FRP.

Law of the Sea Convention

Today, the Navy has undisputed command of the seas. Joining the convention will support ongoing military operations while preserving future access for the force. The Chief of Naval Operations (CNO) and I firmly support United States' accession to the Law of the Sea Convention.

III. SAILORS AND MARINES

Smart, motivated and capable people are a key element to any successful transformation effort. Our Navy and Marine Corps are increasingly a technologically advanced maritime force and we are in competition with the private sector to attract and retain the best men and women we can find. Accordingly, our budget includes a 3.1-percent DOD-wide basic pay raise for all military personnel. The budget supports reduced Navy end strength resulting from the way we manage military human capital. We will accomplish all assigned missions with these reduced levels by changing our force structure, gaining efficiencies from technology, altering our workforce mix, and adopting new manning practices.

Concurrent with this commitment to provide an appropriate level of pay and benefits to our sailors, marines, and their families is a responsibility to operate this Department as efficiently and effectively as possible. While we want the very best people to serve in our Navy and Marine Corps, we don't want a single person more than we need to properly operate the force. Job satisfaction comes not only from compensation, but also from meaningful service.

Protecting Our Sailors and Marines

In response to growing force protection concerns in Iraq and Afghanistan the Department has expeditiously acquired technology and hardware to equip our marines and sailors for current wartime operations. In excess of $600 million has been reprogrammed to support over 120 warfighting requirements including those focused on counter-fire, counter-improvised explosive devices, and counter-rocket propelled grenade technologies. Initiatives include:

Vehicle Hardening

We reprogrammed $239 million in fiscal year 2004 naval funding to support various Marine Corps vehicle-hardening programs. Throughout this effort, both the Marine Corps Systems Command and the Marine Corps Warfighting Lab have worked with the Army Developmental Test Command to test and rapidly assess various ballistic materials to include ballistic glass, armor, and ceramic materials for use in vehicle hardening. To date over 4,000 vehicles have been hardened. Other vehicle hardening initiatives include the marine armor kit (MAK) for the high mobility multi-purpose wheeled vehicle (HMMWV) and the medium tactical vehicle replacement (MTVR) armor system (MAS) and gunner shields. MAK and MAS armor will replace the interim (first generation) and zonal (second generation) armor with an integrated, comprehensive (improved perimeter, top, and under-body) armor kit. One hundred forty-nine MAKs have been installed in support of the 26th Marine Expeditionary Unit (MEU) deployment as part of the next rotation. MAK installation in theater will begin as soon as February 2005 as the operational situation allows. MAS will begin low rate initial production in April 2005 with full rate production by June 2005. Gunner shields provide an armored turret as an additional level of protection for gunners operating in HMMWVs and MTVRs; to date over 1,600 are in service.

Counter-Improvised Explosive Device Technology and Equipment

The Department has reprogrammed over $28.0 million for the testing, assessment, and fielding of technology and equipment to counter the improvised explosive devices (IED) threat. Specific focus areas include robots, IED electronic countermeasures, X-Ray systems, and specialized search dogs.

Personal Protective Equipment

Every sailor, marine, and departmental civilian is issued a complete set of body armor before going into Iraq or Afghanistan. To meet this requirement Marine Corps Systems Command has procured over 31,000 Armor Protection Enhancement Systems as an additional capability to augment the outer tactical vest and the small arms protective insert (SAPI) plate. Over 36,000 SAPI plates have been procured. Additionally over 84,000 pairs of ballistic protective goggles have been procured. Other initiatives, such as an improved lightweight combat helmet, lower face and body armor, are in development.

Unmanned Aerial Vehicles (UAV)

UAV efforts include the Dragon Eye and Scan Eagle initiatives. The Dragon Eye is a lightweight, man portable system designed to give the small unit leader a reconnaissance and surveillance capability to see over the next hill or around the next building. Thirty-three Dragon Eye UAV systems have been used in Iraq. In addition, I MEF is battle testing two Scan Eagle systems consisting of 14 aerial vehicles. The Scan Eagle provides the MEF with a persistent (24 hours a day) electro-optical Intelligence Surveillance Reconnaissance (ISR) capability.

Unmanned Ground Vehicles (UGV)

In addition to the robots deployed in Iraq for counter IED operations, 12 Dragon Runner man portable UGVs used as mobile ISR systems have been fielded. The system is a low profile UGV and is being used for small unit reconnaissance and IED investigations.

Other force protection initiatives include language translation devices, countersniper technology, medical advancements, helicopter ballistic protection, and advancements in the tactics, techniques and procedures for urban operations.

Recruiting/Retention

The DON continues to successfully recruit our Nation's finest young people while carefully forecasting future recruiting requirements. The Navy has met its recruiting goals in each of the last 6 years, while the Marine Corps has met recruiting goals for the last 9 years. Coupled with higher retention rates, our recruiting success has allowed the Navy and Marine Corps to focus on critically manned ratings and military occupation specialties (MOS) and on improving recruit quality.

In fiscal year 2004, the Navy exceeded its recruiting goal and attained a 50-percent increase in recruits with college experience while at the same time increasing the number of recruits with high school diplomas. The Marine Corps also exceeded recruiting goals while at the same time 97 percent of their recruits had a high school diploma (above the goal of 95 percent). Even with the improved economic conditions and higher recruit quality standards, the Navy and Marine Corps are on track for meeting their 2005 goals.

Retaining the best and brightest sailors and marines has always been a core objective to our continued success. To date in fiscal year 2005, strong reenlistment activity has occurred along with Navy attrition rates at or near 15 year lows. The Marine Corps also continued their strong performance in this area by meeting their retention goals for the 14th consecutive year. A key to these successes has been the DON's aggressive program to enhance quality of service and quality of life through innovative programs that ensure our sailors and marines and their families continue to view the Navy and Marine Corps as their career of choice. Targeted and special pays continue to have the desired impact on reenlistments, while maintaining Selective Re-enlistment Bonus (SRB) funding is proving essential to sustaining retention of critical skills.

Safety

The Navy and Marine Corps continues to aggressively pursue the Secretary of Defense's 2-year goal to reduce mishaps by 50 percent, from the fiscal year 2002 baseline, by the end of fiscal year 2005. At the end of calendar year 2004, the Department was on track to meet the 50-percent reduction in over 70 percent of the targeted areas. For example, the Marine Corps Fiscal Year 2004 Class A aviation mishap rate was reduced by over 76 percent and Marine Corps personal motor vehicle (PMV) fatalities dropped 30 percent from the fiscal year 2002 baseline. An aggressive return to fundamentals in order to revitalize operational risk management (ORM) principles is successfully targeting our aviation mishap rates. Over $54.5 million, across the Future Years Defense Plan (FYDP), was added in the fiscal year 2006 budget for military flight operations quality assurance—a process to help refine the use of recorded flight data to reduce aircrew error and to achieve greater efficiencies in aircraft maintenance.

The Department is pursuing Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) status and has achieved significant reduction in lost workdays due to injuries at key installations. A professional safety community and safety intern program for our civilian personnel has also been established.

The DON has embraced safety as a readiness multiplier. The Naval leadership team (Chief of Naval Operations (CNO), Commandant of the Marine Corps (CMC) and Secretary of the Navy) emphasized safety and mishap reduction as one of our published top ten 2005 objectives for the Department.

Family Support

Housing Initiatives

Ensuring service members and their families have access to quality housing continues to be a DON top priority. The fiscal year 2006 budget request continues the effort to eliminate inadequate family and bachelor housing by fiscal year 2007 through a three pronged strategy consisting of privatization of housing, improved housing allowances, and military construction. Additionally, housing allowances have been increased to eliminate out-of-pocket housing expenses for our military personnel. Finally, 15 Navy and Marine Corps family housing privatization projects totaling over 26,000 homes have been awarded to date. In addition, we continue on path to provide sea duty sailors with off-ship quarters by 2008 under the Navy's "Homeport Ashore" initiative.

Healthcare

Providing quality medical care to our sailors, marines, and their families is a vital part of the DON's ability to fight the global war on terror and execute our many worldwide missions. Navy medicine continues to ensure that our sailors and marines are physically and mentally ready for whatever challenges lie ahead. Providing outstanding medical care is a commitment we proudly make, however it is a budgetary challenge.

To meet the requirements of the global war on terror, Navy Medicine has developed and improved methods to expedite care for our forward deployed forces around the world. For example:

- The 10-bed Expeditionary Medical Unit (EMU) is providing Navy medicine with new response capabilities in combat situations.

- The Forward Resuscitative Surgery Systems (FRSS) are highly mobile, six-bed emergency rooms now deployed as part of the Marine Corps' Combat Service Support Company. Through the FRSS, Navy trauma doctors are available during the "golden hour," the critical period within 60 minutes of an injury.
- Forward Deployed Preventive Medicine Units (FDPMU) have been created to provide quick, flexible, and agile responses to a host of medical contingencies including weapons of mass destruction. These highly specialized units are staffed with preventive medicine physicians, industrial hygienists, hospital corpsmen, environmental and radiation health specialists, microbiologists and entomologists and have been deployed in Iraq, Haiti and other remote locations around the globe. The FDPMU's focus is on decreasing disease and non-battle injuries through health surveillance, environmental monitoring and education.
- The Disaster Preparedness, Vulnerability Analysis, Training and Exercise (DVATEX) program was developed to evaluate and test military, Federal and local community responsiveness. DVATEX includes a military treatment facility, threat vulnerability and capability assessment, and provides training in medical and operational management.

Navy medicine will continue to evolve to meet the demands of an ever-changing battlefield and deliver medical care anywhere around the world. Navy medicine is performing its critical mission to promote, protect, and restore the health of DON service members, families, and retirees, while at the same time ensuring the highest level of emergency preparedness.

Care of Injured Marines and Sailors

The DON is working closely with the DOD to develop new strategies and initiatives that improve support to our injured personnel and their families. In an effort to improve the immediate and long-term care for injured marines and their families, the Marine Corps has created the Marine for Life—Injured Support Program. The program provides a single organization to act as the primary patient advocate to improve medical care, provide family support, eliminate seams in care, and increase transition assistance for disabled marines. This program began limited operations in early January 2005.

The DON is developing the Injured Marines and Sailors Initiative, to formulate policies and procedures to achieve the following objectives in support of marines and sailors wounded in combat operations:

- Ensure every marine and sailor who desires to remain in the active component is provided the opportunity to do so.
- Ensure that every marine and sailor who desires to work within the DON or Federal/State government is provided the opportunity to do so.
- Ensure that every marine and sailor that desires to work in the private sector or to attend school is provided the opportunity to do so.

A survey of injured service members revealed that over 90 percent of marines and sailors expressed a desire to remain in service. In order to allow injured service members the opportunity to work in the Pentagon, the DOD initiated Operation Warfighter. This program seeks to reintroduce severely injured service members back into the workforce. Additionally, the DON in cooperation with the DOD Joint Severely Injured Operations Center and the Marine For Life—Injured Support Program is reaching-back to discharged and separated marines and sailors to render employment assistance, family counseling, and transition assistance through Veterans Administration and other government agencies.

Family Programs

In support of the global war on terror, the Navy established "Extended Hours" child care centers for watch-standers and shift workers, ensuring our sailors are mission ready around the clock. These successful, 24/7 centers, located in Norfolk and Honolulu, have decreased missed man-hours and provided piece of mind to our sailors as they perform their duties in support of our Nation.

IV. EQUIPMENT

The naval services are rotational and expeditionary, requiring additional funding not in the baseline budget for long and extensive contingency operations. The fiscal year 2005 supplemental will request funding for incremental war related costs not included in the baseline budget. This request includes essential warfighting and force protection equipment, replacement of destroyed equipment, anticipated attrition repair costs due to accelerated usage and replenishment of ammunition. These

funds will help sustain the fighting force and enable recovery from the accumulated demands on our material assets.

. . . While Transforming to Win Tomorrow

V. SHAPING OUR 21ST CENTURY MANPOWER

At the heart of our combat capability and the future transformation outlined in Naval Power 21 are people who are well-trained, well-led, and adequately compensated. America's naval forces are combat ready due to the dedication and motivation of individual sailors, marines, and civilians. We will continue to dedicate resources on four fronts: recruiting the right people, retaining the right people, reducing attrition, and training our people to meet the challenges of the 21st century.

Human Capital Strategy

The DON is developing the Human Capital Strategy (HCS) that will provide a new framework to assess, train, develop and distribute our manpower. The Department faces a number of significant challenges as it continues its transformation to a more agile and technology-based force. Our strategy envisions a new human capital management system that leverages technology to allow each individual to maximize their capability to make valuable contributions toward achieving our mission. Central to the strategy is the need to fully understand the manpower requirement of our future force. This will allow us to tailor our total manpower needs, expanding or contracting where it is required. Our strategy is aligned with DOD's Human Capital Initiative and responds to the President's Management Agenda (PMA) and the priorities of the Secretary of Defense. The HCS represents the first step in what will be a complex process to meet the challenges of the 21st century. The HCS goals include:

- Implement the National Security Personnel System for the Department's civilian force.
- Transform our military personnel force by creating a modern human capital management system to replace the Department's legacy human resources systems and achieve the objectives of Naval Power 21.
- Achieve Active/Reserve integration by rebalancing requirements and capabilities.

A key component of HCS is the Sea Warrior program, which is the Navy's initiative to develop 21st century sailors and is the "people" part of Sea Power 21. This initiative takes into account new platforms, technologies, and rotational crewing concepts (Sea Swap) that will revolutionize crew sizing, and provide interactive computer based tools and training techniques. The goals of Sea Warrior include:

- A mission-centric force that is effective and efficient.
- A Navy that maximizes the value of service for all of our sailors and civilians.
- A more effective work distribution across the work force.
- A work and life balance.
- Recruitment and retention of a diverse range of sailors and civilians possessing a wide scope of knowledge, skills, and experience.

The Sea Warrior concept and other manpower initiatives such as more efficient infrastructure manning, improved training techniques and the decommissioning of older, manpower intensive platforms will allow the Navy to reduce active end strength from 373,197 in fiscal year 2004 to 352,700 in fiscal year 2006.

Military-to-Civilian Conversions

Military-to-civilian conversions are progressing as planned. The programmed conversions target non-warfighting functions currently staffed and performed by military personnel. Because the military-to-civilian conversions are a key component of the Department's objective to reduce military authorizations, we have intentionally exceeded the established DOD targets. The Navy is scheduled to convert over 2,000 military billets to civilian positions this fiscal year. The Marine Corps is programmed to convert over 1,700 billets in fiscal year 2005. While the Navy is principally using this tool to drawdown end strength, the Marine Corps is using the military-to-civilian conversions to help realign marines into high-demand specialties and create additional warfighting capabilities, such as two additional infantry battalions. As part of the Competitive Sourcing Initiative in the President's management agenda, DOD receives credit for converting military members now doing commercial functions into warfighters and other core defense functions.

Active Reserve Integration

The Reserve component remains an integral part of our Navy and Marine Corps team. Since September 11, 2001, the Navy has mobilized over 25,000 Reserve personnel (2,000 of these twice), with approximately 3,600 currently mobilized. This is from a drilling reservist population of just over 69,000. The Marine Corps has mobilized 32,000 Reserve personnel from an authorized Selected Reserve end strength of 39,600 and just over 4,100 from the Individual Ready Reserve. Currently over 13,000 Reserve marines are on Active-Duty.

The Navy's Zero Based Review is validating the Navy Reserve mission requirements and associated billet structure, creating efficiencies, and allowing resources to be more effectively integrated into Navy operations. Our vision is to create one fully integrated Navy team and the Navy's Active Reserve integration is the cornerstone of that effort. We are aligning organizations, training together, consolidating resources and assets, and financially planning as one, so we can better operate as one team and "train like we fight."

The Navy and Marine Corps will continually measure its Reserve billet structure and capabilities against evolving warfighting requirements to fill critical billets when needed. Early responsiveness, relieving stressed career fields, and employing innovative management practices will continually be addressed by both Services. The Navy and Marine Corps Reserve mobilization is a requirements-driven process and reservists, trained and ready, are making significant contributions. While the numbers of mobilized Reserves can fluctuate as global war on terror requirements dictate, our objective is use the efforts stated above to keep the number of mobilized personnel at a minimum.

Strategically Focus Naval Education and Training

Education and training of our sailors and marines is critical to implementing the Naval Power 21 transformation and ensuring our continued combat effectiveness. To more effectively and efficiently train our forces the Department is transitioning its training concepts and methods from the traditional schoolhouse classroom approach to processes that involve the use of simulators, trainers, and other computer-based interactive training curriculums. The pace at which technology is changing tests our sailor's and marine's abilities to innovate and adapt, as well as to apply knowledge and experience to new and dynamic situations. Old paradigms governing training and education must change to meet future technological challenges. It is essential that our sailors and marines remain on the cutting edge and for our leadership to commit to a lifelong educational program. The future demands a more highly educated naval service capable of operating in an environment of ever increasing technical complexity. We intend to meet that demand by providing increased opportunity for all sailors and marines to commit to lifelong learning.

National Security Personnel System (NSPS)

The National Defense Authorization Act for Fiscal Year 2004 allowed the DOD to establish a new human resource management system for DOD civilians known as the NSPS. This legislation provides flexibility in the hiring and management of civilian workers and links pay to mission accomplishment and performance. The NSPS reforms will provide supervisors and managers greater flexibility in managing our civil service employees, facilitate competition for high quality talent, offer compensation that is competitive with the private sector, and reward outstanding service. Properly executed, these changes will also assist us in better utilizing the Active-Duty Force by making it easier to employ civilians in jobs currently filled by uniformed military personnel.

Workers will be converted to the new system in three spirals. Spiral One will include approximately 300,000 Army, Navy, Marine Corps, Air Force, and other DOD civilian employees and will be rolled out in three phases over an 18-month period beginning in July 2005. Spiral One includes over 80,000 DON civilian employees. Spiral Two will comprise the remainder of the eligible workforce and will be initiated following an assessment of Spiral One and after the Secretary of Defense certifies the Department's performance management system. Spiral Three would comprise the personnel at DOD labs, if current legislative restrictions are eliminated.

VI. IMPROVING BUSINESS PRACTICES

Throughout my time as Secretary of the Navy, we have been faced with the challenge of making the naval team more efficient in order to develop a more effective fighting force. These efficiencies will not only free up valuable resources but also allow the Navy and Marine Corps team to better augment the total joint force. Our recent performance indicates the business initiatives we are pursuing are on the right track. Highlights of our business initiatives are discussed below.

Enterprise Resource Planning (ERP) Program

The DON ERP initiative has created the framework that will enable the transformation of key acquisition, logistics, and financial business activities into an integrated network of decisionmaking processes. This past August the Joint Requirements Oversight Council (JROC) approved the Navy ERP operational requirements document (ORD) and cleared the way for the Navy to purchase ERP software and hire an integration contractor. With the fiscal year 2006 budget, the Navy will continue to capitalize on demonstrated ERP technology advances in creating and disseminating decisionmaking information. The ERP program is expected to continue to improve integration, leverage economy-of-scale, consolidate legacy systems and software using the best business and commercial practices available. The first release is scheduled for initial deployment in fiscal year 2006.

SEA ENTERPRISE

Sea Enterprise will improve organizational alignment, refine requirements and invest resources to recapitalize, transform, and increase the combat capability of our naval force. To improve efficiency, Sea Enterprise has begun initiatives to improve productivity and cost effectiveness, reduce manpower investments, streamline processes and organizations, and leverage technology. Together these initiatives will produce tens of billions in savings for the Department.

Continuous Improvement

The Navy and Marine Corps team continues to implement continuous improvement initiatives consistent with the goals of the PMA that enable realignment of resources to increase our output and recapitalize our force. The cornerstone of our continuous improvement effort is the implementation of industry proven Lean and Six Sigma efficiency methodologies in our day-to-day operations. Our industrial activities are all institutionalizing closed loop continuous improvement practices. These initiatives enable us to increase our combat capabilities with the expectation that we become more efficient, agile, flexible and reliable at a reduced cost of doing business.

Commander Navy Installations (CNI)

Since the establishment of CNI, we have begun to align shore assets in support of Navy requirements, to find efficiencies for Navy recapitalization and to provide consistent shore installation services in order to allow the operational commanders and major claimants to focus on primary missions. CNI is the single responsible office for Navy shore installations and the services they provide. It includes 16 Navy regions and 98 installations. CNI is providing operating forces support, community support, base support, and mission support to enhance the Navy's combat power. We are providing product and services at the right place, at the right time, at the right levels and at the right cost to achieve the right fleet readiness.

Acquisition Excellence

We have substantially streamlined our business practices to work toward a more efficient Navy and Marine Corps. By emulating smart business practices from commercial industry, we have made management teams more product-oriented, and have pushed responsibility, authority and accountability down to the operational unit(s) or activities wherever possible. We are developing leaders with a better understanding of business strategies, cost control, program risk and rapid flexible design. In 2004, we worked with industry to identify effective ways, including the use of appropriate profit and incentive arrangements, to encourage improved performance under Navy and Marine Corps contracts.

Naval Acquisition Integrity Office

To help guard against the ever-present danger of procurement fraud, the DON is establishing a new Naval Acquisition Integrity Office. This office will coordinate all parts of the procurement fraud program, provide training and guidance on procurement fraud matters, serve as the DON's central point of contact on this issue, establish and maintain a centralized data base for monitoring procurement fraud, and interact with other DOD procurement fraud programs. This organization will provide the necessary deterrent, detection, protection, and recovery functions through increased awareness, a streamlined reporting process, internal consistency, and improved communication among all the stakeholders.

Maintenance Initiatives

Shipmain

Shipmain is a fleet wide initiative designed to improve the efficiency of ship maintenance and modernization. The primary mission of Shipmain is to generate savings through improvements in the surface ship maintenance and modernization planning processes. Shipmain is developing a single process that ensures that the right maintenance is identified and that it is performed at the right maintenance level at the right time.

One Shipyard Concept

The one-shipyard concept is designed to best utilize the Nation's four public and two private nuclear shipyards and contractor support. Initially established to build commonality and leverage best practices across the nuclear capable shipyards, it has gained influence across the entire ship repair enterprise. One nuclear shipyard concept provides the Navy the flexibility to handle maintenance surge, emergent, and other ship work with minimal impact to ongoing projects across the public and private nuclear shipyard industrial base. Illustrative of the one-shipyard concept in action was the post-sea trial work for U.S.S. *Virginia.* When a dry dock was not available at the Groton, Connecticut facilities of General Dynamics, the Norfolk Naval Shipyard provided a dry dock for U.S.S. *Virginia* and support facilities for 250 electric boat employees.

Regional Maintenance Centers (RMCs)

RMCs were established to consolidate multiple commands with overlapping responsibilities for ship maintenance and modernization within the seven major fleet concentration areas. Each RMC provides a fleet concentration area single point of contact for all ship maintenance and modernization issues. This consolidation was undertaken to gain efficiencies to support Navy recapitalization requirements. These savings are being realized through a long list of efforts: reduction of overhead positions, increased production efficiencies gained by the synergistic effect of aligning highly skilled former Fleet Technical Support Center personnel with production personnel, reduction of waste and inefficiencies, and implementation of improved ship maintenance business processes being developed under the Shipmain initiative.

Naval Aviation Enterprise (NAE)

NAE is improving the readiness of Naval Air Forces by defining and executing changes that will sustain near and long term aviation readiness goals, including those relative to aircraft readiness, financial management, and human capital. The aircraft readiness component of NAE is the Naval Aviation Readiness Integrated Improvement Program (NAVRIIP), a comprehensive approach that changes the way the Navy provides manpower, equipment and training in Naval Aviation commands. NAVRIIP integrates best business practices, which includes Theory of Constraints, Lean and Six Sigma, into maintenance, supply, and administrative processes. Current results include the reduction of turnaround time for production of T700 power turbines at Aviation Intermediate Maintenance Depot (AIMD) North Island from 23 to 1.5 days. By institutionalizing this way of doing business through a single process owner who integrates the efforts of all levels of maintenance, NAVRIIP will enable significant productivity improvements and cost-wise readiness throughout the NAE.

Marine Corps Equipment

Due to continuous combat operations in support of the global war on terror, the Marine Corps ground equipment usage rate is eight times greater than normal peacetime usage. The high usage rate in harsh environments, coupled with added weight of armor and unavoidable delays in scheduled maintenance due to combat, is degrading equipment at an accelerated rate. To improve equipment readiness, the Marine Corps has created a limited aircraft depot maintenance capability, coordinated with the Army to leverage their ground depot maintenance capability, and established a pool of ground equipment to expedite the replacement of damaged major items. Of note, the Marine Corps is using pre-positioned stocks to ensure the sustained readiness of deployed ground units.

Delegation of Authority/Assignment of Responsibilities

My goal is to allow all organizations within the DON the latitude to lead their activities without intrusion from above. As we delegate responsibility and authority, we will unshackle organizations from undue administrative processes. By streamlining our organization, we are empowering activities to publish details regarding requirements and procedures at their level. The ultimate objective is to provide an

environment for our people to innovate and excel in whatever job responsibility they have.

Environmental

For the last 3 years, Congress has addressed critical Navy needs regarding encroachment and future training challenges. Readiness-specific changes to the Marine Mammal Protection Act (MMPA), Endangered Species Act, and Migratory Bird Treaty Act have helped the Navy meet training and operational challenges. The Navy and Marine Corps has and will continue to demonstrate leadership in both its military readiness role and as an environmental steward of the oceans we sail and the lands we train upon. We are pursuing opportunities for acquiring land buffers adjacent to our training lands. We are committed to fully implementing the Integrated Natural Resources Management Plans prepared under the Sikes Act to address endangered species concerns in lieu of designating critical habitats. We will continue operational actions to minimize harm to marine mammals, as we continue investments in research into marine mammal biology and behaviors. The Marine Mammal Protection Act is due for reauthorization in this legislative cycle. To continue to meet future challenges for military readiness, during the reauthorization debate, congressional support is necessary to preserve the proper balance between environmental protection and military readiness previously authorized by Congress.

Information Technology

Implementing Navy and Marine Corps internet (NMCI) has enabled the DON to increase the security posture of our networks and has allowed unprecedented visibility into information technology (IT) costs and capabilities. The budget supports total NMCI-specific costs for fiscal year 2006 of $1.6 billion and implementation of approximately 346,000 seats. To date, we have ordered 338,000 of the expected 380,000 seats and cutover approximately 237,000 seats. We have reduced the number of legacy applications in the Navy's inventory from 67,000 to around 8,000—an 88 percent reduction. This reduction of applications will continue as we proceed with complete migration to NMCI throughout the Department. Additionally, we anticipate other opportunities for progress in areas such as enterprise voice, wireless connectivity, broadband remote access service for laptop computers, anti-SPAM services for all e-mail accounts, and revised focus on many customer satisfaction issues.

The DON leads a robust Information Assurance (IA) program to preserve the confidentiality, integrity, availability, authorization and non-repudiation of information on DON IT systems. The DON IA program provides the warfighter and warfighter support current IA guidance to reduce risk and vulnerabilities and enhance the security posture of the DON network/systems.

Base Realignment and Closure (BRAC)

The National Defense Authorization Act for Fiscal Year 2002 authorized another round of BRAC in 2005. We will scrupulously follow the process laid out in the law. We will treat each base equally and fairly, whether considered for closure or realignment in the past or not. In no event will we make recommendations concerning any closures or realignment of our bases until all the data has been collected, certified and carefully analyzed within the overall BRAC 2005 statutory framework. The goal of BRAC is to reconfigure our current infrastructure to maximize our warfighting capability. By eliminating excess infrastructure, we optimize readiness and realize significant savings. Resources freed up by this process will be used to recapitalize our ships, aircraft, equipment and installations for the future.

Prior Rounds of BRAC

The DON completed the closure and realignment of activities from the 1988, 1991, 1993 and 1995 rounds of BRAC. All that remains is to complete the environmental cleanup and property disposal on all or portions of 17 of the original 91 bases. We made significant successes on both fronts. We are using property sales as a means to expedite the disposal process as well as recover the value of the property for taxpayers. For example, we sold 235 acres in 2003 at the former Marine Corps Air Station, Tustin, California for a net $204 million. We sold 22 acres at the former Naval Air Facility Key West, Florida in January 2004 for $15 million. The public sale of the former San Pedro housing site in Los Angeles and the sale of the former Marine Corps Air Station El Toro are now underway.

We are accelerating cleanup at remaining prior BRAC locations. Of the original 161,000 acres planned for disposal from all four prior BRAC rounds, we expect to have less than 5 percent (or about 8,000 acres) still to dispose by the end of this fiscal year. Additionally, in 2006 we expect to dispose of property at the former

Naval Station Roosevelt Roads, Puerto Rico, as directed in the National Defense Appropriations Act for Fiscal Year 2004.

VII. CHANGING THE WAY WE FIGHT

The hallmark of the Navy and Marine Corps team has been the ability to change, adapt, and transform to meet new threats to America. The Navy and Marine Corps team has embraced a culture of transformation that will enable us to develop new weapons systems, realign infrastructure, establish new concepts of operations, and streamline our business practices. The realization of this transformation process will ensure that we continue to contribute to joint warfighting in the future and will ensure our place as the preeminent global naval power. We appreciate the support of Congress in enabling this transformation.

Joint Concepts and Operations

TACAIR Integration

The CNO and the CMC approved a plan in 2002 to integrate the Navy and Marine Corps tactical aviation (TACAIR) mission using fewer units of more capable aircraft. Navy and Marine Corps TACAIR integration optimizes core combat capability to meet national security requirements with fiscal efficiency. With the implementation of the FRP, the Navy and Marine Corps continue to work together to fully integrate Marine Corps squadrons into carrier air wings and Navy squadrons into the Marine Corps' Unit Deployment Plan (UDP). Highlights of the plan include:

- The TACAIR integration plan reduces the Services' tactical aviation force structure by disestablishing 5 squadrons and reducing the total number of aircraft we plan to buy to 1,296.
- On September 12, 2004, Navy Hornet Strike Fighter Squadron 97 (VFA 97), the Warhawks, deployed to Marine Corps Air Station Iwakuni, Japan, as the first Navy squadron to deploy in support of the UDP. The Navy squadron will spend 6 months supporting marine aircraft group (MAG) 12 before returning to Naval Air Station Lemoore, California.

Sea Basing

Central to Naval Power 21 success is the full maturation of the Joint Sea Basing concept. When realized, Sea Basing will provide a national capability for projecting and sustaining naval power and joint forces from a base at sea, without the need to establish an intermediate land base. Sea Basing will strengthen force protection, free airlift and sealift assets to support missions ashore, and provide a foundation for projecting offensive and defensive fires. As the proliferation of weapons of mass destruction grows and the access to overseas bases declines, it is militarily and politically vital to reduce the vulnerability of our forces through the use of secure, mobile, and networked sea bases.

This year the Sea Basing Joint Integrating Concept (JIC) is in development and being worked with the Joint Chiefs of Staff and the JROC. Sea Basing will provide the Joint Task Force Commander with the capability to dissuade a potential adversary and, if necessary, project joint combat power within reduced timelines. This will enable persistent combat operations wherever and whenever required with operational independence of host nation or coalition nation support.

Missile Defense

A viable regional and terminal sea based ballistic missile defense system is important to ensure the safety of United States forces and the flow through foreign ports and airfields when required. Sea based missile defense can also allow us to assist allies and friends while at the same time deterring coercion and threats. During the past year, U.S.S. *Curtis Wilbur* became the first ship capable of conducting long-range surveillance and tracking (LRST) in support of homeland missile defense. In addition, during fiscal year 2005 the Standard Missile (SM–3) ballistic missile defense mission capability will be available for deployment onboard U.S.S. *Lake Erie* and U.S.S. *Port Royal*. Programming is in place to modify 15 guided missile destroyers (DDGs) and 3 guided missile cruisers (CGs) to add the LRST and SM–3 mission capability

Sea Swap

Sea Swap is a promising initiative designed to increase forward naval presence by keeping a ship continuously deployed in a given theatre of operation, while replacing entire crews at 6-month intervals. The primary objective of Sea Swap is to effectively and efficiently increase forward Naval presence without increasing operating costs. By leaving the ship in theatre and moving only the crews, the Navy saves on ship transit time and fuel costs, while at the same time increasing the

ships on station time. Sea Swap has the potential to reduce force structure requirements in the long term. Consequently, the Navy is studying Sea Swap to determine the future impact on force structure.

Force Structure/Capability

Our Department is embarked on a transformation that requires us to continuously balance force structure and capability. The transformation is driven by technology that is significantly increasing capabilities of naval systems. New operating concepts such as the Fleet Response Plan have already altered the employment and make-up of naval forces. Today's 290 ship Navy is much more capable than the more than double the size Navy of the late 1980s. Numbers still matter, but only when carefully balanced with capabilities.

This year's budget reflects the increasing capabilities and evolving operational concepts of our forces. After careful and lengthy analysis, we decided to retire an aircraft carrier. Our assessment is that we have developed the operational flexibility and increased capability, to retire an older carrier without risk to national security. The cost avoidance of this action will allow additional investment in transformational programs that further increase our capabilities.

Our budget request increases investment accounts (Research, Development Testing, and Evaluation (RDT&E), procurement, and Military Construction (MILCON)) from approximately $49 billion in fiscal year 2005 to about $52 billion in fiscal year 2006. Due to a confluence of numerous programs, a peak year for Navy RDT&E funding for the JSF, increased aircraft procurement, and our investments in transformational ships, we are limiting new construction to four ships in fiscal year 2006. In fiscal year 2006, we are also investing over $1 billion in RDT&E and over $700 million in Shipbuilding and Conversion, Navy (SCN) funding toward the first DD(X) as well as over $1 billion in a CVN Refueling Complex Overhaul.

New Construction Ships and Submarines

Fiscal year 2006 will be a transformational year as the Department continues the shift to next generation warships. New construction is limited to four ships as we focus on shifting to next generation surface combatants and sea basing capabilities. The total number of new ships procured over the FYDP is 49, averaging 8.2 ships per year, including the *Virginia* Class SSN, *San Antonio* Class amphibious transport dock (LPD), littoral combat ship (LCS), auxiliary dry cargo ammunition ship (T–AKE), CVN–21, DD(X), LHA(R), CG(X), Maritime Preposition Force (Future) (MPF(F)), and the T–AOE(X). For fiscal year 2006, our shipbuilding programs are limited by their place in the development and initial construction phase.

In 2004, the Department delivered and commissioned the lead ship of our newest class of submarines, the U.S.S. *Virginia,* initiating a new era of undersea capabilities that are aligned to the littoral regions. The lessons learned in constructing and testing the first submarine in more than 6 years are being applied to the follow-on ships. The U.S.S. *Jimmy Carter* was delivered to the Navy at the end of 2004 and will be commissioned in early 2005. The Navy also commissioned five DDGs in 2004 and laid the keels for the eighth ship of the amphibious assault ship (LHD) class, the first Lewis and Clark T–AKE, and the third and fourth *Virginia* class submarines. In calendar year 2004, the Navy completed three engineered refueling overhauls of SSN 688 class submarines.

Virginia Class SSN. The fiscal year 2006 budget continues the strong support for the *Virginia* submarine program and provides the funding for the eighth submarine of the class. In addition, funds for economic order quantity and advanced procurement for the ninth and tenth submarines are requested. These ships will continue to be built using the teaming approach adopted by Congress in 1998, which maintains two nuclear capable submarine shipbuilders. The Navy is procuring one submarine per year through the FYDP.

San Antonio Class LPD. The LPD–17 is an amphibious transport dock ship optimized for operational flexibility and designed to meet Marine Air-Ground Task Force lift requirements. In 2005, the first LPD–17, *San Antonio,* will be delivered. The fiscal year 2006 budget provides full funding for LPD–24, the eighth ship of the LPD–17 class.

Littoral Combat Ship. A critical component of Sea Shield is the LCS, which is envisioned to be fast, agile, stealthy, relatively small, and affordable. Primary missions for the ship will include small boat prosecution, mine warfare, shallow water antisubmarine warfare, intelligence, surveillance, and reconnaissance. It will operate in environments where it is impractical to employ larger ships. LCS final system design contracts were competitively awarded to two teams in fiscal year 2004. The detail design and construction of the first LCS flight 0 ship is underway. Detail design

for the second ship is ongoing with construction starting in fiscal year 2006. Procurement of the three mission packages is also planned in fiscal year 2006.

Lewis and Clark Class T–AKE. The fiscal year 2006 budget request includes funding for the ninth ship of the class. The first eight ships have been authorized and appropriated and are under contract for construction. Lead ship construction commenced in September 2003, with a projected delivery date of January 2006. Projected delivery date for the first follow on ship is September 2006 with remaining ship deliveries at 3- to 6-month intervals.

CVN–21. CVN–21 will be the centerpiece of tomorrow's CSGs and contribute to every capability pillar envisioned in Sea Power 21. CVN–21 will provide the United States the capability to quickly project combat power anywhere in the world, independent of land based support. CVN–21 will increase sortie generation rate and increase survivability to better handle future threats. The new design nuclear propulsion plant and improved electric plant together provide three times the electrical generation capacity of a *Nimitz* class carrier. This capacity allows the introduction of new systems such as electromagnetic aircraft launching system, advanced arresting gear, and a new integrated warfare system that will leverage advances in open systems architecture to be affordably upgraded. The fiscal year 2006 budget request includes advance procurement funding for the continued development of CVN–21. The construction contract is scheduled for award in fiscal year 2008, with ship delivery in 2015.

DD(X). DD(X) will be a multi-mission surface combatant designed to provide precision strike, volume fires, and littoral area air defense. It will provide credible forward presence while operating independently or as an integral part of naval, joint, or combined expeditionary forces. Its offensive fires capability will be a critical element of our future Sea Strike and Sea Shield capabilities. The fiscal year 2006 budget request includes RDT&E funds for continued technology development and advance procurement for lead ship detail design and construction. The Navy is 3 years into the competitively awarded DD(X) design and technology development effort. Planned technologies such as an integrated power system and total ship computing environment in an open architecture, will provide more affordable future ship classes in terms of both construction and operation. DD(X) will be the first forward fit open architecture combat system. This investment will pay dividends to other surface ship procurements, including CVN–21 and the LHA Replacement Ship.

LHA Replacement Ship (LHA(R)). The fiscal year 2006 budget request includes advance procurement funding for the LHA(R). The Navy's objective for the LHA(R) program is to replace the capability of the LHA–1 class to provide required amphibious lift and presence capability. The fiscal year 2007 Flight Zero ship features improved aviation capabilities. With the addition of advance procurement in fiscal year 2006, construction of the LHA(R) has been accelerated to start in fiscal year 2007.

Maritime Preposition Force (Future) (MPF(F)). Most prominent in highlighting the value and power of the Nation's naval expeditionary capability was the Marine Corps' participation in OIF. Success in this operation was due to our naval dominance, our expeditionary nature, and our flexibility and adaptability to defeat the challenges posed by enemy threats. Among other naval assets, 11 strategically located Maritime Prepositioning Ships (MPS) were unloaded in 16 days to provide the equipment and sustainment required for 2 Marine Expeditionary Brigades. Exploiting the operational speed, reach, and inherent flexibility of seapower, the Navy and Marine Corps team achieved a rapid buildup of sustained warfighting power that was combat ready to support United States Central Command. The current MPS ships are essentially forward-located floating warehouses with limited sea-based logistics support capabilities. They can only off-load pier-side, or in-stream close to shore under favorable weather and sea conditions, or in a protected harbor. They have a very limited ability to facilitate rapid force closure due to limited ship transit speeds and extended periods for off-load, assembly, and distribution. Equipment must be off-loaded from the existing ships, made ready for combat, and married up with the troops ashore prior to beginning combat operations. The MPF(F) will eliminate these limitations and provide for a greatly expanded joint military capability including decking for strike aircraft.

T–AOE(X). The next generation fast combat support ship is being studied and may eventually replace the *Sacramento* class of fleet auxiliaries. The T–AOE(X) is envisioned to provide rapid replenishment at sea of petroleum, munitions, provisions, and fleet freight. Acquisition is currently scheduled to start in fiscal year 2009.

Ship/Submarine Conversions and Modernizations

SSGN. The fiscal year 2006 budget provides the funding to convert the last of four SSBNs to SSGNs. When complete, the SSGN will be a covert conventional strike platform capable of carrying up to 154 Tomahawk missiles and supporting deployed Special Operating Forces.

Cruiser (CG) Modernization. The CG Modernization program was restructured in fiscal year 2006 in accordance with congressional direction. Under the restructured plan, the older Baseline 2 and 3 ships will be modernized first. Funding begins in fiscal year 2006 for long lead-time procurements for a fiscal year 2008 baseline 2 modernization availability. This modernization will reduce combat system and computer maintenance costs, replace obsolete combat systems, and extend service life. It will also incorporate manpower reduction improvements and quality of service enhancements from the smart-ship program.

CVN–70. The fiscal year 2006 budget provides funds for the first increment of the CVN–70 refueling complex overhaul (RCOH). The planned schedule will have the CVN–70 available to the fleet in late 2009, after both RCOH and subsequent work-ups.

SSBN Extended Refueling Overhaul (ERO). The refueling and overhaul of the U.S.S. *Alabama* is budgeted in fiscal year 2006. This is the second SSBN ERO that will sustain our strategic forces well into the future.

Mine Warfare

The fiscal year 2006 budget includes funding to support the Navy's goal of an organic mine countermeasures capability while upgrading the dedicated mine countermeasure force. The budget continues the development and integration of five organic systems for the MH–60S platform to be deployed from the LCS: the AQS–20A minehunting system, the airborne laser mine detection system, the airborne mine neutralization system, the rapid airborne mine clearance system, and the organic airborne and surface influence sweep system. The fiscal year 2006 budget request also supports the development and procurement of the remote minehunting system integrated into DDG–51 hulls 91–96 as well as for deployment from the LCS. In fiscal year 2006, we will continue with our surface mine countermeasures (MCM) mid-life upgrade plan. We have initiated a product improvement program for the engines of the MCM–1 Avenger Class mine countermeasure ships to enhance their reliability and availability. We are upgrading our minesweeping capability with new acoustic generators and magnetic sweep cables, and have requested resources to replace our maintenance-intensive mine neutralization system (AN/SLQ–48) with an expendable mine neutralization system. For the Marine Corps, the budget continues to support the assault breaching system, that, when fielded, will counter the mine and obstacle threat in the beach and surf zones.

Aircraft

The Department's fiscal year 2006 budget request is structured to maintain the continued aviation superiority of the Navy and Marine Corps. The naval aircraft procurement plan emphasizes replacing costly stand-alone legacy platforms with more efficient and capable integrated systems. Including the aircraft funded with RDT&E, the number of aircraft requested increases from 115 in fiscal year 2005 to 138 in fiscal year 2006. This includes the first four EA–18G aircraft, five VXX helicopters and three Firescout unmanned aerial vehicles (UAV). The budget continues to maximize the return on procurement dollars, primarily through the use of multi-year procurement (MYP) for the F/A–18E/F and EA–18G, the E–2C, and the MH–60S programs.

F–35 Joint Strike Fighter (JSF). Our recapitalization plan includes the JSF, a stealthy, multi-role fighter aircraft designed jointly to be an enabler for Sea Strike and Sea Shield. The fiscal year 2006 budget contains funding for the continuation of system development and demonstration (SDD) on the JSF. The JSF will enhance the DON's precision strike capability with unprecedented stealth, range, sensor fusion, radar performance, combat identification, and electronic attack capabilities. Carrier based JSF will complement the F/A–18E/F and EA–18G in providing long range strike capability and much improved persistence over the battlefield. The short take off/vertical landing (STOVL) JSF combines the multi-role versatility of the F/A–18 and the basing flexibility of the AV–8B. The commonality designed into the JSF program will reduce acquisition and operating costs and allow enhanced interoperability with our allies and sister Services. The JSF continues working to translate concept designs to three producible variants. Manufacture and assembly of the first flight test conventional take off and landing (CTOL) aircraft is underway, with assembly times much less than planned. Detailed design work continues for the CTOL and STOVL variants. The first flight is scheduled for 2006. The JSF

program has aggressively addressed weight and airframe design issues identified last year. All three variants are projected to meet key performance parameter requirements. The JSF program is completing a replan effort that began approximately a year ago. The fiscal year 2006 budget reflects the revised SDD and production schedule.

F/A–18E/F and EA–18G. The F/A–18E/F continues to be the centerpiece of Navy combat aviation and entered into a 5 year multi-year procurement contracting starting in 2004. The F/A–18E/F program has also been funded to introduce a transformational radar, helmet-mounted sight, advanced targeting pod, and a fully integrated weapons system. The budget also includes funding for the first EA–18G, which is the follow-on aircraft to the EA–6B electronic attack aircraft.

MH–60R/MH–60S. The fiscal year 2006 budget requests funding for the procurement of 12 aircraft and continued RDT&E for the replacement and upgrade of light airborne multi-purpose system MK III SH–60B and carrier-based SH–60F helicopters to the new configuration designated as MH–60R. In addition, the budget requests funding for RDT&E and the procurement of 26 MH–60S, which is the Navy's primary combat support helicopter designed to support Carrier and Expeditionary Strike Groups.

V–22. The V–22 program is designed to meet the expeditionary / vertical assault needs of the Marine Corps, the strike rescue needs of the Navy, and to supplement the special mission aircraft for U.S. Special Operations Command. The fiscal year 2006 budget request includes funding for 11 V–22s (9 MV–22s and 2 CV–22s) and funding for continued aircraft testing and evaluation. Progress continues towards delivering a high-quality aircraft that improves capability and interoperability of the aircraft, reduces production costs, and maximizes production efficiency. Since the resumption of V–22 flight-testing, in May 2002, the V–22 is satisfying the threshold levels for all its key performance parameters. V–22 test pilots have recorded more than 4,500 flight hours since that time. The V–22 will enter operational evaluation in March 2005, leading to a full rate production decision expected in late calendar year 2005.

AH–1Z/UH–1Y. The current fleet of AH–1W attack helicopters and UH–1N utility helicopters continues to perform superbly in the global war on terror. High demand for their capabilities in a harsh environment is highlighting known deficiencies of these aging helicopters—particularly with regard to crew and passenger survivability, payload lift, power, endurance, range, airspeed, maneuverability, and supportability. The DON determined that the H–1 Upgrade Program is the most cost-effective alternative for the Marine Corps' attack and utility helicopter requirements. The H–1 Upgrade Program is a key modernization effort designed to resolve existing safety deficiencies, enhance operational effectiveness of both the AH–1W and the UH–1N, and extend the service life of both aircraft. In October 2003, the program entered initial low-rate production. A follow-on low-rate production is scheduled to start in February 2005, and operational and evaluation testing is planned to begin in July 2005. Due to aircraft attrition in combat operations, we plan to pursue funding in the future for a 'build-new' strategy for additional AH–1Z and UH–1Y aircraft, in order to prevent inventory shortfalls that would be unacceptable in light of current and expected operational commitments.

Multi-Mission Maritime Aircraft (MMA). In June 2004 the Navy selected Boeing's 737 for the MMA. The MMA will be a long-range anti-submarine warfare (ASW), anti-surface warfare (ASUW), and ISR aircraft capable of broad area maritime and littoral operations. The MMA is the replacement for P–3C Orion and will begin to enter the fleet in 2013.

CH–53X. The Marine Corps' CH–53E continues to demonstrate its value as an expeditionary heavy-lift platform, with significant assault support contributions in Afghanistan, the Horn of Africa and Iraq. Vertical heavy lift will be critical to successful 21st century operations in anti-access, area-denial environments, enabling the force application and focused logistics envisioned within the joint operating concepts. The CH–53X series aircraft will address our emerging heavy-lift requirements. The fiscal year 2006 budget requests RDT&E funds to begin the system development and demonstration phase of the CH–53X program.

Advanced Hawkeye (AHE). The AHE program will modernize the E–2 weapons system by replacing the current radar and other system components to maintain open ocean capability while adding a robust overland capability against current and future cruise missile type targets. The budget requests funds to procure two E–2Cs as the third year of a 4-year multi-year procurement. This effort will keep the production line viable while the AHE continues spiral development toward an initial operational capability (IOC) in fiscal year 2011.

Presidential Replacement Helicopter (VXX). The fiscal year 2006 budget requests RDT&E funding for VXX systems development efforts and the procurement of five

pilot production aircraft. The goal of this accelerated program is to introduce a new Presidential helicopter by October 2009. The VXX program will utilize an evolutionary acquisition approach through a two-part incremental development to deliver a safe, survivable, and capable vertical lift aircraft while providing uninterrupted communications with all required agencies.

Marine Corps Equipment

The fiscal year 2006 budget supports the development and fielding of equipment used by Marine Corps ground forces. The Marine Corps' number one ground acquisition priority continues to be the expeditionary fighting vehicle (EFV). The EFV will join the MV–22 and the LCAC as an integral component of the amphibious triad required for executing expeditionary maneuver warfare. Low-rate initial production procurement begins in fiscal year 2007 and will start delivery in fiscal year 2008. The Department intends to procure 15 vehicles in fiscal year 2007 with IOC planned for fiscal year 2010.

Also critical to the Marine Corps transformation efforts is the Lightweight 155 Howitzer (M 777). The M 777 is a joint USMC/Army 155mm towed artillery system that will provide significant improvements over the current M198 system. The M 777 is currently in its third year of low-rate initial production for the Marine Corps.

Marine Corps modernization efforts within the fiscal year 2006 budget include the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) A2 program and the Light Armored Vehicle Product Improvement Program (LAV PIP).

Unmanned Aerial Vehicles (UAV)

The fiscal year 2006 budget continues to demonstrate the DON's commitment to develop, acquire, and field transformational UAV technologies for ISR and tactical missions. The Navy's UAV programs are focused on two areas, the vertical takeoff and landing tactical UAV (VTUAV), designated the Fire Scout, and the broad area maritime surveillance (BAMS).

The Fire Scout (VTUAV) is capable of operating from all air-capable ships. It carries modular mission payloads and operates using the Tactical Control System (TCS) and Tactical Common Data Link. The Fire Scout will provide day/night real time ISR and targeting as well as communication-relay and battlefield management capabilities for ASW, MIW, and ASUW on LCS. The BAMS UAV program will meet the Navy requirement for a persistent ISR capability as well as address the growing ISR gap and the shortfall in maritime surveillance capability. The BAMS UAV System is intended to be a Navy fleet asset for tactical users such as Battle Group Commanders and the Joint Forces Maritime Component Commander (JFMCC).

The Marine Corps continues to examine options for the sustainment and eventual replacement of its aging Pioneer fleet. Requirements for Vertical Unmanned Aerial Vehicle (VUAV) are being developed in consonance with Ship to Objective Maneuver concepts from Expeditionary Maneuver Warfare and with lessons learned from recent operational experience. The Marine Corps will procure a small number of United States Coast Guard Eagle Eye tilt rotor UAVs as an interim step to replace the Pioneer.

Finally, the Air Force and Navy Joint Unmanned Combat Air System (JUCAS) will provide persistent, carrier-based penetrating surveillance in high threat areas that will leverage existing investment in long-range weapons to ensure access against future threat air defense systems to allow strike options with low risk of friendly loss/capture. This joint program is in the science and technology development and demonstration phase.

Unmanned Surface Vehicles (USV)

The fiscal year 2006 budget request supports advanced technology development for a mine influence system integrated into an unmanned 11-meter craft for deployment from LCS.

Unmanned Ground Vehicles (UGV)

We continue to pursue man-transportable robotic systems to perform explosive ordnance disposal tasks, to include technology development of bottom crawling vehicles for mine reconnaissance and neutralization.

Unmanned Undersea Vehicles (UUV)

The fiscal year 2006 budget continues the development of a family of Unmanned Undersea Vehicles as described in the UUV master plan issued in 2004. The Modular 21-inch UUV program will provide a robust mine counter measures capability that can be deployed covertly. Its design will support the ability to reconfigure for other missions due to its open architecture design. A family of smaller diameter (7.5-inch), low-cost, man-deployable UUVs will provide the capability for mine clear-

ance in shallower areas as was demonstrated during OIF, as well as support force protection missions. In fiscal year 2006, we are initiating the development of a 12.75-inch UUV for deployment from LCS in support of mine countermeasures missions and environmental data gathering. A larger diameter UUV will provide a long endurance capability and expand the types of missions that can be conducted.

Munitions Programs

During OEF and OIF, the Department expended less precision ordnance than projected. As a result, the purchases for fiscal year 2006 have been decreased for joint direct attack munitions (JDAMs) and laser guided bombs (LGBs). This decrease in procurement provides no increased risk to the DON but merely reflects lower ordnance utilization rates. Partnerships with the Army and the Air Force in several of our munitions programs continue to help us optimize both our inventories and our research and development investments

The Navy provided an early operational capability (EOC) and accelerated deliveries for 500-pound JDAM variant (GBU–38) for Navy F/A–18E/F platforms. This variant was deployed immediately after approval for production was granted as it met an urgent warfighter need to deploy precision munitions with limited collateral effects in congested urban environments in support of OIF. The 500-pound JDAM filled the mission need so well that over one third of the initial inventory was expended within 1 month of weapons arriving in theater. This resulted in a Navy and Marine Corps request for accelerated production and delivery. The fiscal year 2006 budget funds JDAM to meet all known warfighter demands and we will closely monitor expenditures to make any adjustments, as needed.

We also approved a new variant of the JSOW family of weapons for Full Rate Production in December 2004. Similar to the new 500-pound JDAM program, this capability is in demand by the warfighter to provide new options for precision attack against point targets vulnerable to blast fragmentation effects and hardened targets.

Technology Insertion

We continue to sustain a robust RDT&E effort as we transform the Navy and Marine Corps to the next generation of combat systems. This budget reflects our commitment to future transformational capabilities maintained in joint forward sea basing initiatives and technology insertion for major platforms including DD(X), LCS, SSN, VXX, and MMA, and supports a new design for future undersea superiority system. While the long term pace of transformational programs has slowed in this budget, desired future capabilities have been preserved across the warfighting spectrum. Continued technology improvements will ensure naval forces' ability to project offensive power, defend the homeland, and sustain operational independence around the world.

Science and Technology (S&T). The Navy pursues an integrated and comprehensive science and technology program, from basic research through manufacturing technology, focused on enabling the Naval warfighter as outlined in the Department of the Navy's vision Naval Power 21. The President's budget request for science and technology efforts to support the Navy and Marine Corps team is $1.8 billion. Program officers manage specific investment portfolios and are responsible for integrating basic research with applied science and technology in their areas, while promoting the effective and expeditious transition of discovery and invention into real-world applications. The success of the Navy S&T program is not measured simply by the basic science it supports, but also by the successful transition of that science to support our sailors and marines in the field.

FORCEnet. The Navy and Marine Corps FORCEnet is an initiative to achieve Net Centric Warfare and joint transformation by providing robust information sharing and collaboration capabilities across the naval enterprise and with other Services, agencies, the joint community, and coalition partners. We are beginning to implement FORCEnet capabilities in our acquisition programs, including programs that procure either warfighting or support systems afloat and ashore, to provide this critical capability as soon as possible across the Department. We expect FORCEnet-supported operations to have a higher tempo and greater effectiveness, efficiency and adaptability. In short, we expect better results faster, with less waste and greater responsiveness to changing circumstances. Some distributed network concepts and systems that provide the building blocks for FORCEnet include: open architecture, cooperative engagement capability, mobile user objective system, and joint tactical radio system.

VIII. CONCLUSION

The Navy and Marine Corps team is providing great value to our Nation. Today, your Navy and Marine Corps team is forward deployed, answering the call in protecting America's strategic interests. "Being there" around the world, around the clock, with combat ready forces—your Navy and Marine Corps team will continue to be ready to win the fight across a wide range of contingencies.

The fiscal year 2006 budget request is both about prevailing in today's environment and bridging for a successful future. While we are balancing between today and tomorrow's force, we are clear in purpose and focused on success in the future. We are confident in our capabilities and where we are headed together with the joint force. In preparing for the future, we will never overlook the present. With this budget, we have set a course to win our Nation's wars and transform to meet future challenges.

In supporting the challenges outlined in the fiscal year 2006 budget request, Congress will continue to provide the DON the right capability at the right time to meet our Nation's needs.

Chairman WARNER. We thank you, Mr. Secretary.

Secretary Teets.

STATEMENT OF HON. PETER B. TEETS, ACTING SECRETARY OF THE AIR FORCE

Secretary TEETS. Thank you, Mr. Chairman and Senator Levin, distinguished members of the committee.

I am honored to appear before you today to represent 700,000 airmen in our United States Air Force who serve alongside our country's soldiers, sailors, and marines defending our great Nation's freedom.

I'm pleased to count a real airman's airman among those 700,000: Chief of Staff of the Air Force, General John Jumper. He is a great aviator. He is a truly visionary air and space leader. I'm distinctly honored to serve with him.

General Jumper and I are very proud of our airmen, of their sacrifice and service, their contributions and triumphs, their integrity and pride. Every day, in every theater, they deliver to the combatant commanders the combat capability necessary for decisive joint military action. I thank this committee and the entire Congress for your support to our airmen. Thanks to you, we are better able to protect our homeland and provide air and space capabilities for our combatant commanders. With your continued support, the Air Force will make the best use of our human, fiscal, and materiel resources to defeat emerging threats.

We have the greatest air and space force in the world because of the dedication, professionalism, and talent of the men and women who have earned the right to be called airmen. They make the Air Force what it is, which is why developing airmen is the first of our Air Force core competencies.

Developing airmen starts with recruiting. We've temporarily slowed recruiting to bring the Active-Duty Force down to our congressionally-authorized end strength before the end of this fiscal year. But developing airmen is all about training, education, and retention. We provide top-notch accession training, technical schools, and professional developmental education, and we're committed to quality-of-life initiatives that keep our airmen in uniform.

Our first-term airman-retention rate remains strong, at over 50 percent, while our second-term rate has dropped due to our force-shaping initiatives. We're re-balancing the force to overcome short-

falls in some high-demand career fields. Our goal is a properly-shaped force with the right mix of specialties and manned to what the law allows, to provide the combat capabilities our Nation needs.

We work very hard with our airmen, with the best warfighting tools, which is why we focus much of our attention on our second core competency, transitioning technology to warfighting.

We are trying to accelerate the pace at which we convert laboratory ideas into battlefield effects to address a wide range of near-term threats. We also try to stay on technology's leading edge to be prepared for unexpected breakthroughs that may diminish our advantages.

Producing the needed battle-space effects is the impetus behind our recapitalization and modernization efforts. The Air Force's number-one challenge, in my opinion, is to recapitalize our aging systems. Our aircraft fleet averages 23 years old, ranging from fairly young F–117s and B–2s to venerable B–52s and KC–135s. Flight-line and depot maintenance crews work magic to keep many of our legacy aircraft flying, but we cannot fly those planes forever.

The need to modernize our fleet is clear, and we're doing so. The F/A–22, for example, will recapitalize our F–15s. The F–35 Joint Strike Fighter will recapitalize our F–16 and A–10 combat capabilities. The C–130J will modernize our intratheater airlift.

When we talk about operations, modernization, or acquisitions, we must also be forthright about some of our recent problems.

The Air Force, as a whole, has suffered from the misdeeds of a few. Acquisition improprieties, problems at the Air Force Academy, and other issues weigh on all of us. The Air Force leadership team has a strong obligation to ensure trust within our ranks, within Congress, and with the American people. I am pledged to this aim and to the core values that guide us: integrity first, service before self, and excellence in all we do. We've put the right measures in place to keep that trust so we can concentrate on our foremost objectives: producing decisive effects on the battlefield.

The Air Force's air and space capabilities enable freedom of maneuver for joint and coalition forces, and we apply combat power when directed. We do this best through our third core competency: integrating operations with the other Services and with our coalition partners.

Integrating operations begins with integrating systems like the Predator, remotely piloted aircraft, which carries out intelligence, surveillance, and reconnaissance (ISR) and combat missions. But integrating operations goes farther than linking technologies. We combine our unique capabilities with those of our sister Services to produce the effects we need, adapted to the level of conflict we're fighting.

Applying what General Jumper recently called "jointness from within," airmen will remain experts in applying air and space power, but with a better understanding of the range of warfighting—air, land, sea, and space—so we can better combine our skills as a joint force.

Across the spectrum of joint operations, our integrated air operations range from close-air support, air interdiction, and intratheater airlift, to airborne reconnaissance, global mobility, and global strike. Our space capabilities provide critical communica-

tions, missile warning, precision navigation and timing, and remote sensing necessary for joint commanders to succeed on the battlefield.

Our military and national-intelligence space assets are better integrated into traditional warfighting operations than ever before. But more work does need to be done. To meet the range of future threats, we must develop more-capable integrated space systems for the joint fight.

To make that happen, to keep all of national-security space focused on common objectives, I feel strongly that the positions of Under Secretary of the Air Force, Director of the National Reconnaissance Office, and Department of Defense Executive Agent for Space should continue to be vested in a single individual. It's an organizational construct that works.

Mr. Chairman, Senator Levin, and distinguished members of the committee, thank you, again, for your support. The United States Air Force remains committed to protecting and defending our country's interests at home and abroad, and we are prepared to meet today's and—with your continued support—we will be prepared to meet tomorrow's threats as well.

Thank you for the opportunity to be here today. I look forward to your questions.

[The prepared statement of Secretary Teets follows:]

PREPARED STATEMENT BY HON. PETER B. TEETS

INTRODUCTION

Today's security environment is characterized by change and ambiguity. The future will include a variety of challenges, including the risk of catastrophic attacks on the homeland, and the possibility of disruptive technological breakthroughs by our adversaries. The number and character of potential U.S. adversaries is growing and changing, as states and non-state actors acquire advanced technology and even weapons of mass destruction. We can foresee the near-term threats posed by ballistic and cruise missiles; chemical, biological, radiological, and nuclear weapons; advanced double-digit surface-to-air missiles; and sophisticated combat aircraft. We should also anticipate computer network attacks and attacks on other critical infrastructure, including space networks. Not only must we be prepared to confront these known threats, but we also must be ready for unexpected, disruptive breakthroughs in technology that may undercut traditional U.S. advantages. Maintaining a strong defense able to overcome and defeat these threats remains an imperative for our Nation. Currently, the Air Force can command the global commons of air and space, and significantly influence the global commons of sea and cyberspace; however, we cannot maintain this advantage using yesterday's technology in the systems and air and space vehicles of our current force structure. Recapitalizing our aging systems is our number one challenge.

We are steadfastly meeting these challenges head on. With capabilities-based planning; investments in modernization, science and technology; airmen development; and a focus on integration, we will transform into a more lethal force.

We are working with equal intensity to increase the integration and effectiveness of the joint and interagency team. The Air Force is responsible for several missions essential to the successful prosecution of any joint expeditionary operation: we provide the persistent intelligence and communications networks that deliver decision-quality information to the Joint Force Commander; we provide global mobility in the airlift and tanker forces that move people and equipment anywhere on the planet; and we provide rapid strike by employing an umbrella of kinetic and non-kinetic strike capabilities to deliver precise, tailored effects.

For America to hold its military advantage, the Air Force must continue to improve its vital national capabilities. This means anticipating the battlespace effects required in the future; we must begin today to create the force we will need tomorrow. The Air Force must adapt for the future without degrading its ability to conduct operations now and in the near term. At the same time, we must recognize fiscal constraints and remain a responsible custodian of the taxpayers' dollar. We

have developed a long-range plan to allocate resources, balance risks, and shape the force to protect our Nation—a comprehensive Future Total Force (FTF).

Within FTF, we are restructuring our organizations for the decades ahead. The organizational concept within FTF leverages the strengths of all three components (Active-Duty, Air Force Reserve, and Air National Guard), as well as anticipated advances in technology, to create the effects needed in tomorrow's battlespace. FTF encompasses all domains: space, air, ground, and information. Most importantly, it capitalizes on our most potent, flexible resource: our airmen.Our airmen are a vital national resource. A key element in their development is continuing to adapt the force structure to support expeditionary operations. We face the paradox of suffering shortfalls in certain high-demand career fields while exceeding our overall congressionally authorized end strength. Therefore, we have enacted several programs to reduce the total number of Air Force personnel while reinvigorating career fields experiencing shortfalls.

As this century unfolds, technological innovation is accelerating at an unprecedented pace. Our challenge is to quickly convert laboratory ideas into battlefield effects. This entails more than creating new weapon systems; it means adopting a developmental culture that is inherently agile and responsive, enabling state-of-the-art technologies to reach the battlefield in real time. Such institutional agility will allow us to aggressively divest our legacy systems, field the capabilities needed to meet new strategic challenges, and integrate operations with those of the other Services and our coalition partners.

Air and space power is an essential component of a joint warfighting team and a critical force multiplier for our soldiers, sailors, and marines. Our paramount responsibility is to provide air and space dominance over the battlefield to enable the freedom of maneuver necessary for the success of joint and coalition operations.Whether strengthening the capabilities of airmen on the battlefield; enabling joint Service net-centric operations; furnishing more airlift and aerial refueling capability; or establishing an air component coordination element with ground force commanders, the Air Force is committed to increasing support to the joint warfighter. The United States Air Force makes the whole team better.

AIR AND SPACE POWER TODAY

Even as the Air Force moves forward with the Future Total Force, we are engaged around the globe. Across many continents and missions in air and space, the Air Force is a complete partner with our sister Services, interagency partners, and friends and allies.

Global War on Terrorism

Since the shockwaves of September 11, 2001, the Air Force has been integral to conducting and enabling joint and coalition operations in the global war on terrorism. Across three campaigns, Operation Noble Eagle (ONE), Operation Enduring Freedom (OEF), and Operation Iraqi Freedom (OIF), the Air Force capabilities of rapid strike; global mobility; and persistent command, control, communications, computers, intelligence, surveillance, and reconnaissance (C^4ISR) helped defend the air sovereignty of North America; break Taliban control of Afghanistan; identify, target, and destroy al Qaeda terrorist nests in Afghanistan; overthrow Saddam Hussein's regime; and conduct reconstruction and counter-insurgency operations in Iraq. Although the threat of terrorist attacks against the United States remains, the joint team—strengthened by the Air Force—has made substantial progress in putting terrorists on the defensive and developing the new security partnerships essential for a sustained global war on terrorism.

Operations Iraqi Freedom and Enduring Freedom

The Air Force continues joint operations against Taliban remnants and Iraqi insurgents. At the close of 2004, we maintained nearly 31,000 airmen in the region—including 5,000 Air national guardsmen and 2,500 Air Force reservists—and we were flying 225 sorties a day over Iraq and Afghanistan. Having already flown more than 250,000 sorties, the Total Force team of Active, Guard, and Reserve airmen continues to perform aeromedical evacuation, persistent C^4ISR from air and space, close air support, aerial refueling, and intertheater and intratheater airlift, while successfully adapting to the dynamic environment of asymmetric warfare.

While certainly prominent in major combat operations, rapid strike has continued to enhance joint warfighting during reconstruction and stability operations. Strikes against Taliban forces and Iraqi insurgents show the enduring need for strike capabilities and the capability of the Air Force to strike time-sensitive targets with minimal collateral damage. The Air Force is bolstering this capability with the deployment of 500-pound joint direct attack munitions now in theater, development of the

small diameter bomb, and development of directed energy weapons capable of delivering precise and tailored effects in adverse environments.

Not only are airmen directly overhead in Iraq and Afghanistan, but airmen from as far away as Nevada are controlling remotely piloted aircraft critical to persistent C^4ISR and rapid strike missions. For instance, Predator aircraft are able to transmit their live video pictures to ground-based targeting teams that are equipped with the prototype remote operations video enhanced receiver (ROVER) system. Linking rapid strike and persistent C^4ISR to forces on the ground, ROVER has been used repeatedly to detect, target, and destroy improvised explosive devices (IEDs), mortars, rockets, and other insurgent activities across the region. Bolstering these capabilities are tactical airborne reconnaissance system (TARS) equipped F–16s flown by deployed Air National Guard units. The digital cameras on the TARS pod allow the pilot to conduct reconnaissance while simultaneously providing close air support. Integrating these two missions is the essence of responsive reconnaissance and integral to Air Force support to ground forces.

To help defeat IEDs, the Air Force has fielded specialized explosive detection dogs and upgraded three flying platforms that specifically focus on detecting and defeating IEDs. In the future, we will deploy IED defeat field teams to further study where Air Force-unique systems can make an impact.

To ensure uninterrupted sustainment of our deployed forces and unhindered global mobility, several initiatives are being implemented to enhance aircraft protection capabilities, including upgrades to existing aircraft defensive systems, accelerated installation of new systems, and improvements in software and flare dispensing patterns. These improvements will increase the capability to detect and defeat shoulder-fired missiles being used against our mobility aircraft. Recently, these mobility assets have been used to reduce the need for ground convoys on supply routes in Iraq. Flying above the IEDs and ambushes that challenge convoys, the use of Air Force airlifters like the C–130 and C–17 has reduced the number of trucks in convoys by nearly 350 trucks per day.

Operations in Iraq and Afghanistan also highlight the importance of space-based C^4ISR capabilities to U.S. and Coalition Forces. These capabilities have become integral to effective warfighting operations and include precision position, navigation and timing; secure communications; global weather; launch and support operations; persistent worldwide missile warning; and intelligence gathering. OIF and OEF relied on the all-weather precise position, navigation, and timing capability provided by the Air Force's global positioning system (GPS) constellation, satellite communications (SATCOM), and timely observations of weather and enemy activity. Carrying out time-sensitive targeting of Iraqi leadership and other critical targets during major combat operations, nearly 40 percent of all munitions used in OIF were GPS-guided and unaffected by the driving sand storms and inclement weather. Holding the ultimate high ground, Air Force space professionals keep a constant vigil over a global battlespace—planning, acquiring, maintaining and operating the systems that sustain America's decisive advantage in space.

Operation Noble Eagle and Homeland Defense

The Air Force's principal homeland defense mission is air defense and preserving the air sovereignty of the United States and its territories. Since September 11, more than 37,000 fighter, aerial refueling, and airborne early warning sorties have been flown in defense of the United States, while more than 1,800 air patrols have responded to actual incidents and suspicious flight operations. A mission that leverages the Air Force Reserve, Air National Guard, and Active-Duty components, the citizen airmen of the Air National Guard have primary responsibility for providing alert aircraft at 17 of 18 sites.

The Air Force has also worked extensively with joint, interagency, and combined organizations to improve the effectiveness of homeland defense activities. Exercises like Determined Promise-04 and Unified Defense-04 illustrated how rapid strike, persistent C^4ISR, and global mobility can be seamlessly integrated with other agencies, and prove critical to supporting U.S. Northern Command and the Department of Homeland Security.

The civil air patrol provides additional capability to Northern Command, Federal agencies, and State and local governments in the global war on terrorism. Located throughout all 50 states, the District of Columbia, and Puerto Rico, the civil air patrol leverages the skills and vigilance of 64,000 non-paid volunteers in more than 1,700 units to bolster the Nation's defense.

Other Contingency Operations

In addition to operations at home and Southwest Asia, the Air Force supported multiple other operations around the globe in 2004. Complementing our permanent

presence in Northeast Asia, we bolstered the deterrence of North Korea with the continuous deployment of six B–52 bomber aircraft to the American territory of Guam. The 8,400 airmen stationed in South Korea alongside soldiers, sailors, marines, and our South Korean allies are critical to regional stability, and have maintained the United Nations armistice on the Korean peninsula for over 51 years.

In the Balkans, airmen have flown more than 27,000 sorties in support of Operations Joint Forge and Joint Guardian. These North Atlantic Treaty Organization (NATO)-led operations combine joint and allied forces to implement the Dayton Peace Accords in Bosnia-Herzegovina and enforce the Military Technical Agreement in Kosovo. At the end of 2004, approximately 475 airmen were supporting NATO's goal of achieving a secure and stable environment.

Since December 1989 and throughout 2004, airmen have been a critical part of the interagency fight against illegal drug and narcotics trafficking. Deployed along the southern United States, in the Caribbean, and Central and South America, eight aerostats and five ground-based radars provide around-the-clock monitoring of airspace. Operating these C^4ISR installations, airmen detected, monitored, and provided intercepts on hundreds of targets attempting to infiltrate U.S. airspace without proper clearance. Along with our joint and interagency partners, these operations resulted in hundreds of arrests and stopped thousands of pounds of contraband from being smuggled into the United States.

Additionally, the Air Force is heavily involved in providing humanitarian relief to people in need around the globe. Most recently the Air Force deployed aircraft and airmen to assist in relief efforts for the Southeast Asian countries struck by tsunamis. In the initial days, C–130s and KC–135s, flying 21 missions, delivered over 120 tons of food, water, medical supplies, vehicles, and personnel to assess relief assistance. In another region of the world, the Air Force provided airlift and logistical support to the deployment of African Union peacekeepers to the war torn area of Darfur in Sudan. Also, during recent elections in Afghanistan, we airdropped water and food to remote areas to help ensure a secure and smooth voting process.

Supporting all of these worldwide operations is a robust training program that allows our airmen to train like they fight. Competition for scarce air, land, and water resources threatens to further encroach onto our installations, ranges, and airspace—vital national assets for developing and testing new weapons, training forces, and conducting joint exercises. The Air Force supports legislative, regulatory, and management initiatives that protect Air Force operational capability while sustaining, restoring, and modernizing our natural infrastructure.

Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) is how the Air Force organizes, trains, equips, and sustains forces to meet defense strategy requirements outlined in the National Military Strategy and Strategic Planning Guidance. Including the active Duty, Air Force Reserve, and Air National Guard, the Air Force is divided into 10 AEFs and an enabler force to support and sustain global expeditionary operations. Each AEF provides a portfolio of effects-based capabilities for the combatant commander. These capabilities are immediately available in two AEFs continually postured for rapid deployment. The remaining eight AEFs are in various stages of redeployment, rest, training, or deployment preparation but could rapidly deploy to a combat area if needed. When necessary, the full capability of the Total Force can be realized by surging the remaining AEFs.

During 2004, worldwide requirements of OIF, OEF, and global war on terrorism placed high demands on our Expeditionary Combat Support (ECS) forces, long-range bombers, security forces, and other units. Due to this increased tempo, selected Air Force forces are still deployed at nearly twice the numbers that AEF policy defines as "sustainable." To adapt to this new set of circumstances, we changed our AEF deployment length from 90 days to 120 days, and the AEF cycle from 15 months to 20 months. The greater deployment length allows greater continuity for expeditionary commanders in the field.

New Triad

The National Military Strategy impacts our strategic forces as well. The Department of Defense's new defense strategy of employing a capabilities- vs. threat-based approach to planning led to the ongoing transformation of the existing triad of U.S. strategic nuclear forces (intercontinental and sea-launched ballistic missiles and bomber aircraft) into a New Triad composed of a diverse portfolio of systems. The elements of the New Triad will contain non-nuclear and nuclear "strike capabilities;" active and passive defenses; and research and development and industrial infrastructure for developing, building, and maintaining offensive forces and defensive systems.

Worldwide Force Protection Challenges

The United States faces an array of asymmetric threats from terrorists and rogue states necessitating a new force protection concept of integrated base defense. The new concept draws from recent lessons learned and defines a force protection role for every airman as a defender of bases and critical assets. We are also developing a wide range of offensive and defensive capabilities to include new ground sensors, unmanned aerospace sensors, a common operating picture, and a command and control suite that links these sensors to remotely-operated weapons and robotic systems. Non-lethal weapon systems have the potential for bringing a revolutionary set of capabilities to commanders.

Countering and defending against chemical, biological, radiological, nuclear, and high-yield explosive (CBRNE) weapons is another element of force protection and integrated base defense. To prevent adversary acquisition or development of these weapons, neutralize their capabilities, and restore essential operations and services after an attack, we are implementing a counter-CBRNE master plan. This will improve our ability to meet operational needs, while maximizing joint cooperation and leveraging existing institutions and capabilities.

AIR AND SPACE POWER, TOMORROW THROUGH THE FUTURE YEARS DEFENSE PROGRAM (FYDP)

Base Realignment and Closure 2005

Base Realignment and Closure (BRAC) 2005 is the primary means by which the Air Force will optimize current infrastructure to enhance both warfighting capability and efficiency for the future. Taking a comprehensive, 20-year view, BRAC 2005 will allow the Air Force to realign the posture of our forces to better address the new challenges we face. Through creation of innovative organizational and basing solutions, the Air Force will facilitate joint and multi-component missions, reduce inefficiencies, and free up valuable resources to recruit quality people, modernize equipment and infrastructure, and develop the capabilities needed to meet 21st century threats.

While doing this we will remain focused on our three core competencies, which enable us to create the effects required on the battlefield of the future: developing airmen, technology to warfighting, and integrating operations. By focusing on these areas the Air Force has created a program through the FYDP, which optimizes the return on our resources.

Developing Airmen

To adapt to dramatic changes in force structure and the security environment, we established a set of strategic goals to focus our personnel mission.

Force Shaping

We are on track to bring Active-Duty end strength to the congressionally-authorized level of 359,700 by the end of fiscal 2005. This planned reduction shapes the future force without jeopardizing career field health.

The force shaping plan has two phases: 1) increase voluntary separations and retirements, and 2) further increase voluntary separations while simultaneously reducing programmed accessions. Phase 1, implemented in February 2004, was used to judge retention behavior and ensure a measured approach to reducing end strength. Phase 2, begun in May 2004, allowed more service members an opportunity to leave active duty. Additionally, we significantly reduced the Selective Reenlistment Bonus (SRB) program from 146 to 62 enlisted skills, resulting in a significant decrease in first-term reenlistment rates, and we continue to review further reduction of SRB skills.

Other force shaping initiatives include the Palace Chase program—early separation from Active Duty to serve with the Air National Guard or Air Force Reserve—waiving of Active-Duty service commitments, and resurrection of the Career Job Reservation Program to correct skill imbalances and re-train first-term Airmen into needed skills. Additionally, we took advantage of the statutory authority that allows 2 percent of colonels and lieutenant colonels with 2 years time-in-grade to retire in grade instead of waiting the normal 3 years; and some Air Force Reserve Officer Training Corps graduates may now go directly into the Air National Guard or Air Force Reserve.

In fiscal year 2004, we lowered accession goals by approximately 3,000. In fiscal year 2005, we continued to lower our accession goals and have temporarily limited enlisted accessions to only the 58 most critical combat and combat support skills.

The results of our force shaping efforts are positive, facilitating the migration of personnel into critical shortage specialties while reducing manpower to ensure we meet authorized end strength requirements by the end of fiscal 2005.

Rebalancing the Force

As we return to our authorized end strength, relief is flowing to "overstressed" career fields. This is a multi-step process, but our guiding principle is simple—we will properly size and shape the force to meet the needs of the AEF. We are drawing down prudently, designating specialties and specific year groups within those specialties where we have more people than we need. At the same time, we are correcting our skill imbalances by realigning manpower and expanding training pipelines.

We are also taking a hard look at where our people serve. We have airmen serving outside the Air Force who don't deploy as part of an Air Expeditionary Force. They serve in joint and defense agency positions, some of which require uniformed people; however, others do not. Through military-to-civilian conversions and competitive sourcing initiatives, we are returning these airmen "to the fold."

The Guard and Reserve play a critical role in this endeavor. Today, 25 percent of the air expeditionary packages are composed of Air National Guard and Air Force Reserve volunteers. As we take steps to ensure the long-term health of our Active-Duty Forces, we must do the same for our citizen airmen.

Recruiting/Retention

While reducing accessions is a tool currently being used to bring the force down to authorized levels, it is imperative that we continue to renew and replenish the ranks with targeted recruiting. For fiscal year 2005, we plan to access nearly 19,000 enlisted members and just over 5,000 officers—a 44-percent reduction from normal enlisted recruiting levels and a slightly lower level of officers compared to fiscal year 2004.

As outlined under force shaping, a significant 1-year reduction in our recruiting goal is part of a deliberate effort to reduce force size without jeopardizing long-term health. A 1-year reduction will create a temporary decrease offset by the number of personnel accessed in preceding and subsequent years. We are committed to returning to normal recruiting targets as quickly as possible. Continued congressional support of our recruiting and marketing programs will greatly enhance the Air Force's competitiveness in a dynamic job market.

A critical element for success is the ability to offer bonuses and incentives where we have traditionally experienced shortfalls. To protect this valuable resource we ensure active senior leadership management, including semi-annual reviews of which career specialties, and which year groups within those specialties, are eligible for bonuses. Congressional support for these programs, along with increases in pay and benefits and quality-of-life initiatives, has greatly helped us retain airmen and their families.

Personnel Service Delivery Transformation

To achieve the Secretary of Defense's objective of shifting resources "from bureaucracy to battlefield," personnel services are being overhauled. Our personnel service delivery transformation dramatically modernizes the processes, organizations, and technology by which we support Airmen and their commanders. Routine personnel transactions, for instance, may now be done "on-line."

As a result, we deliver higher-quality personnel services with greater access, speed, accuracy, reliability, and efficiency. We programmed the resulting manpower savings to other compelling Air Force needs over the next 6 years. This initiative enhances our ability to acquire, train, educate, and deliver airmen with the needed skills, knowledge, and experience to accomplish Air Force missions.

National Security Personnel System

Our civilian workforce will go through a significant transformation as well with implementation of the Department of Defense national security personnel system (NSPS). NSPS is a simplified and more flexible civilian personnel system that will improve the way we hire, assign, compensate, and reward our valuable civilian employees. This modern, agile human resource system will be responsive to the national security environment, while preserving employee protections and benefits, as well as the core values of the civil service. Implementation will begin as early as July 2005.

NSPS design and development has been a broad-based, participative process including employees, supervisors and managers, unions, employee advocacy groups, and various public interest groups. Employees slated for conversion to the new system will be included in groupings called Spirals. Spiral One will include approxi-

mately 85,400 General Schedule and Acquisition Demonstration Project, U.S.-based Air Force civilian employees and will be rolled out in three phases over an 18-month period. The labor relations provisions of NSPS will be implemented across the Department this summer as well. NSPS is the most comprehensive new Federal personnel system in more than 50 years and a key component in the Department's achievement of a total force structure.

Culture of Airmen

We completed an Air Force-wide assessment of our sexual assault prevention and response capabilities, knowing we were not where we needed to be in addressing this societal problem that has serious readiness implications. A Campaign Plan was approved, and we are implementing specific initiatives to better understand the problem of sexual assault, do everything within our ability to prevent it, and prepare ourselves to provide consistent and continuing care for victims when it occurs.

In response to an increased suicide rate among airmen, we reemphasized, and continue to stress, the need for airmen to look after one another. Commanders and co-workers are rethinking the way airmen interact with one another, calling attention to behavioral indicators and risk factors associated with suicide. Safety and risk management are also being emphasized to reduce the number of accident-related fatalities. We are weaving this mindset into the very fabric of our culture.

All airmen have a responsibility to get involved, pay attention, and ensure the health and well-being of their wingman. It's not a program, it's a mindset; a cultural shift designed to take better care of our most valuable resource—our people.

Air Reserve Component (Air Force Reserve and Air National Guard)

Recruiting and retaining quality servicemembers are top priorities for the Air Force Reserve. Despite the strains mobilization places on the personal and professional lives of Reserve members, volunteerism remains high. In fiscal year 2004, and for the last 4 years, the Air Force Reserve exceeded its recruiting goal. Despite the long-term effects of high operations and personnel tempo, Air Force Reserve end strength was within 0.7 percent of fiscal year 2004 congressionally-mandated requirements.

Reduced success in attracting military Air Force members who are separating from Active Duty has steered the Air Force Reserve toward recruitment and accession of non-prior service members. To meet the resulting increased training demand, 4,000 training slots per year are now allocated and funded for the Air Force Reserve. In addition, the Air Force Reserve is taking advantage of the previously mentioned Palace Chase program, which allows Active-Duty members the opportunity to move to the Air Force Reserve or Air National Guard. These experienced members are then placed into critical career skills.

Complementing the Air Force Reserve, the Air National Guard plays a vital role in support of the homeland defense mission and force transformation. The ability of the Air National Guard to achieve recruiting and retention goals through fiscal year 2006 will help determine how well the Air Force assumes new missions and supports homeland defense.

As the Air Force Reserve and Air National Guard continue to surge to meet operational requirements, we are examining existing law and policy that govern enlisted incentives and related compensation with an eye toward identifying changes that will encourage volunteerism. The Reserve enlisted bonus program is a major contributor to attracting and retaining both unit and individual mobilization augmentee members in critical career fields. To enhance retention, we are ensuring relevant compensation statutes reflect the growing reliance on the Air Force Reserve and Air National Guard to accomplish Air Force missions. We continue to explore enhanced bonus authorities, which will provide the flexibility to target our most pressing needs.

In addition, the Aviation Continuation Pay, the Career Enlisted Flyers Incentive Pay, and Aircrew Incentive Pay continue to be offered to retain our rated officer and enlisted personnel. We expanded the Air Force Reserve Special Duty Assignment Pay (SDAP) program by including an additional six career fields to enhance recruiting and retention, improve program alignment, and provide parity to Air Force Reserve members. The expansion authorizes the payment of SDAP to a reservist qualifying in the same skill and location as their Active-Duty counterpart.

The Air Force has made great strides in increasing education benefits for our Air Force Reserve and Air National Guard members, offering 100 percent tuition assistance for individuals pursuing an undergraduate degree and continuing to pay 75 percent for graduate degrees. In addition, we appreciate the President proposing and Congress enacting enhanced Montgomery GI Bill benefits for Reserve and Guard members who have served lengthy deployments.

The National Defense Authorization Act (NDAA) for Fiscal Year 2005 made permanent several authorities providing enhanced Health Care/TRICARE benefits for Air Force Reserve and Air National Guard members. For members with delayed-effective-date orders to serve on Active Duty in support of a contingency operation for more than 30 days, the new legislation permanently authorizes TRICARE eligibility for up to 90 days prior to the member's activation date for eligible members and their families. Additionally, the NDAA extended the Transitional Assistance Management Program benefit period from 60 and 120 days to 180 days for eligible members and their families.

Training

Distributed Mission Operations (DMO) is the cornerstone for Air Force training transformation. It is a readiness initiative to train warfighters as they expect to fight using simulation and high-fidelity architecture to link training at dispersed locations. DMO will reduce travel costs and operations tempo while providing mission rehearsal in an operationally realistic environment to maintain combat readiness and provide support to operations. It will prepare and assess Air and Space Expeditionary Forces and prepare AOC weapon systems, including Joint Force Air Component Commanders, for real-world missions. As an integration effort, DMO will leverage existing and emerging programs and technologies to fill gaps in total team training, rehearsal, and operations support.

Due to the continuing high operations tempo, the Air Force is filling over 2,500 positions in 20 different combat support skills for the U.S. Army in deployed locations—one of those skills is combat convoy operations. As a result, we established the Basic Combat Convoy Course to supplement Army training. This comprehensive, self-contained course emphasizes small unit leadership, teamwork, weapons training, and tactical convoy operations, greatly improving convoy operations and personnel survivability. It also reduced total training time in Kuwait from approximately 6 weeks to 1.

Housing and Military Construction

Through military construction and housing privatization, we are providing quality homes faster than ever. Over the next 2 years, we will renovate or replace nearly 36,000 homes through privatization, and an additional 11,000 homes through military construction.

Still, airmen primarily live in communities near our installations. Basic allowance for housing increases have reduced their average out-of-pocket costs over the past few years, and will eliminate out-of-pocket costs altogether in 2005, allowing greater flexibility for airmen who reside off base.

Investment in dormitories continues to accelerate in order to provide superior housing to our unaccompanied members—evidenced by nearly 4,400 dormitory rooms programmed for funding over the next 4 years. Approximately 75 percent of these will address existing inadequate dormitory conditions. Our new "Dorms-4-Airmen" standard is designed to increase camaraderie, social interaction, and accountability by providing four single-occupancy bedrooms/bathrooms with a common kitchen and living area in each module. The combination of the new standard and the Air Force's unit integrity assignment policy provides an excellent platform to increase interaction within the same unit. Finally, the remaining dormitory program jumpstarts a buy-out of inadequate "pipeline" dormitories—those dorms that house young enlisted students during their initial technical training. Pipeline dormitory standards provide a large living area for two students, two walk-in closets, a bathroom, and a separate vanity for each occupant. All substandard dorms will be replaced by 2009. Knowing the Air Force provides for a family's housing needs allows every airman to focus on the mission.

Airmen's performance and morale is directly influenced by quality work centers as well. Therefore, we've placed significant emphasis on recapitalizing and improving work facilities. We've focused investment in training facilities to ensure a quality technical and mission-oriented learning environment. Similarly, we've implemented a plan to ensure all fitness centers meet current Air Force standards by 2011. Finally, we've continued our focus on providing quality childcare facilities.

Battlefield Airmen

Airmen are engaged beyond the air base; bringing technology to warfighting on the ground using advanced systems to designate targets, control aircraft, rescue personnel, and gather vital meteorological data. The Air Force is optimizing this family of specialties, known as battlefield airmen. So far, we have identified program management, acquisition, and sustainment synergies across the combat rescue, combat control, terminal attack control, and special operations weather functional areas.

Because Air Force personnel are an integral part of the battlespace, we are also identifying common training requirements for these airmen.

We need to organize battlefield airmen for maximum effectiveness in the modern battlespace. In addition, we must train battlefield airmen in the skills required to maximize airpower, and standardize that training across those specialties with different battlefield airmen skills. Finally, we want to equip our battlefield airmen with improved and standardized equipment for missions in the forward and deep battlespace.

This will expand commanders' abilities to employ battlefield airpower experts who can introduce unequaled accuracy, responsiveness, flexibility, and persistence into designated air operations.

Joint terminal attack controllers (JTACs), a subset of battlefield airmen, direct the action of combat aircraft engaged in close air support and other offensive air operations from a forward position. For the first time, JTACs will be recognized across the Department of Defense as capable and authorized to perform terminal attack control in accordance with a joint standard. The Joint Close Air Support Executive Steering Committee directed the drafting of a memorandum of agreement defining the qualifications, certifications, and currencies these JTACs must possess and maintain.

In addition to night-vision equipment, JTACs carry a hardened laptop computer and multi-channel radio. We've significantly reduced the weight these battlefield airmen must carry while simultaneously providing them with the ability to do such things as designate targets several kilometers away. We must further decrease the weight of their gear while increasing the capabilities and interoperability of their equipment with other air, space, and ground assets. This combination of technology facilitates the direct transfer of information to combat aircraft, minimizing errors in data transfer. To that end, the integrated air-ground imaging initiative enables the A–10 to send digital targeting information instead of lengthy voice briefings; provides a LITENING or Sniper Targeting Pod video down link to the JTAC; and equips our JTACs with a multi-channel video receiver. This equipment will increase situational awareness, assist in combat identification, maximize first-attack success, shorten the kill-chain, and ultimately provide better support to ground forces.

Technology-to-Warfighting

Capabilities-based Concepts of Operation

The Air Force has established a capabilities-based approach to both war planning and force development, allowing focused investments on those capabilities needed to achieve the battlespace effects required by the joint warfighter. Our capabilities-based approach frees us from platform-centric force planning, leading to new ways of thinking and innovative combinations of systems.

The Air Force has developed seven concepts of operation (CONOPs)—six operational and one supporting foundational concept—for capabilities-based planning. The CONOPs define the effects we can produce across the span of joint tasks we may be tasked to perform, and help us identify those capabilities an expeditionary air force will need to achieve the desired battlespace effects. They also provide an operational context for determining how good our capability levels need to be and assessing how close we are to that objective.

- Homeland security CONOPs leverages Air Force capabilities with joint and interagency efforts to prevent, protect, and respond to threats against our homeland.
- Space and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C^4ISR) CONOPs encompasses the integration of manned, unmanned, and space systems to provide persistent situational awareness, space control, and decision-quality information.
- Global mobility CONOPs provides the planning, command and control, and operations capabilities to enable timely and effective projection, employment, and sustainment of U.S. power in support of U.S. global interests.
- Global strike CONOPs employs joint power projection capabilities to engage anti-access and high-value targets, gain access to denied battlespace, and maintain that operational access for required joint/coalition follow-on operations.
- Global persistent attack CONOPs provides a spectrum of capabilities from major combat to peacekeeping and sustainment operations. Global persistent attack assumes that once access conditions are established via the Global Strike CONOPs, there will be a need for persistent and sustained air, space, and information operations.

- Nuclear response CONOPs provides the deterrent "umbrella" under which conventional forces operate and, should deterrence fail, provides options for a scalable response.
- The agile combat support CONOPs details the capability to create, protect, and sustain Air and Space Forces across the full spectrum of military operations. It is the foundational, crosscutting, and distinctive capability that enables Air Force Operational Concepts.

The CONOPs approach articulates operational capabilities that will prevail in combat and avert technological surprises. Through capabilities-based planning, we will continue to invest in our core competency of bringing technology to the warfighter, which will maintain our technical advantage and keep our air and space capabilities up-to-date.

Capabilities Review and Risk Assessment

The Capabilities Review and Risk Assessment (CRRA) process is the starting point for Air Force force planning and capabilities development. It replaced an outdated threat-based review process that focused on platforms instead of warfighting effects and the capabilities needed to achieve them. The CRRA requires a focus on capabilities and fosters development of innovative solution sets. The CRRA uses our six operational concepts and the foundational agile combat support concept to examine and assess our Air Force capabilities now and in the future.

During the CRRA cycle, Risk Assessment Teams, composed of experts drawn from all specialties in the Air Force and supported by models, simulations, and other analytical tools, consider the requirements of the CONOPs. They review existing and planned programs, science and technology activities, and non-materiel factors. They determine the Air Force's ability to deal with an adverse event and the impact on achieving the joint warfighting effects if the Service fails to provide the capability. Any shortfalls are screened against documented lessons learned and combatant commander integrated priority lists.

The CRRA provides senior Air Force leaders an operational-, capabilities-, and risk-based focus for investment decisionmaking. It uses operational warfighting effects as the drivers for Air Force resource allocation, while also protecting public health and natural resources.

Recapitalization/Modernization

The number one challenge for the Air Force is the need to recapitalize our aging systems. For example, our aircraft fleet now averages 23 years old. To determine the viability of these aging fleets, we chartered the Air Force Fleet Viability Board (AF FVB) in 2004 to establish a continuous, repeatable process for conducting fleet assessments. The AF FVB completed its first assessment, of the C–5A, in July 2004, and is currently studying the 43-year-old KC–135 fleet.

The principles we applied this year during the CRRA process ensured sufficient readiness to support the global war on terrorism while transforming the force and maintaining an acceptable level of risk. We have proposed recapitalization and modernization project funding necessary to extend today's legacy forces while bridging to required future systems.

Our primary modernization program is the F/A–22 Raptor. The F/A–22's revolutionary low observable technology, supercruise (Mach 1.5 without afterburner), integrated avionics, and exceptional maneuverability will guarantee America's air dominance and joint force freedom of operation. The F/A–22 program is transitioning from development to full rate production and fielding, where the aircraft will join an integrated air and space force capable of responsive and decisive global engagement.

The program entered initial operational test and evaluation (IOT&E) in April 2004 to evaluate its operational effectiveness and suitability. Air-to-air capabilities were successfully demonstrated and initial air-to-ground capabilities were demonstrated with successful testing of the joint direct attack munition. In parallel with IOT&E, F/A–22 aircraft deliveries continue at Tyndall Air Force Base, Florida, where the first cadre of operational F/A–22 pilots is training. The 27th Fighter Squadron at Langley Air Force Base, Virginia, is on track to establish initial operational capability for the F/A–22 in December 2005.

Complementing the tremendous capabilities of the F/A–22 is the F–35 Joint Strike Fighter, an important element of the Joint Warfighter's tactical aircraft modernization plan. For the Air Force, it will recapitalize today's F–16 and A–10 combat capabilities. Specifically, it will provide affordable and survivable precision engagement and global persistent attack capabilities. Optimized for all-weather performance, the F–35 will destroy an enemy's ability to attack or defend. In 2004, the F–35 program successfully addressed early design maturity challenges. The Service

Acquisition Executive responsibility also switched from the Navy to the Air Force. In this capacity, we will continue to develop the three basic aircraft variants and coordinate the interests of the Navy and Marine Corps along with our numerous international partners.

Remotely piloted aircraft have demonstrated their combat value in the global war on terrorism. The RQ–1/MQ–1 Predator continues to transform warfighting; providing persistent intelligence, surveillance, and reconnaissance; target acquisition; and strike capabilities against time sensitive targets. Used in every Air Force operation since 1995, Predator has amassed over 100,000 flying hours. Today, with U.S.-based flight and mission control, Predator is truly providing a revolutionary leap in how we provide military capability. Equipped with an electro-optical, infrared, and laser designator sensor, and armed with Hellfire missiles, Predator not only shortened the sensor-to-shooter timeline—the sensor is now the shooter.

We are developing the ability to operate multiple aircraft from a single ground station—in effect, multiplying our overall combat effectiveness over the battlefield. We are also developing and deploying a larger, more capable, and more lethal variant—the MQ–9 Predator B. The MQ–9 Predator B will employ robust sensors to automatically find, fix, track, and target critical emerging time sensitive targets.

By contrast, Global Hawk is a high altitude, long endurance, remotely piloted aircraft that provides robust surveillance and reconnaissance capabilities. Through the innovative use of synthetic aperture radar and electro-optical and infrared sensors, Global Hawk provides the warfighter unrelenting observation of intelligence targets in night, day, and adverse weather. Since its first flight in 1998, Global Hawk has flown over 5,000 hours—over half of that time in combat.

Global Hawk provides superior intelligence, surveillance, and reconnaissance data while deployed in support of the global war on terrorism. While cruising at extremely high altitudes, Global Hawk can collect information on spot targets and survey large geographic areas, providing military decisionmakers the most current information about enemy location, resources, and personnel. Dissemination and ground support exploitation systems consistently deliver timely intelligence to bring immediate advantage to combat operations. Despite its developmental status, Global Hawk is in constant demand by combatant commanders.

The C–17 production program continues to be a success story for the joint warfighting community. We are on schedule to receive the 180th of these force multipliers in 2008. In concert with C–5 modernization programs, C–17 acquisition is the critical enabler for meeting established airlift requirements in support of the current force-planning construct. Currently, the Joint Staff, Office of the Secretary of Defense, and Air Mobility Command are reviewing mobility requirements in light of the new National Military Strategy and the global war on terrorism. This Mobility Capabilities Study will provide a basis for determining future wartime airlift requirements. In the meantime, the C–17 has been the airlifter of choice in contingency operations. During Operation Enduring Freedom, C–17s airdropped over two million humanitarian rations. In Operation Iraqi Freedom, the C–17 performed the largest troop airdrop since Operation Just Cause in Panama, opening the Northern Front during initial operations.

Tomorrow's enabling capabilities will be hosted on a variety of systems to include the E–10A aircraft. The E–10A is being developed to identify and track enemy, friendly, and neutral forces, as well as non-combatants. It will provide persistent intelligence, surveillance, reconnaissance, and environmental data, and fuse multisource information into a common operating picture. In addition, it will find, fix, track, and target low-flying cruise missiles and moving surface targets. The E–10A program and its Multi-Platform Radar Technology Insertion Program, in conjunction with other weapon system platforms, will give the combatant commander a seamless picture of the battlespace and an integrated defense against the cruise missile threat. This capability allows friendly forces to respond to time-sensitive opportunities with decisive force.

The Air Force has also emphasized the persistent ground attack mission for the next-generation Joint Unmanned Combat Air System capability demonstration program. This system will undergo an operational assessment in the 2007 to 2010 timeframe.

We must also recapitalize our aging tanker aircraft fleet. Based on the completion of the KC–135 recapitalization analysis of alternatives, the air refueling portion of the Mobility Capabilities Study, and the results of the Air Force Fleet Viability Board study, the Air Force anticipates Department of Defense direction to execute the KC–135 recapitalization program of record. This program will support both the 2005 National Defense Authorization Act, which authorized purchase of up to 100 tanker aircraft through a multi-year contract, and the 2004 Defense Appropriations Act that established a $100 million tanker replacement transfer fund.

Capabilities-driven modernization and recapitalization efforts continue on space systems as well; as we modernize our critical constellations and capabilities across the spectrum of navigation, weather, communication, missile warning, launch, surveillance, and ground systems.

The evolved expendable launch vehicle (EELV) fields two launch designs to provide assured access to space for government systems. The transformational communications satellite will employ internet protocol networks and high-bandwidth lasers in space to dramatically increase warfighter communications connectivity. Modernization of Global Positioning System (GPS) and development of the next-generation GPS III will enhance navigation capability and improve resistance to jamming. In partnership with NASA and the Department of Commerce, the Air Force is developing the National Polar-orbiting Operational Environmental Satellite System, which offers next-generation meteorological capability. We are well on the way to deployment of the Space-Based Infrared System, a transformational leap in capability over our aging Defense Support Program satellites. The Space Radar effort has been refocused on developing a system that meets the needs of both military and intelligence community users. Each of these systems support critical C4ISR capabilities that give the Joint Force Commander increased technological and asymmetric advantages.

Space superiority efforts are enabled by comprehensive space situation awareness (SSA) and defensive and offensive counterspace capabilities. Enhanced ground-based and new space-based SSA assets will provide the necessary information to gain and maintain space superiority. With respect to defensive counterspace, we maintain a diversified ground-based command and control network and are developing increased protection for our satellites and space-based services to ensure the capabilities are there in time of battle. We also recently fielded the counter-communications system to deny these same services to our adversaries. A well-balanced architecture will enable execution of an effective space superiority strategy.

Our depot maintenance strategy and master plan calls for major transformation in financial and infrastructure capitalization. To support this plan, the Air Force increased funding in fiscal years 2004–2009 for depot facilities and equipment modernization. We also began a significant push to require weapon system managers to establish their product support and depot maintenance programs early in the acquisition cycle, and to plan and program the necessary investment dollars required for capacity and capability. Additionally, we are partnering with private industry to adopt technologies to meet capability requirements. The result-enhanced warfighter support.

Finally, improvements to our air and space systems will require improvements in our foundational support systems. Deteriorating airfields, hangars, waterlines, electrical networks, and air traffic control approach and landing systems are just some of the infrastructure elements needing immediate attention. Our investment strategy focuses on three simultaneous steps: disposing of excess facilities, sustaining our facilities and infrastructure, and establishing a sustainable investment program for future modernization.

Expectation Management/Spiral Development/Systems Engineering

To improve effectiveness in providing technology to the warfighter, we've enacted several new acquisition policies. Expectation management, spiral development, and renewed emphasis on systems engineering will eliminate technological surprises and reduce weapon system delivery cycle times.

Expectation management means better collaboration between the warfighting and acquisition communities during the life cycle of a weapon system. At least yearly, general officers from the major commands and acquisition community will formally review the cost, schedule, and performance of acquisition programs. Beginning with frank discussion about the "art of the possible," these sessions will subsequently inform decision makers about the ramifications of evolving requirements and funding changes.

With a spiral development acquisition process, we expect to deliver a baseline combat capability to the warfighter faster than a process which focuses solely on a "100 percent solution." This approach increases flexibility to respond to the ever-changing nature of external threats and resource fluctuations. Building on a solid systems engineering foundation, we expect to maximize improvements in communication and development strategy, paying dividends in transitioning technology to warfighting faster, and at reduced cost.

Systems engineering ensures that contractor-proposed solutions are both consistent with sound engineering principles and are spiral capable. It is the chief means by which we can hedge against technology risk. We must have the capability to proceed smoothly from one spiral development effort to the next, capturing as

much capability as current technology and funding can produce. Under the direction of the Service Acquisition Executive, Milestone Decision Authorities will now review a program's proposed approach to systems engineering prior to approving acquisition strategy plans. Indeed, systems engineering performance is so critical to our capability to transition technology to the warfighter that it is included among contractor incentives. Many of the above approaches are already in use.

In our space system acquisition, we will continue to emphasize the transition from "cost as the primary driver" to "mission success as the primary driver." We will also continue to stress the importance of budgeting to the most probable cost—with realistic Reserves—and the value of independent cost assessments, independent technical assessments, program assessments, and reviews. Maintaining sufficient Reserves is essential to effectively executing these challenging National Security Space Programs.

Transforming Business Process

By leveraging the availability of global information, we are achieving significant operational advantages. All Air Force CONOPs rely heavily on critical information resources that are available "on the network" and delivered through a net-centric operating environment that is robust, secure, and available. To maintain information superiority, the Air Force must target a common infrastructure and fully leverage enterprise services and shared capabilities. To ensure the most efficient infrastructure, we are identifying enterprise-wide information resource solutions. These solutions are designed to deliver and implement efficiencies, which allow us to accelerate horizontal information integration, reduce information exchange barriers, reduce the total cost of information delivery, and shift resources to support warfighter operations and weapon system modernization.

For example, we reduced operating costs over the last 2 years by consolidating our networks and servers that provide information technology (IT) services. More importantly, networks are more stable with increased uptime and lower failure rates. We have improved our security with a better computer defense posture and are able to deploy patches and updates to the field quickly, resulting in fewer successful intrusions and denial of service incidents. In addition, the stand up of the Air Force Network Operations and Security Center will advance our consolidation efforts and real-time monitoring of performance, configuration control, and security posture.

The GeoBase program provides standardized installation mapping and visualization support to airmen through deployment of integrated aerial photography and geospatial data layers. These IT products support the joint warfighter common operating picture, minimize wasteful and potentially dangerous redundant data collection efforts, and enable cross-service situational awareness and decisionmaking capabilities.

IT portfolio management ensures IT investments align with Air Force priorities and produce measurable results. Annual Air Force-wide portfolio assessment ensures scarce resources are managed through the Capital Planning Investment Control processes: select, control, and evaluate. Senior leadership support of portfolio management enables the Air Force to gain greater visibility into resources from an IT enterprise perspective.

Likewise, we are transforming financial management by procuring and implementing a modern commercial-off-the-shelf accounting system that will produce accurate, reliable, and timely information. We are also streamlining and centralizing our customer service organizations and processes to invest more resources towards value-added demands while reducing the cost of transaction-oriented tasks. The result will be a smaller, but more efficient organization with enhanced financial management skills that can partner with stakeholders to make informed financial decisions based upon real-time information.

Department of Defense Teleport Program

The DOD teleport program is the expansion of Defense Satellite Communications System's Standardized Tactical Entry Point (STEP) program. Teleport builds on the existing STEP program concept and was approved for initial development in 1998. Seven STEP sites have been selected to be upgraded to six teleports: Defense Information Systems Network Northwest, Virginia; Fort Buckner, Japan; Wahiawa, Hawaii; Camp Roberts, California; Lago di Patria, Italy; and Ramstein Air Base/Landstuhl, Germany (combined teleport site). Teleport extends services to the deployed user, providing secure and non-secure telephone service; secure and non-secure internet protocol routing; and video teleconferencing through worldwide satellite coverage between 65 degrees north and 65 degrees south latitudes. DOD

teleport provides these services through a variety of satellite communication systems, including the use of commercial satellites.

Air and Space Operations Center Weapon System (AOC WS)

The AOC WS is the focal point where command and control of all air and space power is harnessed to deliver combat effects to the warfighter. To make this center more effective, we made it a weapon system—and we man it and train like it's a weapon system: certified and standardized. We've injected the technology to increase machine-to-machine connectivity by developing the software and procedures to enable information fusion and accelerate the decider-to-shooter loop. We expect to have all five of our AOC weapon systems (known as Falconers) fully operational by fiscal year 2006.

Integrating Operations

The Air Force provides a global presence and response capability for the National Military Strategy that gives warfighters timely and reliable access to all human, materiel and information resources. With our expeditionary approach to warfighting, we are relying more heavily on global operational support processes and extensive reachback—the ability to support overseas operations from stateside locations. We are modernizing these processes and related systems.

Key to this modernization is the establishment of common and interoperable capabilities such as a single Air Force portal and data repository within the classified and unclassified domains. Over the past 18 months, we have designed and implemented the Global Combat Support System-Air Force program—a set of capabilities that support our vision and objectives. Using these capabilities, we have rapidly integrated legacy and newly developed applications and services, drawn information from global sources to provide a composite view of information, and eliminated the costly requirement for each program to purchase and support unique hardware and system software.

Operational Support Modernization Program

The Air Force's operational support (OS) transformation is a 7- to 10-year journey. By focusing on effectiveness and contribution to warfighting effects, we can identify the early steps in this transformation journey, and accelerate the delivery of changes that contribute to the core mission of the Air Force.

In May 2004, a Commanders' Integrated Product Team (CIPT) issued the Operational Support Modernization Program (OSMP) Flight Plan. The plan identified four OS critical processes—deployment management, operational response, agile sustainment, and focused OS command and control. The plan identified three enablers of OS transformation—providing shared authoritative data, executing an Integrated Workflow, and providing a common operational support picture.

Money has been set aside from fiscal year 2005 to fiscal year 2009 to fund modernization and transformation efforts under the Operational Support Modernization Initiatives (OSMI). This venture capital funding provides seed money for innovative ideas, allowing organizations to accelerate delivery of capabilities to the warfighter to improve effectiveness.

In 2004, the CIPT established organizations that have captured a significant portion of the operational support enterprise architecture; coordinated the OSMI–04 analysis and decision process; developed a draft version of the OS concept of operations for business modernization; and initiated a "Lean" reengineering process within the OS community while establishing the foundation for the cooperation and coordination of business modernization efforts among the Air Force Domains and major commands. The present Lean efforts focus on three OS critical processes: AEF deployment management, OS command & control, and full spectrum threat response, and are aimed at the needs of the warfighter.

In 2005, the CIPT expects to realize the initial benefits of the OSMP Flight Plan, including managing the OS processes and portfolio, fielding initial capabilities, beginning horizontal integration, increasing breadth of efforts, and engineering additional critical processes. Over the long term, CIPT hopes to institutionalize capabilities-based operational support.

OS modernization promotes Air Force-wide transformation efforts, ensuring a cross-functional, cross-major command, enterprise approach with the goal of a fast flexible, agile, horizontally integrated OS process and system infrastructure.

Likewise, warfighters and decisionmakers are dependent on information generated and shared across networks worldwide. Successful provision of warfighting integration requires an enterprise approach of total information cycle activities including people, processes, and technology. To best leverage current and emerging technologies with warfighting operational and legal requirements, we are establishing a new organization in 2005, Networks & Warfighting Integration-Chief In-

formation Officer (SAF/NWI–CIO). This new organization will absorb and consolidate the Deputy Chief of Staff for Warfighting Integration, Chief Information Officer, and Communications Directorate within the Secretariat. The organization will be led by an Active-Duty lieutenant general.

Our logistics transformation provides a recent example of these transformation efforts. While current logistics operations are effective, sustainment costs are rising. In fiscal year 2003, the Air Force spent over $27.5 billion in operations and sustainment of weapon systems and support equipment. The costs will continue to escalate unless current logistics processes and associated information systems are improved.

The Expeditionary Logistics for the 21st Century (eLog21) Campaign is the Air Force's logistics transformation plan, and it is essential to our overall Air Force transformation program. The eLog21 goals are straightforward: a 20-percent increase in equipment availability by 2009 and a 10-percent reduction of annual operations and support costs by fiscal year 2011. The savings gained through eLog21 will provide the resources to support our warfighters by getting the right equipment to the right place, at the right time, and at the right price.

At the core of this effort is a comprehensive examination of the core processes used to support warfighters. A few years ago, Air Force Materiel Command began a comprehensive process improvement effort called "Lean" within our three Air Logistics Centers. "Lean" produced, and will continue to produce, substantial results. For example, Robins Air Force Base, Georgia, freed up 20,000 square feet of valuable industrial floor space to support expanded activities. We seek to expand this transformational approach to base level maintenance, installation support, and training activities.

There are many other facets of eLog21 that will leverage these improvements: expanding the regional repair concept we have employed in many deployed areas; streamlining the supply chain through better collaboration with vendors; using commodity councils that are responsible for managing the purchasing of weapon system components; and leveraging the power of information technology through enterprise resource planning, known as the Expeditionary Combat Support System.

Ultimately, eLog21 is about our people. The most important factor will be our ability to tap into the ideas and energy of the thousands of logisticians who keep our Air Force operating every day. It is not just a staff project or a new information technology. It is a team of airmen developing new concepts in global mobility.

SHAPING TOMORROW'S AIR AND SPACE POWER

Future Total Force

As we move into the 21st century, the Air Force faces increasing modernization and recapitalization challenges, increasingly hard to define adversaries, and constrained budget realities. While we possess weapon systems to meet today's challenges and are investing in cutting edge technology and highly capable, highly trained personnel, we must make transformational changes to maximize the capability these advances provide. To accomplish this, the Air Force has developed a modified force structure and new organizational construct—the Future Total Force (FTF).

FTF provides the Air Force the capability and organizational flexibility to address the near-term challenges of aging systems and emerging missions. Furthermore, FTF will increase the Air Force's ability to deploy in support of combat while maintaining a credible force to continue necessary stateside training missions and homeland defense.

In the future, the Air Force will shift investment from "traditional" combat forces with single mission capabilities to multi-role forces, and aggressively divest itself of legacy systems. The result is a force structure with expanded capability to combat irregular, catastrophic, and disruptive threats, while maintaining the capability to combat "traditional" threats.

This smaller but more capable force will provide for modernization and recapitalization of selected weapon systems, allowing us to commit more resources to networked and integrated joint enablers. Overall, this modified force structure increases support to the joint warfighter. With more airlift and aerial refueling capability, more capable space constellations, persistent air-breathing ISR, and new ways to think about close air support, the future Air Force will provide more of the capabilities demanded by the joint force.

As part of this overall effort, the Air Force has developed an organizational construct that capitalizes on the inherent strengths of the Air Force's three components: the Active Duty, Air Force Reserve, and Air National Guard. In order to capitalize on these strengths, we based the FTF organizational construct on the suc-

cessful associate model. Associate units are comprised of two or more components that are operationally integrated but whose chains of command remain separate.

Toward this vision, new organizational constructs will integrate Air Force Reserve and Air National Guard personnel with their Active-Duty counterparts in virtually every facet of Air Force operations.

One of the key strengths of the Air Force Reserve and Air National Guard is higher personnel experience levels relative to Active-Duty personnel. Increased integration will allow us to "rebalance" these experience levels, seasoning our Active-Duty personnel through exposure to senior Reserve and Guard members. This also allows our Active-Duty pilots to gain experience flying operational sorties while capitalizing on Reserve and Guard experience in an instructor capacity.

In addition to enhancing our efforts on the battlefield, Air Force Reserve and Air National Guard members give us unsurpassed tools to conduct homeland defense missions. While still involved in expeditionary operations, FTF will increase the role of the Reserve and Guard in emerging stateside missions—a perfect fit for our citizen airmen. These changes will not only improve our operational effectiveness, but will reduce reliance on involuntary mobilization, providing more stability for citizen airmen and their civilian employers.

The FTF, a modified force structure and new organizational construct, will give us the needed capabilities to meet future strategic challenges. Along with FTF, the Air Force has instituted initiatives in several key areas for the future.

Science and Technology

The Air Force is committed to providing the Nation with the advanced air and space technologies required to protect our national security interests and ensure we remain on the cutting edge of system performance, flexibility, and affordability. Air Force science and technology (S&T) investments are focused on achieving the warfighting effects and capabilities required by the Air Force concepts of operations.

By focusing on the technologies we believe we will need in the next 10 to 25 years, we have made great strides in the information technology, battlefield air operations, space operations, directed energy, and sensors areas. We are pursuing key technologies, for example, sensors to identify concealed targets; automated information management systems essential to net-centric warfare; and countermeasures for Man-Portable Air Defense Systems.

One example, under development, is an integrated surface moving target indicator (SMTI) network composed of manned and unmanned air and space assets that will enable the combatant commander to remotely find, fix, track, target, and engage moving targets. Lessons learned from Operations Desert Storm, Enduring Freedom, and Iraqi Freedom reflect the growing importance of SMTI. This proven capability shortens the kill chain by providing the warfighter the ability to "put a cursor on the target." By linking future SMTI capability to find, fix, and track a moving target to the F/A–22 and F–35 capability to target and engage that same target, we achieve a transformational battlefield capability.

Other technologies, such as laser communications to increase data transfer rates or advanced micro air vehicles to provide persistent intelligence, surveillance, and reconnaissance, will increase future warfighting capabilities.

Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance

Our goal is to achieve joint horizontal command, control, communications, computers, intelligence, surveillance, and reconnaissance (C^4ISR) integration and interoperability for the entire joint force. The vision is a seamless and ubiquitous network where space, air, and terrestrial assets have global machine-to-machine connectivity; where warfighters are armed with decision dominance, speed, and precision; and where weapon systems and platforms are "network-enabled."

The Airborne Network for ConstellationNet

The Air Force provides transportation layer components of the overall Department of Defense Global Information Grid under an effort we call ConstellationNet. The ConstellationNet is the information transport network (space, air, and ground) that allows a free flow of information rapidly accessible and presented to warfighters at the right time and right place to create the combatant commander's desired effects. The key to achieving information superiority is developing a robust space and air network that provides connectivity to network enabled platforms, fused intelligence, and real-time command and control. We are building the architecture and infrastructure that connects these platforms, creating a network in the sky.

The space and air network will leverage evolving technologies and bring about the network-centric operations capabilities of internet protocol-based networks to overcome the current challenge of making the information exchange between platforms

completely interoperable without degrading performance. These new technology standards and protocols will be incorporated through programs like the Joint Tactical Radio System, the Transformational Communications Satellite System, and the Global Information Grid-Bandwidth Expansion.

The Ground Network for ConstellationNet

The Combat Information Transport System (CITS) provides the Air Force ground segment of the ConstellationNet. CITS is structured into three components. The first is the communications transport component, which delivers high-speed and high-capacity network backbone capability for the distribution of voice, video, data, sensor, and multimedia information inside the base campus, as well as the gateway off the base to the Defense Information Systems Network and Global Information Grid Bandwidth Expansion locations. The second component is Net Battle Management. This component provides the capability to Air Force Network Operations and Security Centers (NOSCs) to centrally command and control the Air Force ConstellationNet across space, air, and ground information transport domains. To command and control the network, the NOSCs must have the ability to control the flow, routing, and traffic priorities of information based on mission requirements. Additionally, they must have the ability to grant and deny access to the network based on mission need and threat to the Global Information Grid. This leads to the third component of CITS, Net Defense. The Net Defense component integrates and fields information assurance capabilities across the ground component, to prevent unauthorized access to ConstellationNet.

The Air Force envisions machine-to-machine communication between platforms, manned and unmanned, on the ground, in the air, and in space. To command and control these interactions, the Air Force has initiated an effort called Warfighting Headquarters.

Warfighting Headquarters

We are transforming our command and control structure by establishing new Warfighting Headquarters (WFHQ), positioned globally, and replacing our old Cold War structures to provide the Joint Force Commander with the most effective means to command and control air and space forces in support of national security objectives. This new standing command structure consists of the Commander of Air Force Forces (COMAFFOR), the COMAFFOR's personal and special staffs, and the Air Force Forces functional staff. These forces will be organized and resourced to plan and deliver air and space power in support of U.S. and Unified Combatant Commander (UCC) strategies at a core capability level on a daily basis, further easing the transition from peacetime to wartime operations. The WFHQs are also structured to assume responsibilities immediately as the Combined or Joint Force Air Component Commander, and with the appropriate augmentation from the UCC, could assume the role as a Joint Task Force headquarters. The Warfighting Headquarters will also leverage the increased capabilities developed through Joint Warfighting Space.

Joint Warfighting Space

The Air Force is intensifying its focus on operationally responsive space—the ability to rapidly employ responsive spacelift vehicles and satellites and deliver space-based capabilities whenever and wherever needed. The first step in achieving a global operationally responsive space capability is the joint warfighting space (JWS) concept. JWS will provide dedicated, responsive space capabilities and effects to the Joint Force Commander in support of national security objectives. The concept seeks immediate and near-term initial operating capabilities to meet pressing Joint Force Commander needs, and a full operational capability beyond 2010. Additionally, the Air Force envisions that JWS system capabilities will evolve as technology advances and the needs of the theater commander change.

In the near-term, JWS will exploit existing off-the-shelf technologies from each Service. It will enhance and incorporate space capabilities in joint training and exercises, increase space integration in the AEF, and allow the Joint Force Commander to take advantage of the many synergies provided by multi-service space professionals. Lessons learned from JWS in exercises and crisis employment will initiate changes to space doctrine and help the Air Force, fellow Services, and joint community develop innovative space-derived effects.

As technologies mature, JWS will bring the Joint Force Commander enhanced, dedicated capabilities that eliminate gaps in present-day space operations. The long-term plan envisions a fully capable expeditionary force, ready and responsive to theater warfighters' needs at the operational and tactical levels of war.

When fully operational, the JWS capability will deliver responsive near space (i.e., the area above the Earth from 65,000 to 325,000 feet altitude) and on-orbit capabili-

ties to directly support the Joint Force Commander. If required, JWS squadrons could deploy from stateside to operate near space assets or integrate JWS capabilities into theater operations.

Improving Close Air Support and Battlefield Airmen

To increase its rapid strike capabilities in the close battlefield, the Air Force is examining new ways to improve upon its joint close air support (JCAS) mission, as well as implementing a way to better train personnel for the employment of air and space power.

By combining the payload, long-loiter, and high-altitude capacity of bombers with precision munitions, improved command and control, and precise targeting, we have expanded our ability to conduct CAS. Performing CAS at high altitude with great precision and persistence is a major advancement in joint operations with land forces. Using laser and Global Positioning System-guided bombs such as the joint direct attack munition (JDAM), and with direct communications with a ground controller, a variety of aircraft are able to drop large numbers of JDAMs very close to friendly troops, destroying the enemy with massive, yet tailored, firepower. This capability provides day/night and all-weather support to ground forces.

Today, primarily fighter and bomber aircraft, like the A–10, B–52, and F–16, conduct CAS. As these aircraft begin to reach the end of their service lives, F–35A conventional takeoff and landing (CTOL) and F–35B short takeoff and vertical landing (STOVL) variants will become the Air Force's workhorses for CAS and other missions.

The F–35B STOVL variant offers a capability to operate with advancing U.S. Army, Marine, and Special Operations Forces in a non-linear, dynamic battlefield. In addition, the F–35B will have commonality and interoperability with F–35s operated by other Services and allies, facilitating joint and coalition operations. Additionally, Tactical Air Control Party Modernization Program improvements are transforming close air support control from reliance on voice communications during day/good weather conditions to digital/video and night/all-weather capability. The Remote Operations Video Enhanced Receiver kit provides real-time video from remotely piloted aircraft and other video transmitters. It includes computers, software, and data link operations, and can transmit targeting information as well as formatted and free-hand messages. Laser range-finders and laser designators provide the ability to take full advantage of precision and near-precision munitions. Quickly and accurately identifying and relaying target information not only makes our forces safer by allowing engagement of enemy forces in minimum time, but also reduces the risk of engaging the wrong target.

Long-Range Strike

To further refine its rapid strike capabilities, the Air Force is transitioning its long-range strike strategy to focus on effects instead of platforms. We view long-range strike as the capability to achieve the desired effects rapidly and/or persistently on any target set in any environment anywhere at anytime. The Air Force is responsible for conducting long-range strike missions as part of the global strike concept of operations. Our forces must be responsive to multiple combatant commanders simultaneously and able to strike any point on the planet.

Today, we provide deep strike capabilities through a variety of platforms and weapons. Future capabilities must continue to enhance the effectiveness of the system. Responsive capabilities combine speed and stealth with payload to strike hardened, deeply buried, or mobile targets, deep in enemy territory, in adverse weather, with survivable persistence in the battlespace.

Special Operations Forces

We are emphasizing the unique effect produced by the synergy of Special Operations Forces (SOF) and rapid strike, and evolving requirements for SOF in the global war on terrorism. As part of meeting these new mission sets, we will continue to work in an increasingly joint environment with our sister Service SOF units, and in concert with U.S. Special Operations Command. Our SOF units will enhance Army operations concepts resulting in a wider dispersion of ground forces across the battlefield.

New mobility platforms such as the CV–22 Osprey and the Advanced Air Force Special Operations Forces Mobility Platform will add a new dimension in the ability to conduct SOF operations. Additionally, the F/A–22 will be a key enabler of forward operational access for joint forces. The Raptor will use its stealth and supercruise capabilities to support SOF and other maneuver elements deep in enemy territory, in what would otherwise be denied airspace.

Closely related is the need to rapidly recover and extract personnel. We have begun the Personnel Recovery Vehicle Program, seeking to achieve initial oper-

ational capability in fiscal year 2013 and replace the aging HH–60 combat search and rescue aircraft. We will continue to leverage our highly trained, highly motivated SOF personnel and develop technologies to devise a smaller, harder-hitting, faster-reacting, highly survivable force that maximizes the element of strategic and tactical surprise to defeat America's current and potential adversaries.

SUMMARY—ON COURSE FOR THE FUTURE

The Air Force of the future makes the whole team better. Built around the 2025 force and its accompanying organizational construct, the Future Total Force, the Air Force will be a more capable, smaller force. As such, the future Air Force increases the capability and flexibility of the joint force—and, subsequently, increases options for the Secretary of Defense and the President. These military options will be crucial to the defense of the Nation as the United States continues to wage the global war on terrorism while transforming and strengthening the joint force for any future contingency.

The Air Force offers an unparalleled set of combat capabilities to directly influence any joint or interagency operation, as well as the enabling capabilities to improve joint warfighting capabilities on the ground, on or under the sea, and in the air and space. Recognizing that no Service, or even DOD, can achieve success by itself, the Air Force has focused on increasing the integration and effectiveness of the joint force and interagency team.

To achieve new levels of integration and effectiveness, the Air Force will take advantage of the United States' long-held command of the global commons—air, sea, space, and cyberspace. The Air Force intends to extend its current air and space power advantage. As part of the joint force, the Air Force is positioned to leverage its persistent C^4ISR, global mobility, and rapid strike to help win the global war on terrorism, strengthen joint warfighting capabilities, and transform the joint force—while minimizing risk.

To accomplish this requires focused investment in our people, science, and technology, and recapitalization of our aging aircraft and weapon systems.

As threats change and America's interests evolve, we will continue to adapt and remain the world's premier air and space force. Together with our fellow Services, we stand resolute, committed to defending the United States and defeating our enemies.

Chairman WARNER. Thank you, Secretary Teets.

May I personally commend you in the manner in which you've discharged your responsibilities throughout the past few years, and hopefully for the continuing future, under rather unusual situations. Each of you have delivered your statements very well this morning, and I commend you. We'll now proceed to a round of questions.

Secretary Harvey, foremost in the minds of your Department, as well as Congress, is the safety of the men and women in uniform, wherever they are in the world, but, most particularly today, in Iraq. I'd like to have you give a brief summary, given I have but a few minutes for the opening round of questions, of the current status of the up-armoring of your vehicles and the continuing evolution of the body armor, and then provide, for this committee, a full and detailed report to be included as an annex to your opening statement.

I would hope that you could now reassure this committee that the current posture represents the best efforts by yourself and the Chief of Staff, and that you have tasked, to the fullest extent within the laws and regulations regarding our procurement, the ability of the infrastructure to supply these needed items.

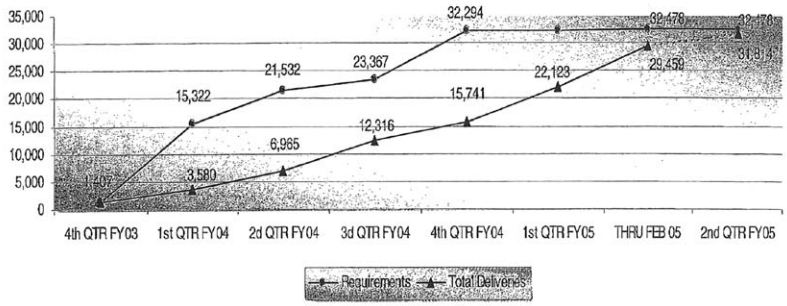
So just a brief—about a minute, minute-and-a-half——

Secretary HARVEY. Yes, I have a chart here that I think is very relevant.

[The chart referred to follows:]

Summary of Armored Vehicle Requirement vs. Deliveries

As of 24 Feb 2005



Requirement = Validated Armor Reqt (UAH + AoA)
Emerging Requirement = Validated Armor Reqt (8289 UAH + CFLCC AOR O/H as of 29 JAN +10%)

Summary of Armored Vehicle Requirement vs. Deliveries

As of 24 Feb 2005

	4thQTR FY03	1stQTR FY04	2dQTRF Y04	3dQTR FY04	4thQTR FY04	1stQTR FY05	THRU FEB 05	2ndQTR FY05
Level I	3,079	3,158	3,309	3,965	5,938	6,056	6,930	7,398
Level II		422	3,656	8,351	9,803	10,694	13,748	15,635
Level III						5,373	8,781	8,781
Total	3,079	3,580	6,965	12,316	15,741	22,123	29,459	31,814

Level I = UAH
Level II = Level II vehicles (current) + Level II Kits to be installed by 31 MAR
Level III = Level III vehicles (current)

Secretary HARVEY. This is a summary of armor deliveries for the entire fleet of tactical-wheeled vehicles, from high mobility multi-purpose wheeled vehicles (HMMWVs) through medium trucks to heavy trucks. You can see that through February 2005, we have up-armored 29,500—in round numbers—vehicles, of the required 32,500. So we are within 3,000 of up-armoring all vehicles in both the Iraqi and Afghan theaters. But, most importantly, the 3,000 that aren't armored are restricted to forward-operating bases. So, today, no vehicle leaves a base that is not armored, that has an American soldier in it.

So the armor story, you can see, that started in the fourth quarter of 2003, when the threat, the insurgent threat, started to manifest itself, until today, we have increased the number of armored vehicles by over a factor of a hundred. So, I think today we're in an excellent position.

Soldier protection in armor is a very important component, but it's also counter-improvised explosive devices (IEDs), it's also tactics, techniques, and procedures, so it's a whole suite of things we've done, incorporating lessons learned into our training, into our doctrine, and so forth.

In regards to body armor, all soldiers have protection, the so-called small arms protective insert (SAPI) plates. As you're well aware of, we continue to improve that. I think you can rest assured that the soldier protection is first and foremost on my mind. I think today we're in very good shape in that regard.

I will submit a full report to you.

[The information referred to follows:]

The Army's current version of personal body armor is called Interceptor Body Armor (IBA). IBA is state-of-the-art body armor that is emulated by our sister Services, other U.S. organizations and agencies, and by friends and allies. IDA is manufactured to exacting standards, and while some vendors may claim their product meets the Army standard, the truth is very few vendors have the capability to produce Army certified IBA.

IBA is a modular body armor system, meaning the various components that comprise the system can be worn in any combination tailored to the mission and the needs of the commander. Today's components IBA include: the outer tactical vest (OTV), neck protector, throat protector, groin protector, small arms protective inserts (SAPI), and shoulder and side protectors called the deltoid auxiliary protector (DAP). Depending on the mission, a commander can determine which components IBA soldiers should wear to ensure the accomplishment of the mission while simultaneously providing the optimum level of personal protection.

When Operation Iraqi Freedom (OIF) began in March 2003, the Army had fielded over 180,000 OTVs and 63,000 sets of SAPI. At the start of OIF, not every soldier was required to have IBA. Front line combat troops, excluding armored vehicle crews who were protected by their tanks and Bradley fighting vehicles, were all issued IBA. By May 2003, the Army decided all soldiers in Iraq should be issued complete IBA. IBA production began to quickly ramp up and 3 months later an additional 50,000 sets of SAPI had been fielded. The requirement for IBA in OIF continued to grow over the summer and fall of 2003 as commanders directed all U.S. military in the theater—to include Kuwait and the Horn of Africa—were required to wear IBA. The Army found itself in a position of not only having to provide IBA for soldiers, but also for our sister Services in some cases and for civilians. In the end, the total theater requirement for IBA grew to almost 200,000 sets.

By January 2004, there was enough IBA in Iraq for all U.S. military personnel, and by April 2004, there was enough throughout the entire theater for all U.S. military personnel. Since April 2004, the entire theater has consistently reported they were 100 percent equipped with IBA. In addition, we have almost completed fielding to the next deployers and are fielding to the training base. We are on track to complete the Army requirement of 840,000 sets by summer 2006.

The official requirement for IBA dates back to a 1996 operational requirements document (ORD). Weight, level of protection, heat dissipation, and modular design were all key elements in the final design. The ORD called for only a limited distribution of IBA to select soldiers, and truthfully, this belief continued up until OIF beginning in 2003. Just as body armor technology has evolved over the years, so has our assessment that all deployed soldiers be equipped with IBA.

As body armor becomes commonplace on the 21st century battlefield, we are starting to see some limited efforts by various entities to employ new tactics and techniques to try and defeat body armor on the modern battlefield. Additionally, science and technology is in a continuous cycle between developing more lethal ballistic technologies to overcome body armor and body armor to protect against new ballistics.

In order to defend against some of the most dangerous small arms threats, the Army has eased the weight restriction requirement for SAPI due to modern tech-

nology being at its limits today. Although there are occasional articles published announcing some breakthrough in body armor technology, none have proven out when put to the test, and our science and technology experts do not believe there will be any revolutionary developments in the field of body armor for at least another 3 to 5 years.

In regard to armoring efforts, we are bolstering the protection afforded to our soldiers when they are mounted and traveling the dangerous roads of Iraq in one of three possible ways. First, the optimal solution is to produce new vehicles with integrated armor, ballistic windows, and air conditioning. This protects the soldiers from small arms, many types of mines, and improvised explosive devices (IEDs). Second, we provide add-on-armor kits consisting of armor plates, ballistic glass, and air conditioning. These kits also protect our soldiers from many small arms, mines, and IEDs. The third way is to provide Department of the Army-approved steel and kit patterns for fabricated kits. This is an interim solution that is installed at the theater or unit level. It does not include ballistic glass. The Army is taking care to ensure that all kits and add-on-armor provide an appropriate level of protection and do not create a separate danger to soldiers by overloading vehicles or creating secondary fragmentation on impact from an IED. The Army has extensively tested these kits against a variety of probable threats and will continue to test all applications submitted by industry.

The tactical wheeled vehicles that are receiving this additional protection include: the high mobility multi-purpose wheeled vehicle (HMMWV), the heavy expanded mobility tactical truck (HEMTT), the palletized load system (PLS), the family of medium tactical vehicles (FMTV), the heavy equipment transport (HET), the 5-ton truck, and the line haul truck tractor. The Army has installed armor kits, under this program, on over 23,540 wheeled vehicles in the theater of operation. This is in addition to providing over 7,213 up-armored HMMWVs. Currently, the Army has funding to procure over 24,000 add-on-armor kits. This production will run through July 2005. Our goal is to procure level II add-on-armor kits for over 30,000 wheeled vehicles in theater.

The up-armored HMMWV is one example of a type of vehicle with integrated armor protection. The up-armored HMMWV protects against bullet threats in theater, IED fragments, and anti-tank/anti-personnel mines. Theater commanders deployed with 235 up-armored HMMWVs in May 2003. The requirement has steadily increased and now stands at 8,289 up-armored HMMWVs. Industry has been producing 450 up-armored HMMWVs per month since October 2004; production will increase to 550 per month this month. The United States Central Command currently has over 7,213 up-armored HMMWVs in its area of responsibility. Delivery will meet the theater's requirement by the end of March 2005. The up-armored HMMWV program has funding for a total of 10,345 vehicles.

As of February 15, 2005, our level of armoring for tactical wheeled vehicles with either level II or level III armoring had reached the point where we were able to implement a policy where no vehicles were allowed to leave forward operating bases in Iraq without some level of armor protection. Now that we have reached this point, we are continuing to upgrade level III armor with level II protection as more level II kits are being produced.

Chairman WARNER. Thank you, Mr. Secretary. That is reassuring, not only to the committee, but I hope to the men and women in uniform, and their families.

Now, Mr. Secretary, I was very taken by the last sentence stated by the Army Secretary, and then you basically said the same. I think you, Secretary Teets, made reference to the same concept. So I'll read the Secretary of the Army's last statement. "Let me end by saying that none of this"—in other words, the achievements of the Department of the Army—"would be possible without the continued strong support of Congress, and specifically this committee."

I view the coequal branches of the government as partners, full partners, on issues of national security. We do not have, here in Congress, the infrastructure, nor should we have, that prepares all of the detailed reports and analysis by which the decisions are made, both within the executive branch—most specifically, the Department of Defense—and by Congress with regarding to force levels and the whole realm of decisions that's before us. This hearing

starts the—well, that is another chapter in the succession of steps we take to prepare ourselves to render judgment on the President's budget.

Now, an integral part of that process is the Quadrennial Defense Review (QDR). I go back to the statute which created that QDR. It states as follows, "The Secretary of Defense shall, every 4 years, during a year following a year evenly divisible by four, conduct a comprehensive examination, to be known as the Quadrennial Defense Review, of the national defense strategy, force structure, modernization plans, infrastructure, budget plan, and the balance." That was done in 2001, and the Department is now well along in the one that'll be given to Congress next February.

Now, I, personally—and I'm just speaking for myself, and having had the privilege to be where you are sitting for some 5 years, many years ago—have a great respect for the processes by which this partnership functions. I feel very strongly that Congress should restrain its decisionmaking, although it does have the power, to establish precise force levels. We should do that only in the context of the reports given by your Department and such other reports as we deem relevant to bring into play our decisionmaking process. But it's a good-faith effort by Congress, working with the executive branch.

Now, the QDR for—and I have it before me—September 30, 2001, stated, with complete specificity, "The current force structure is shown in the table below. Aircraft carriers: 12." Now, in the last few weeks, the President's budget, in a sense, had to be amended, literally, in the course of its final few weeks of work in the Department of Defense for budget reasons. But a very significant force-level decision was made, contrary to what was in the 2001 document.

My question to you is: Why the urgency for such a very important decision? Why could not that decision be made in the context of the QDR process now underway and incorporate it in next year's budget?

Now, I also bring to your attention that this testimony before this committee by the Chief of Naval Operations and others—and I can give you a chronology of it—whereby when questions were asked regarding the disposition of carriers in the Pacific, in the force level, that each time, I think quite properly, Chief of Naval Operations and other witnesses have said, "We defer any decision in the Pacific until such time as the QDR process has reviewed these elements and made its decision."

My question to you, sir, is, Why could not, given the importance of this, given the guidance that Congress has been working on in these 4 years under the current QDR, such a dramatic and profound change as the 12 to 11 could not have been deferred until a completion of this QDR process?

Secretary ENGLAND. Senator, I think we had some financial requirements. Obviously, we have to fit within our budgets, so we had to fit within our budget. We had considered a carrier for some period of time, because, in 2001, it is true, QDR decision was 12 carriers, but, since 2001, the Navy's made a lot of remarkable changes, in terms of our ability to deploy our forces. So our ability to put combat power forward is much higher than it was in 2001,

and it was our conclusion that we could now go to 11 carriers. Certainly it could be part of a new QDR. There's no question about that. I also clearly understand that the decision is not final unless Congress agrees with it. So we have proposed it as part of our budget, but we understand you have the final authority. Certainly that's an action that you can take.

Our analysis, however, based over the last few years, our ability to put combat power forward with better airplanes, better precision weapons, better intelligence—if you look at all these combinations, our judgment is that we can now proceed with 11 carriers, instead of 12 carriers.

So that was our determination. Our plan is to put the U.S.S. *Kennedy* into mothballs. The *Kennedy* is out for the next several years anyway, because it's in a repair cycle. We have very large bills. The *Kennedy* came out of reserve status some number of years ago, so we've always had some amount of trouble maintaining the *Kennedy,* in terms of cost of——

Chairman WARNER. My time is concluding here, but I would draw your attention to, really, the focal point of what you're saying. I don't doubt that we cannot say to a military department, to use an old naval phrase, "You're in irons," and locked on a QDR until the new one is written. But given my own personal view that Congress shouldn't be trying to change a force-level item as significant as this on its own—but you said, it's up to us until we make the final decision.

Now, we have to go back and look at the process by which you made the decision. My understanding is, in all the submissions by your Department, over your signature, in the budget process, were consistent with the QDR of 12, and that there was a very abrupt change made in the final week or so of the process, where, to meet your budget requirements—that is, your cuts levied by the Office of Management and Budget (OMB) through the Secretary of Defense (SECDEF)—you've put this on the table. Now, I don't want Congress to try and make its decision of whether to leave it on the table or take it off the table under that system. I think it's wiser to remain in status quo until this QDR is completed.

However, you mentioned a number of items. I have to believe that all of the items on which the decision was made for 12 were in existence at the time you submitted the 12 figure to OMB, through SECDEF, and that if there is a document—I would like this committee to receive it—which shows that the decision to go from 12 to 11 was carefully thought through and reversed, and not on a dime, within a week of receiving your new guidance of dollars, but predicated on a long and very careful study, commensurate with the depth of study that goes into a QDR. So if there is such a document—and I don't know that there is—it seems to me I tried to elicit that information from the CNO when he was before this committee. I'll check the record, but I believe he said there wasn't such a document. But maybe if there is, I'd like to have the opportunity for you to provide it to this committee, because we have to make the decision, as you said in your last sentence.

Secretary ENGLAND. Senator, your comments are absolutely right. As I said, we had a financial consideration. It's true, the budget changed. We have to fit within our budget. We had, in pre-

vious budgets, actually considered a reduction of carriers. Again, we have a significant carrier capability. In the future we're going into a new Navy with probably smaller-deck carriers——

Chairman WARNER. Thank you. I'm beyond my time. But would you provide such documentation to this committee——

Secretary ENGLAND. Senator, I can provide you with our rationale. I'm not sure how much documentation, but I can certainly provide you our written rationale, and support it with as much data as we have.

Chairman WARNER. I understand. I've seen all the rationale. But I'd like to see where a document was generated within the Department which said we can go from 12 to 11.

Secretary ENGLAND. That was a decision, Mr. Chairman, made by the CNO, the Commandant, and myself, in terms of our combat capability and what risk could we take, in terms of the size of our budget.

Chairman WARNER. My time is up, but I urge you to provide us what was in hand prior to receiving this budget guidance which propelled you into this change.

[The information referred to follows:]

At the 3 March Senate Armed Services Committee hearing, you requested the supporting data that underpinned the Navy decision to reduce the carrier force from 12 to 11. In response to that question, kindly be advised that the Navy decision was based on the following three factors:

(1) For the past 4 years, the Navy has brought about extraordinary change in maintenance and deployment practices, resulting in a significant increase in total force availability. The Fleet Response Plan (FRP) makes available six carriers to surge within 30 days and two carriers within 90 days, almost double our previous capability. Even with one less carrier, our combat power forward is appreciably greater than 4 years ago.

(2) The combat capability of each carrier continues to dramatically improve. For example, during Operation Desert Storm in the early 1990s, we scheduled flight operations based on the number of sorties to kill an individual target. Today, we plan the number of targets per sortie. As we bring on line improved precision weapons and airplanes with greater range and persistence, this margin will continue to grow.

(3) An 11-carrier force with the existing 10 active air wings fully supports the war plans of the combatant commanders as reflected in the Chairman of the Joint Chiefs of Staff's support of this decision. While the 2005 QDR will certainly result in changes compared to the QDR of 2001, there are no criteria for the 2005 Review that would change the Navy's decision. In our judgment, the 2005 QDR report will fully support the decision we have made.

The net result is that with fewer carriers our combat capability will continue to expand. Even if the Navy had additional fiscal resources, we would not recommend retaining the John F. Kennedy (JFK). Additional funding would be spent to more rapidly produce littoral combat ships and invest in technologies and processes more attuned to the global war on terror.

Chairman WARNER. Senator Levin?

Secretary ENGLAND. Okay. I understand your question, sir. Thank you.

Senator LEVIN. Thank you, Mr. Chairman.

Secretary Harvey and Secretary England, both your budgets rely on supplementals, both in fiscal year 2005 and fiscal year 2006, to fund existing or planned end strength increases, as well as permanent changes in your force structure—modularity in the Army, and the Force Structure Review Group for the Marine Corps. Could you tell us why the budget doesn't pay for the actual level of Active-Duty people that you intend to have onboard in 2006? Either of you.

Secretary HARVEY. Sure. The emergency powers of the President permit us to increase end strength levels over the 482,400 by 30,000. We feel that that's adequate to meet our needs this year. Our plans are to have the end strength of the Army about 512,000 at the end of this September.

As I said in my opening remarks, I didn't have time to mention it in detail, but I alluded to it—I have a large, in-depth business transformation initiative going on in the Army to fundamentally change the way we do business. This is really in what we call the institutional side of the Army, the force-generating side of the Army. That is intended to make us more effective and efficient, reduce cycle time of processes, quality of output, and to really reduce the number of people required to do that. As I said, we can be increasing the operational side of the Army, which we're doing, and decreasing the institutional side of the Army, which I intend to do. That is a plan. It's starting to be implemented as we speak. The first steps are being taken. The results of that will decrease the institutional side.

We won't see that this year, but we'll see it next year—so we're not really prepared to finalize a total end strength. Operation is going to go up; institutional is going to go down, and that'll really start taking effect in 2006.

Senator LEVIN. We've been told by the Chief of Staff, basically, the 512,000 is the end strength which is being planned on.

Secretary HARVEY. This year.

Senator LEVIN. No, for 2006.

Secretary HARVEY. Well, he probably made that under the assumption there would be no reduction, or no military-to-civilian conversion, which will happen in 2006.

Senator LEVIN. So what you're saying is, we're building up to 512,000 by the end of fiscal year 2005.

Secretary HARVEY. Yes.

Senator LEVIN. But that's not the planned number for 2006?

Secretary HARVEY. No.

Senator LEVIN. What is the planned number?

Secretary HARVEY. It depends on a lot of factors. Right now, the operational Army will probably stay somewhere around the 30,000 increment, but the institutional Army will go down, depending on the success of our business transformation, success of our military-to-civilian conversion, and that will happen in fiscal year 2006.

Senator LEVIN. Secretary England, are you planning on the Marine Corps having 3,000 more than you're paying for in this budget request?

Secretary ENGLAND. Yes, Senator, we are. Senator, we were given the authorization to go to 3,000. We didn't know if we would stay at 3,000 above or if that was temporary. It all depended on what our view of the world was, in terms of Iraq and Afghanistan the demands on the Marine Corps. The Marine Corps have concluded, along with some other measures, to increase their strength by 3,000 people, so we will, indeed incorporate that in our base budget. At the time we made this budget, that decision had not been made, Senator.

Senator LEVIN. But it has been made since.

Secretary ENGLAND. It has been made since.

Senator LEVIN. We in Congress know that that's what the plan is for 2006, as we consider the budget.

Secretary ENGLAND. The plan is to maintain 3,000 delta increase in the United States Marine Corps, yes, sir.

Senator LEVIN. Thank you.

Secretary Teets, last month General Jumper described the significant contributions that your airmen are making in support of Operation Noble Eagle. We were told by officials in the DOD that funding for Operation Noble Eagle was included in the 2006 budget. But after discussing this issue with the Air Force staff, we understand that the projected cost of Operation Noble Eagle will exceed $1 billion in 2006, and that the Air Force budget only includes $100 million, one-tenth of the projected costs for that purpose. Is that accurate? If so, why should we not have the realistic funding and do some straightforward budgeting here, instead of pretending that it's going to be $100 million, when it's going to be $1 billion?

Secretary TEETS. Senator Levin, your numbers are accurate. I will simply say that, in this case, we had anticipated some supplemental funding. As it turns out, we will not be using supplemental funding. We will have to find a way to accommodate Operation Noble Eagle within our budget request. We will have to find offsets elsewhere.

Senator LEVIN. Thank you.

Secretary Teets, the Department of Energy budget for the last 3 years has included a request for the Robust Nuclear Earth Penetrator, or RNEP. There's never been money in the Air Force budget for RNEP prior to this year. Suddenly the budget request has $4.5 million for RNEP. Do you know why it's in the Air Force budget all of a sudden?

Secretary TEETS. Yes, sir. It's a joint study now that will be taken on by the Department of Energy and the Department of Air Force. We will be doing, in the Air Force, studies of how you would deliver such a weapons system from a B–2, and what you would use for precision navigation of that weapon as it hits its target.

Senator LEVIN. Does the request, the suggestion that the money be put in the Air Force budget for RNEP, come from the Air Force, or was that from some other source? Do you know?

Secretary TEETS. I'm sorry, sir. I don't know the originating request. I do know that there is money in the Department of Energy budget to support that study, as well.

Senator LEVIN. My final question is just to you, Secretary England. There are some serious concerns about the draft implementing regulation relative to the new National Security Personnel System in the DOD. The policies and procedures in that draft regulation say that issuances will no longer be subject to collective bargaining. But under the proposed language, any document issued at the DOD or DOD-component level to carry out a policy or procedure of the Department could override, and would override, existing collective-bargaining agreements, even if the document was issued before the effective date of the draft regulation.

So, what that means is that if this draft regulation stands, personnel policies and procedures previously negotiable would no longer be negotiable if they're addressed in a DOD issuance. It's so broadly defined, that word "issuance," that it would cover, appar-

ently, any policy memo or directive issued by even a single DOD official, regardless of the process used in developing the document.

Unilateral memos of even a single DOD official could apparently, as we read this, hopefully wrongly, immediately override all existing collective-bargaining agreements and preclude any future bargaining over the issues addressed.

I think it's far too broad, and the exclusion of all topics addressed in issuances from collective bargaining is not consistent with the statutory guarantee that you were so active in helping us to work out, on a bipartisan basis, here in the Senate, in Congress, the guarantee that DOD employees would be permitted to engage in collective-bargaining. Since my time's up, my question would be whether you'd be willing to meet with me to discuss this issue.

Secretary ENGLAND. Yes, I certainly would be willing to meet with you, Senator. Just one comment here. We are in the draft regulations. Anyone, literally, in America can make comments. Congress has a provision in the bill, a meet-and-confer, for a minimum of 30 days with the unions. So I would expect these comments would come forward. We do have a process in place, then, to meet and hopefully resolve any issues like this.

But I'll also personally meet with you. I'll get an appointment with you, Senator.

Senator LEVIN. You've been always open to those kind of suggestions and meetings. You had a critical role in working out the statute that I referred to. We're all grateful for that influence which you've brought to bear, that characteristic willingness to sit and listen to all sides of an issue. We thank you.

Thank you all.

Secretary ENGLAND. Thank you, Senator.

Senator MCCAIN [presiding]. I want to thank the witnesses for being here today, and I thank you for your excellent testimony and your leadership of our Armed Services.

Secretary Harvey, I'd like to pick up on where Senator Levin left off on end strength.

It is well known, and has been stated publicly by the Army, that we will be maintaining roughly the same force levels in Iraq through year 2006. Yet your budget says that it will be at 482,000, a reduction of 30,000 personnel. Secretary, it does not match up. It does not make sense. You are talking about unspecified reductions in force levels at the same time where everybody knows that, at least through fiscal year 2006, we will have to maintain the same force levels in Iraq.

Now, I'll bet you right now, Mr. Secretary, you're going to be sitting here next year, and the United States Army is not going to be at 482,000, and we will not—you will not, and it will not be predicted to be so.

Secretary HARVEY. Senator, maybe I can show you the chart over here. Our plan is to take the Army to about 512,000 by the end of this fiscal year, primarily in the operational Army. So the 482,000 is in the base budget, and the other part is in the supplemental.

Senator MCCAIN. I understand that. But you are sending over a budget telling us, for the next couple of years, that it'll be at 482,000. It's not.

Secretary HARVEY. No, that's correct, it's not—it's 482,000 in the base budget, and then the extra 30,000——

Senator MCCAIN. So we're now in the situation where you come over with one number in the base budget, and we rely on supplementals to pay for additional personnel, which we know will be required. We know that will be required. The supplemental is an emergency for Iraq and Afghanistan.

Secretary HARVEY. As I said to Senator Levin, after this year, in the 2006, we will be taking down the size of the institutional——

Senator MCCAIN. Down to 482,000?

Secretary HARVEY. No.

Senator MCCAIN. Then why are you sending over a budget that says you're end strength is at 482,000? Look, we've probably massaged the issue long enough. We are having to grapple with a situation where we will have to authorize and appropriate additional monies because you're not giving us a realistic number of the size of the United States Army.

The Future Combat Systems (FCS) is being included in the fiscal year 2006 budget as a commercial off-the-shelf (COTS) item. That means that they are relieved of the obligation to reform cost and purchasing data to military auditors. Tell me, Mr. Secretary, where might I be able to purchase such a vehicle commercially?

Secretary HARVEY. It's certainly not off-the-shelf—[Laughter.]

Senator. You know that. It's a very heavy technology-development program, very important——

Senator MCCAIN. But I mind that it's being treated as a "commercial."

Secretary HARVEY. I don't have a lot of history on the program. I understand that the method—the procurement approach taken, the so-called "other transaction agreement (OTA)," which originated with the Defense Advanced Research Projects Agency (DARPA) in the late 1990s, before it was an Army program—was intended to have the ability to bring on commercial companies. But, believe me, this is a program that's development is, according to the Federal Acquisition Regulations (FARs), and you can't buy it.

Senator MCCAIN. I really think we're going to have to change this designation. Maybe we have to do it in the Senate.

Secretary HARVEY. I think there's history on that. I certainly will listen to your point of view, but there is DARPA history there.

Senator MCCAIN. I'd like to discuss it with you and Secretary England.

Secretary HARVEY. Sure.

Senator MCCAIN. I'm not trying to ignore you, Secretary Teets, but the most important item I want to discuss with you, apparently four of our five branches of the armed services are not meeting their recruiting goals—the National Guard, the Army Reserve, the Active-Duty Army, and the United States Marine Corps. This, obviously, is of major concern to all of us. One, what's the level of your concern? Two, what's the fix here that we need to—in order to attract the quality of men and women that we have in the military today, which is superb? Either one of you.

Secretary HARVEY. I'll start, and then I'll hand it over to Gordon.

I think you're right on a very important issue. We are very concerned about it. When people ask you what you worried about the most, I say there's just two words, "people" and "money," that I worry about. You're right. For the first time in memory, we missed our recruiting goal in the Active component by about 1,900 people. For the year, we're at 94 percent of where we should be. Of course, this year's goal in the Active is 80,000. That's up from 68,000 in 2004, 72,000 revised to 77,000. So we're on an increasing slope, as far as the numbers go. But we are concerned about it.

We have put on another 3,000 recruiters. We've gone from 9,000 to 12,000 recruiters, an increase of about 25 percent. That's 33 percent. Then we have increased the incentives across the board. I deal with this thing weekly. We're concerned, but I think we're putting the necessary actions in place in order to meet these objectives.

Senator MCCAIN. Let me just assure you that if you come to Congress with some proposal, it'll be supported wholeheartedly.

Secretary HARVEY. Thank you.

Senator MCCAIN. But I also suggest that you give this the highest priority. I'm starting to hear, anecdotally, that we're having trouble now with retention, both in the Guard and Reserve, as well as Active-Duty Army. We have to get ahead of this thing.

Secretary HARVEY. I agree with you.

Senator MCCAIN. Particularly since we're in a war.

Secretary HARVEY. The retention, by the way, is just about on goal. It's just slightly—it's like 99, 97 percent. So retention is okay. I'm very concerned, like you are, about this. I'm glad to hear your words, because this is not only an Army problem; it's a problem for all of us. We need your help. It's a national problem. We have to attract young men and women to serving the country. I totally agree with you.

Senator MCCAIN. Secretary England? While you answer, might I ask you to respond to an additional question? If you do the math, 4 ships a year means a 120-ship Navy. I'm curious about your concern about that issue.

Secretary ENGLAND. Okay. Let me, first, if I can, Senator, address the recruiting. Obviously, some concern. Marine Corps has missed for 2 months. We track it regularly. It's actually an annual objective we have, but we have our own internal objective monthly. We missed in January by 84 out of 3,500. We missed in February by about 50 out of a similar number. So we've just barely missed on the margin. Nonetheless, we haven't missed for, I don't know, 10 years, so it's obviously an indicator to us. We are still on track for the year. We believe we'll still make our year's quota, but it is the first time we've had a hiccup in the system.

It is interesting that our retention for deployed forces is higher than forces who do not deploy. So, on one hand, you tend to think this is caused by, obviously, the conflict, and people going into combat.

Senator MCCAIN. But I think history shows those that are doing the actual fighting are the proudest, the best, and the ones that want to stay in. It's the incentive for others to be recruited and retained that traditionally is a problem.

Secretary ENGLAND. No, it——

Senator MCCAIN. That's why we want to do whatever we can——

Secretary ENGLAND. We will not hesitate to ask, Senator.

Regarding the ships, Senator, we had about four this year in the budget; we had eight last year; we have seven next year, eight the following year. Frankly, this is a turnaround year. Now, we felt we had seven in the budget. Last year, Congress made us take one out, a littoral combat ship (LCS), this year, so we lost one. Twice, we have had the auxiliary cargo and ammunition ship (T-AKE) vessels taken out by Congress, and then, in negotiations, put back in. So this year we only put one in, because we were afraid we'd lose it. It was better for the industrial base to move that out in time.

DD(X), we wanted to do that with development funds. We were forced to do it with SCN. So we don't have the full funding in, but we do have $716 million in the budget for DD(X). So I think that's just a question of counting.

I believe the forward number looks worse than it is. That's certainly not our intent. If you look at our Future Years Defense Program (FYDP), we averaged about eight ships over the FYDP. It is—we are, however, changing the Navy, and we're going to different kinds of ships. That's probably even more profound than number, frankly.

Senator MCCAIN. That reduction was probably Senator Lieberman's fault, who is next. [Laughter.]

Senator LIEBERMAN. No, but that was a good setup for my first question to Secretary England. Seamless transition. Thank you, Senator McCain.

Thanks to the three of you.

I do want to say that, Secretary England, in response to Chairman Warner's question a few times you basically said, we got a budget number, and then we had to figure out how to live within it. I think part of what you're hearing here in the various questions about procurement and also personnel levels is, this committee trying, on a bipartisan basis, to dispatch our responsibility to meet the needs of our national security, and, to the extent possible, not to have it be totally budget-driven, or at least arrive at our own budget estimates of what's possible.

In that regard, I was concerned about the decision in the Navy budget to put off, outside the FYDP, the procurement of the *Virginia*-class submarines at two a year, because putting it off essentially, well, puts it off. We're at one a year. There's a lot of acquisition of submarines going on in the world, particularly by China. They've purchased eight of the *Kilo*-class diesel subs from Russia. They're planning to buy four more. They're building their own nuclear submarines. My concern is, if you work these numbers, that if we continue to procure the *Virginia*-class attack submarines at one a year, we ultimately get down to an attack-submarine force of 30, 25 below the 55 that the current QDR says that we need.

In this regard, I want to quote Admiral Frank Bowman, retired just a few months ago as the Director of the Navy's Nuclear Propulsion Program. He said in an interview, about a year ago, almost to the day, March 4, in Jane's Defence Weekly, that, "Today, the Navy is unable to meet all the combatant commanders' submarine requirements. Only about 65 percent of the requirements can be met."

So, I want to ask you whether you believe that the current force structure of 55 subs, as designated by the existing QDR, is the right figure to ensure that the Navy can meet the requirements of the combatant commanders and, more generally, to protect our national security?

Secretary ENGLAND. Senator, a comment, first, about the *Virginia*-class. In the budget, we do have one more in the budget, as you've noted. That will give us a total of nine on order and one delivered. So we actually have eight in the backlog right now, in terms of *Virginia*-class. So we have quite a few there.

In the future, we've taken and deferred the second in any given year, because it's a high-cost item, and it's a big delta cost when we do that.

We have time. We don't just go to 30 subs. It takes a long time to build, and they're in service for a very long time. There's a long time lag in this system, and we stay at about 53, 55 subs for a long time into the future.

Senator LIEBERMAN. What's your guess about how many years that would be?

Secretary ENGLAND. I think it was about 10 years into the future, we still stay well above 50 submarines. I'll have to confirm that, and I will, with you, Senator.

Senator LIEBERMAN. Please do.

[The information referred to follows:]

The U.S. Navy will remain above 50 attack submarines for the next 10 years. In 2016, the number of attack submarines will reach 50 and will steadily decline to a level of 40 attack submarines in 2028. This assumes that attack submarine production increases to two per year starting in 2012.

Secretary ENGLAND. Now, it will go down if we stay at that rate. On the other hand, we're looking at other kinds of technologies. When we took that sub out of the budget, $600 million was added to look at undersea superiority systems, which could be different kinds of submarines, different kinds of propulsions, different kinds of systems. There is $600 million in the FYDP for us to look at new technologies because of the cost of the *Virginia*-class submarine.

In my judgment, it is very balanced. It's the right way to approach this problem. We still maintain a significant nuclear-submarine capability. We have time to recover if we need to, and we get to examine a lot of new technology.

Senator LIEBERMAN. Okay. Please do check that number, because my understanding was that we were going to slip rapidly below that 50 number. I know this will be a subject for the next QDR, and I remain concerned about it.

I was pleased to see the additional funds put into the budget for the research for a future system, and obviously I'll be following that closely.

Secretary ENGLAND. Pardon me, Senator, in this case, the QDR's time is helpful, because obviously it occurs before that period. If the QDR comes out with additional submarines then obviously we'll respond accordingly.

Senator LIEBERMAN. Right.

In a related issue, at a hearing before this committee last month, Admiral Clark, the CNO, expressed what he described as his discomfort or concern about the over-centralization of naval ports.

That was based on a number of scenarios that he worried might make the fleet vulnerable if it ended up in one place. This was a response to a question from Chairman Warner; it was focused on aircraft carriers. But the concerns were about the potential added risk from either a terrorist incident or even a natural disaster. I wonder if you agree, generally, that it's not a good idea for us to over-centralize our ports.

Secretary ENGLAND. Yes, I do generally agree. After September 11, I feel that is a valid consideration, Senator.

Senator LIEBERMAN. Thank you.

Secretary Harvey, I want to ask you this question, talking about Army end strength, at different times when some of the executives from the Pentagon have been over, we've pressed hard on our concern that we don't have enough forces in the Army. One of the responses has been—and you very briefly referred to this today—that too many people in uniform in the Army are doing jobs that don't require servicepeople, that they could be done by civilians. Obviously, that still means that somebody has to do those jobs.

Secretary HARVEY. Yes, somebody has to.

Senator LIEBERMAN. Maybe the civilians cost less. But I wanted to get a sense from you about, what is the status of that transformation, which in the Army is to take jobs done by military personnel, to give them to civilians, to free those military personnel up for more specific military work. What do you think the potential for that is, in the longer run?

Secretary HARVEY. Yes, Senator. There's two dimensions to what we're doing in business transformation. One is exactly what you said, military-to-civilian conversion, looking at whether it's absolutely necessary to have a military person do that job, which means, when you do that, you have another space, so to speak, for an operational person. So one side goes down, the other side can go up.

The other thing we're doing, in the rough numbers, and that's being finalized by my transition team—what we call the balance between the operational institutional Army; the initial numbers are the 10,000 to 15,000 range. I can't give you a specific number; I can just give you a range.

Senator LIEBERMAN. So the potential here is to free up 10,000 to 15,000 military personnel, have their jobs done by civilians.

Secretary HARVEY. Right, and then the other slice through that is the fact that you may be able to, by doing business transformation we have a methodology called "Lean 6 Sigma," which we're applying. We're going to apply it throughout the institutional Army, which will just simply be to reduce the number of people required. You're taking work out of the system. So that's another dimension, which would mean we would just not even have to replace the military person, which would further reduce costs on the institutional side.

Senator LIEBERMAN. Thank you.

Senator MCCAIN. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Before beginning a line of questioning, let me make an announcement. We, on the last trip over there, right after the election, had a chance to talk to General Chiarelli, hear a very persuasive pres-

entation on the need for them to have some discretion in some infrastructure funds. I said, "Next time you're in Washington, we'd like to have you address the Army Caucus." We will be doing this, this coming Tuesday, on March 8. General Chiarelli will be here. I want to make sure that anyone who is watching this now, in uniforms and non-uniforms, be aware of that. It'll be in hearing room 406 Dirksen.

Secretary Harvey, in terms of looking, as we do here, at where our greatest deficiencies are, I've already mentioned to you that I feel certainly one of the greatest deficiencies we have on the ground forces in the Army is a non-line-of-sight cannon (NLOS–C). We were to have the Crusader resolve this problem, and it was supposed to be fielded by 2008. I think it's probably a good idea, now, in retrospect, we went to the FCS, recognizing that that should be the first component that was going to be fielded, also, in 2008. We actually had four items in the law. It certainly was before you were on duty.

Secretary HARVEY. Yes.

Senator INHOFE. I won't say that you were responsible for breaking the law, but the Army did. Now it looks like the prototype would be in 2008, the pre-production in 2010, and fielding in 2012.

The question I have for you is, are you going to try to stick to this schedule?

Secretary HARVEY. It certainly is my intention to do that. That is a capability we need to put into our new modular force design. It is intended to go in a support unit of action (UA), the fire-support UA. So we have plans to incorporate that, and I will be paying close attention to it.

Senator INHOFE. Good.

I appreciate it. There are a lot of members of this committee who were not aware that the best that we have out there is the old World War II technology, in a Paladin.

Secretary HARVEY. That's right.

Senator INHOFE. There are five countries, including South Africa, that make a better artillery piece than we have.

Secretary HARVEY. Yes.

Senator INHOFE. The other one, that you may have to answer for the record, I became familiar with this QuikClot. Last Friday, on CBS, they had a news special where they referred to over a hundred documented cases where the product, called QuikClot, has saved an American soldier; in other words, a hundred American soldiers. All the marines have it. The Capitol Police have it. The Army's been dragging its feet. I'd like to know—and you can answer that for the record—when the Army's going to be able to come—in fact, I took a bunch of these units over and gave them to one of the commanders over there, and they've made distribution of them. I know in the field they want to have them. So you might pay some attention to that.

Secretary HARVEY. I will, and I'll answer that for the record.

Senator INHOFE. That's good.

[The information referred to follows:]

Battlefield hemorrhage is best controlled in sequence using direct pressure, pressure dressings, and application of a tourniquet. Moderate to severe hemorrhage, however, may further require the use of hemostatic dressings. Recently developed

dressings tested and fielded by the Army include a chitosan-impregnated dressing manufactured by Hem Con Inc. and QuikClot Hemostatic Powder manufactured by Medica. Both have Food and Drug Administration approval and both require training in their use.

As you noted in the hearing, QuikClot has been successfully used as a means to stop severe bleeding. However, it is not without its drawbacks, as is evidenced by an evaluation conducted by the Uniformed Services University of Health Sciences, as well as anecdotal evidence from applications on the battlefield. As you may know, QuikClot works to stop the bleeding by absorbing liquid, which in turn, causes an exothermic reaction that can cause burning.

The Army is moving forward to ensure that additional hemostatic dressings are made available to medics and soldiers as a tool to staunch severe bleeding on the battlefield. Further, additional research is ongoing into developing hemostatic agents without the exothermic reaction present in QuikClot.

Senator INHOFE. Since several questions have been asked, Secretary England, about some of the cuts and what our future is going to look like in ships and I see that Senator Collins is right behind me, so I won't waste my time asking anymore questions that I was going to ask.

But I would like to say that Admiral Costello showed me something right before—maybe he didn't show it to you, I'm not sure. But you had a submarine tender, the Emory S. Land, over there in the Sea of Guinea. I've been very interested, and been very active, in the five African brigades. We were using the Afghanistan model to train Africans to take care of themselves. Most of this is ground stuff, but, in your case, because of the strategic situation and all the reserves in the Sea of Guinea, you had that training effort. Apparently they're on their way back now to the Mediterranean. So, do you have any kind of comment as to what types of capabilities you think they have now that the training's over, and what types of units they have? If you don't have this, that's another thing we can get for the record.

Secretary ENGLAND. No, I'll have to answer that for the record, sir.

Senator INHOFE. That's fine.

[The information referred to follows:]

Information was provided after the hearing to Senator Inhofe by RADM Barry Costello, Chief, Navy Legislative Affairs, that answered the question. No further response expected.

Senator INHOFE. Three weeks ago, Secretary Teets, we had General Jumper in, and he told this committee that 30 of the C–130Es were grounded, and another 60 C–130s—and some of these were Es and Hs—were restricted due to cracks, and highly stressed because of what's going on. I consider this, actually, to be the greatest deficiency, our lift capacity, that you're going to be facing.

The Air Force has decided to cancel the C–130J program at this time. I have three concerns. Number one, I don't think we know the termination costs. I've heard figures up to—as I mentioned to you before—$1.3 billion. Number two, the cancellation of the C–130J isn't going to happen in a vacuum. It's going to have an adverse effect on the costs of the marine variety, which is the KC–130J, as well as the F/A–22. Then, number three, we don't know what the final disposition or cost will be of these 90 that are grounded or restricted. I note when we had General Jumper in here, he agreed with our concern and Secretary Rumsfeld did too

in his testimony 2 weeks ago. He stated that the DOD might seek an amendment to restore funding for the program.

Do you have any ideas or comments you'd like to make about the C–130J program?

Secretary TEETS. Yes, sir. You've stated the situation well. I'll say that we're in the process right now of doing a thorough evaluation of the full impact of what would it mean to break a multi-year procurement like this, present a business case for continuing the flow, and that'll converge with the results of a mobility capability study.

Senator INHOFE. I was going to mention we need to get that. It seems to me that this decision shouldn't be made until after that. Now, after we get the 2005 in, that's 11 more, we'll have a total of 53.

Secretary TEETS. Correct.

Senator INHOFE. But I would encourage you to get the results of that before making that kind of a decision.

Secretary TEETS. Yes, sir. The mobility capability study results will be available the end of March, so this is timely kind of a thing, and we will merge that with the study that we're doing to look at the business case for killing the multi-year and put those two together. I'm quite confident that we're going to be able to turn this situation around, and it will result in a budget amendment.

Senator INHOFE. All right. Since my time is almost up, I'd like to maybe have you answer this for the record. I'm concerned also about the reduction in the F/A–22. Back in 1997, General Jumper was very courageous, came forth, and talked about the fact that our strike capability was not as great as, or the quality of our strikes were not as good as, some of the Su–30s, at that time, that were being made by the Russians and sold. I would want to have you say how confident you are that we'll have air supremacy in the coming years.

Secretary TEETS. Sir, I'd be happy to give you a complete answer for the record.

[The information referred to follows:]

Please see response to QFR #12.

Secretary TEETS. Just, if I could, allow me to say that this is going to be one of the key items studied in the QDR.

Senator INHOFE. Okay.

Secretary TEETS. The budget that we have suggested in fiscal year 2006 does not terminate or decrease the flow of manufacturing of F/A–22s. The budget ended in the 5-year plan, or the Future Year Defense Plan. The budget was taken out in 2009, 2010, and 2011, which impacts future production. So the question for the QDR is, what is the right mix of F/A–22s in the fighter force?

Senator INHOFE. All right, sir. I appreciate that very much.

Thank you, Mr. Chairman.

Senator MCCAIN. Senator Collins.

Senator COLLINS. Thank you.

Secretary England, my colleague, Senator Inhofe, correctly predicted that my questions would be directed at you. I'm sure that that does not come as a great shock to you.

We've discussed, many times over the past few years, the Navy's shipbuilding budget, but with particular intensity during the past few months. I appreciate your willingness to keep engaging in a dialogue on an issue that I think is vital to our national security.

I am deeply troubled by the Navy's shipbuilding budget, and, in particular, by the deep cuts in the rate of procurement for the DD(X) destroyers. Just last year, the Navy's budget submission planned for the construction of 12 DD(X)s through 2011. Thus, I'm just stunned that the Navy is now saying, as part of this year's budget submission, that it is planning to procure only five DD(X) destroyers during that same period of time. So, over the course of just a single year, the Navy has cut its projected DD(X) procurements by 58 percent through 2011.

Now, I don't believe that the naval requirements for DD(X) have changed during that year. In fact, I know, from questioning the Chief of Naval Operations, that they have not. Admiral Clark answered my questions very directly last month, and this is what he said, "The requirement is not five. Five is what we see in the Future Years Defense Plan, but that's not the requirement." He went on and said, "I've been talking about a dozen or so." Perhaps the most telling part of his response to me was when he said, "I did not change the requirement. It's an affordability issue."

Similarly, yesterday, before the House Armed Services Committee, a high-ranking Marine Corps general said that he was concerned about not having enough ships to deliver marines to global hotspots over the next few decades. He says, "The adage that quantity has a quality all of its own is true. It's the number of ships that concern me as I look out. The numbers are not trending in the right direction."

So I think the record is very clear on what we truly need for our national security requirements. I understand the budget constraints under which the Department is operating. What I would ask of you today is a commitment to work with this committee to explore alternative funding mechanisms, such as building the first DD(X) in the research and development (R&D) budget, as you proposed last year, incremental funding, or advance appropriations, so that we can get the procurement level up closer to what is the true requirement, which both the CNO and Marine Corps leaders have testified to.

Would you be willing to work with the committee to see if we can meet the true requirements by exploring alternative funding mechanisms?

Secretary ENGLAND. Senator, I'd be certainly pleased to do that, and all those mechanisms. I believe it's very important that we understand, from Congress, what we can do, because each year we get caught, depending on what the Congress' feeling is that year, and it disrupts our programs, bluntly.

On the other hand, I do have to comment that those other funding mechanisms don't add ships. They are different ways of funding, but at the end of the day, the ships cost so much, and over time that is so much money you have to budget. So those alternate funding mechanisms don't really buy us more ships. I think they allow us to buy them better, and on a better schedule, and better for the industrial base, but they don't provide added funds—those

mechanisms. I mean, at some point we still have to pay the full cost of those ships.

Senator COLLINS. At some point, we do. But it allows us to get over the need of fully funding a ship that's going to be built over several years in 1 year; and particularly in a year like this year, where you're operating under budget constraints. So I would argue that it does help to solve the numbers problem, even though, ultimately, you're going to have to pay for the entire ship.

Since my time is limited, I'd like to switch to a related issue, which is also very important.

Chairman WARNER [presiding]. Senator, if you would yield on my time, your question is very germane. I had proposed to ask it myself. I'm not sure as to the Secretary's responses.

Are you in favor of Congress working with the executive branch to explore a means by which we can make graduated payments and, thereby, not have that very significant—really, a perturbation in the budget?

Secretary ENGLAND. Senator, no, I'm absolutely for it. I think it's a much better way to budget.

Chairman WARNER. All right. I just wanted to make that clear.

Senator COLLINS. You got a better answer than I did, Mr. Chairman.

Secretary ENGLAND. No, I absolutely support it. My only comment is that mechanisms are much better ways to budget, in my judgment, much better ways to manage, better for the government and for the shipyards, but it doesn't generate new money.

Chairman WARNER. No, we are clear.

Kind of like the credit card, sooner or later you have to pay off that credit card.

Secretary ENGLAND. You do have to pay the bill. Yes, sir.

Chairman WARNER. I thank the Senator.

Senator COLLINS. Thank you for the clarification.

Secretary England, the second issue I want to pursue with you this morning has to do with the Navy's consideration of yet another change in the acquisition strategy for the DD(X). The Navy, by all reports, and based on conversations I've had with you and others, is considering moving to a winner-take-all competition for the construction of all the future DD(X) destroyers. You and I have already spoken at length about this issue, and you know that I firmly believe that moving to single-source suppliers would destroy our industrial base. It would be disastrous for our military and dangerous for our national security. I want to point out this morning that it's also completely contrary to the Federal Government's previous position.

I'm sure you remember well back in 2001, when General Dynamics, which already owned Electric Boat, signed an agreement to purchase Newport News. This acquisition would have ended competition in the nuclear-submarine construction area. Because of that, the Department of Defense strongly opposed the acquisition, and, in fact, joined with the Department of Justice to block it. In explaining the decision, the Justice Department said, "This merger would give General Dynamics a permanent monopoly in nuclear submarines that would substantially lessen competition in surface combatants."

Similarly, the Deputy Under Secretary of Defense said, "We really had to maintain competition. We could not afford to let a yard go to what would end up being a sole source for us for submarines."

Mr. Secretary, the Department had it right back in 2001, even though it disadvantaged a major employer in my State, but they were right to want to maintain competition, two yards, in the construction of nuclear submarines. They believed then, very correctly, that our Nation could not afford to be dependent on a single source for submarines. So why is it that the Department now apparently believes that it is to the advantage of our Nation to risk having a single source for surface combatants? It would lead to the same adverse results: dependence on a single supplier, a monopoly situation. Ultimately, as Secretary Rumsfeld implied in his comments last week, when you have less competition, you have higher prices in the long term, less innovation, and lower quality.

We also put ourselves at risk if there were a terrorist attack on the single shipyard, if a hurricane wiped out a shipyard. Why would we want to take these risks that the Department so clearly recognized just a few years ago when it stepped in and blocked an acquisition that would have ended competition in the building of nuclear submarines?

Secretary ENGLAND. Okay. Senator, if I can briefly—I appreciate your comments. The objective of competition is to get a better price and a better product. If we hold a competition between the two yards on DD(X), we get those benefits of a competition. If we decide not to compete, but, rather, to allocate a ship to each yard, then we don't have competition. In fact, we know that if it becomes putting one in each yard, it will cost us about $300 million for each DD(X); and if we build across the buy, it's going to cost about $3 billion if we buy 10 of them.

So we are trying to arrive at the benefits of competition. If we keep two yards, and we allocate one in each yard, we do not have a competitive situation. So the price can rise, and we have no control over that price. We do know that just the inefficiencies—that is, having a dual overhead and a cost associated with two yards—would cost the Department of the Navy about $300 million a ship.

Senator, I don't believe I have the authority to just subsidize. That's what this would amount to. I do have the authority to compete the programs. So I believe we are on the right path, in terms of competition. If we had more than one ship a year, then that cost disadvantage would go down. But, at one ship a year, I either have to build a half of a ship in each yard, or a ship every other year in one of the yards. Those two scenarios are very costly to Department of the Navy.

We're doing what Congress and the Nation wants us to do, in terms of getting the best benefit from competition.

Senator COLLINS. Well, every study shows that competition lowers costs, that it increases quality, that it produces more innovation. If you end up pursuing an acquisition strategy that results in one shipyard being closed, in the long run that's going to greatly drive up the cost to the Navy and jeopardize the industrial base, those skilled workers on whom we depend. In the long run, it's a disastrous situation, as the Department clearly recognized when it blocked that acquisition in 2001.

But, Mr. Chairman, the point I would make is——

Chairman WARNER. Take another minute or 2, because you're really bringing forth this issue with great clarity and persuasiveness. I refer, once again, back to that decision earlier, which was predicated on the very principles which you've just, more or less, renounced.

Senator COLLINS. I would encourage you, Mr. Secretary, to go back and look at that decision, because we have two producers of nuclear submarines: Newport News and Electric Boat. When General Dynamics, which already owned Electric Boat, proposed to acquire Newport News, the Department rightfully said, "This would end competition. We can't allow this to happen."

Now, I am very sympathetic to the point that you made, about the numbers. But that's why we need to get the numbers up. When the military requirements are so clear, when the Chief of Naval Operations was so direct in his testimony that the requirement is still for 2 DD(X)—for 12 DD(X)s, that is sufficient to sustain two shipyards. When you have construction at two shipyards, you know you have innovation that would not otherwise occur. That competition has caused the shipyards to drive down their costs, to be more innovative, and to produce an even better-quality product. I would just encourage you to work with us to try to accomplish what I believe is a goal that we all share.

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

Chairman WARNER. Senator, I think the world will sit in shock to think that the superpower, the United States of America, with the largest Navy, will end up with one yard. It's kind of hard for me. I go back a piece and look at all the yards that were building ships in World War II and in the subsequent years.

Secretary ENGLAND. We also have a yard in Virginia, Senator.

Chairman WARNER. I know, but I'm all for that. Don't worry about that. [Laughter.]

Until they shovel me in, it'll be there. [Laughter.]

I hope that Congress, together with my good friend from Maine, begins to drive it towards increasing the shipbuilding budget. If you were to receive more funds in the coming years, you'd want at least two yards for the United States for surface ships.

Secretary ENGLAND. Senator, I also have to comment, however, this year we do have three other yards that have entered the Navy business for the first time, building our littoral combat ships. The Navy is changing, and the industrial base will need to change with the Navy. So we are moving to smaller, lighter, faster, more agile.

If you think about what you heard from the Secretary of the Army, what he's doing with the Army; if you realize what's happened to the Air Force, F–16s, and Joint Strike Fighters, the same thing's happening to the Navy. Rather than to a few very large and expensive ships, we're going to be going to greater numbers of smaller, more versatile, faster, and very lethal ships.

So there are changes. This is a transformation underway, and it's difficult.

Chairman WARNER. I take note of that. Believe me, I recognize the difficulty of you discharging your responsibilities today. But these yards being brought on. That's in the littoral ship. Would that be not correct?

Secretary ENGLAND. Yes.

Chairman WARNER. Do they have the potential to build a destroyer-class?

Senator COLLINS. No.

Secretary ENGLAND. Well, they don't, but my point is, we're not building a large number of the DD(X). The DD(X) will transition to our CG(X). But we're not going to be doing those in the kind of numbers we did in the past, with our DDGs. So we're having less numbers. When you have less numbers, we do have to be efficient; otherwise, they'll be too costly. If they become more costly, we'll end up buying less ships.

Chairman WARNER. I'm familiar with that.

Secretary ENGLAND. This is a Catch-22. We do have to find the most efficient way, or else our funds are used by subsidizing too many yards.

Chairman WARNER. All right. I have a feeling we'll return to this subject.

Secretary ENGLAND. I'm sure we will. [Laughter.]

Chairman WARNER. I see my good friend from Florida.

Senator BILL NELSON. Thank you, Mr. Chairman.

Gentlemen, thank you for your public service.

I'm going to start with the Navy, if you don't mind.

Admiral Clark, in his testimony here last month, told us that, in his military judgment, that the Navy needs two carrier ports on the east coast of the United States. Over the last 4 years, I've asked you about a second east coast nuclear port. In your response to my question at last year's hearing, Secretary England, you referred to a 1997 Navy environmental impact statement (EIS), and acknowledged that Mayport, at Jacksonville, is a feasible nuclear-carrier port.

Now that the Navy proposes to scrap one of its 12 carriers, which I vigorously disagree with, in the midst of a war, and of which Admiral Clark recommended all 12 carriers, before it left his office. He testified here that OMB turned him around—but now that all of you have hitched up, singing the same tune, to extinguish a carrier.

Chairman WARNER. Senator, it's to be retired in mothballs, as opposed to scrapping. Am I not correct, Mr. Secretary?

Secretary ENGLAND. That's correct. It will be in mothballs.

Chairman WARNER. I know you want to be technically accurate. That's a pretty significant——

Secretary ENGLAND. No, it is a significant difference. It will be mothballed.

Senator BILL NELSON. Please don't take the rest of my time away, Mr. Chairman, but may I——

Chairman WARNER. I will restore whatever time I took to correct the Senator.

Senator BILL NELSON. The Senator is absolutely correct. But the Senator would also acknowledge that to get a ship out of mothballs and get it ready again, not as a training carrier, but as an operational carrier, would take some time, as well as some significant money, as it did back in the late 1990s when we had downgraded the *Kennedy* to training status. It took us another $300 million to get it back up to operational status.

Chairman WARNER. We have the record straight. You go ahead now, and I'll restore your time.

Senator BILL NELSON. All right, and I thank my chairman. He's always so very fair. I'm so grateful for his leadership.

But, anyway, now, back to the point. Now that you all have hitched up, singing this same tune, that you're going to knock off one of the 12 carriers, the Nation faces complete nuclear-carrier concentration in one east coast port, exactly what the CNO said we shouldn't do.

So, first of all, Mr. Secretary, what is your timeline to start work to make Mayport carrier vessel nuclear-capable?

Secretary ENGLAND. It's very prudent for us to start the EIS. We did do an EIS. It needs to be updated. We will be authorizing that. So very shortly we'll be authorizing the completion of the EIS that was started in the 1990s. I don't know how much of that's remaining to be done, but we will complete that, because it's prudent to do, and it'll take some period of time to do that. It's been quoted to me it's a year or 2 just to do the study. I can't attest to that, but that's the input I have. But that's the first step if we were to make that nuclear-capable.

Senator BILL NELSON. Is that the same as taking the 1997 EIS and updating it, as opposed to going out and doing a completely new one?

Secretary ENGLAND. Senator, I don't know exactly what they have to do. I will authorize to do whatever is necessary for an EIS, if that's an update or start-over. The folks that deal with that'll do whatever's appropriate to meet that requirement. But we will start that, because it is prudent to do it. We'll start that pretty quickly.

Senator BILL NELSON. Okay. Then that being the case, Mr. Secretary, will you request the funds for that EIS in the 2006 supplemental, as well as the 2007 Defense request?

Secretary ENGLAND. Senator, that won't be necessary. We have authorization to do that, and funding to do that. I believe that's a matter of a few million dollars, and that's within our purview, to start that study. So, as I say, we'll start that. My expectation is that'll probably come to me for a decision within the week.

Senator BILL NELSON. I was given to believe that it was a little more than a few million dollars. So, if it's something more than the updating of the 1997 EIS, and would require additional monies, are you prepared to request that?

Secretary ENGLAND. Yes, we are—yes, I am. But I don't believe that'll be necessary, Senator.

Senator BILL NELSON. All right.

Secretary ENGLAND. I believe we can proceed with the funds we have available.

Senator BILL NELSON. All right.

Secretary Teets, thank you again for the long friendship that we've had and the great service that you have given to this country, especially with regard to our space program.

Many of the assumptions for the commercial use of the evolved expendable launch vehicles (EELVs) have not turned out to be accurate. Commercial space launch has not kept pace with the assumption; and, as a result, the percentage of the cost of the EELV

that will have to be borne by the Air Force has increased, because the commercial activity just hasn't been there.

Is it the Air Force's intent to ensure that both the EELV contractors are maintained over the next 5 years?

Secretary TEETS. Thank you, Senator Nelson.

Yes, indeed, it is our intent to, from an assured-access-to-space point of view, maintain both the Atlas family and the Delta family of EELVs. We are in the process, right now, of putting together our acquisition plans for what we're calling "Buy 3," which will be the next incremental buy of launch vehicles to supply us in the out years.

Senator BILL NELSON. Does the fiscal year 2006 budget fully fund these costs?

Secretary TEETS. Yes, it does, sir.

Senator BILL NELSON. Okay.

My time's up, Mr. Chairman. I didn't want to leave out the Army.

Chairman WARNER. Why don't you go ahead and take a question on the Army?

Senator BILL NELSON. Just about the Army venture-capital fund. Secretary Harvey, what is the status of that fund authority established by Congress?

Secretary HARVEY. I'm going to have to take that for the record. I'm generally familiar with that, but not the details of it. So I'll have to take that for the record.

Senator BILL NELSON. Okay.

[The information referred to follows:]

The authority to create and maintain a Venture Capital Fund did not contain a time limitation. However, the authority for adding funds from unobligated research, development, test, and evaluation funds was limited to fiscal years 2003, 2004, and 2005.

Chairman WARNER. Thank you very much.

Let's see, I believe, Senator Reed, you've just re-emerged——

Senator REED. From my undisclosed location. [Laughter.]

Chairman WARNER. You've just bumped Senator Clinton.

Senator REED. Well, let me defer——

Senator CLINTON. No, no.

Chairman WARNER. No, that's all right.

Senator REED. No, no, because——

Chairman WARNER. We can have a little humor for the day. We're going to stick to the order of protocol.

Senator Reed.

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

Thank you, gentlemen, for your service to the country and to your Services.

Mr. Harvey, I'm going to reflect the comments of many people here—Senator Levin, Senator McCain, and others that I heard when I was here, and that is this issue of end strength and budgeting within the regular budget. I'm sure you've responded, but I can't stress how important I believe it is to do that, and do it promptly.

We had General Abizaid here a few days ago, and the theme that emerged from his testimony, and later, just chatting with him briefly, was this is a long-term struggle, over a generation, which

will require a significant commitment of land forces, both Marine Corps and Army. To believe otherwise, at this point, is courting serious problems. I just want to associate myself with these comments and urge you to move as expeditiously as possible to include the money in the regular budget and increase the end strength of the Army to the appropriate level.

In that context, let me ask a specific question on that. What percentage of the Reserve components will reach their 24-month service cap this year? Do you have an idea about that, Mr. Secretary?

Secretary HARVEY. Of the Reserves, approximately 45 percent are mobilized or previously mobilized. Of those, we have various categories. Approximately, in round numbers, about 40,000 have reached the 24-month cumulative, and then there's another 40,000 which have not reached that; and, roughly, the numbers are 15 of 0-to-6 months and then there's another 15, moving up to 24 months.

I can get the exact numbers for the record. We have that, in great, elaborate detail.

[The information referred to follows:]

We project that at the end of the fiscal year 2005, approximately 2 percent of the end strength of the Selected Reserve of the Army will achieve 24 months of cumulative involuntary mobilization time. In addition to those reaching their maximum 24 cumulative months of involuntary service, there are a large number of Reserve component soldiers who have served more than 12 months but less than 24 months involuntarily. These soldiers, like those who have reached 24 months, are unavailable to us for an involuntary activation based on current tour lengths in combination with the time required to train prior to deployment. Today, approximately 50 percent of the force is either currently mobilized or has been previously mobilized (roughly 25 percent and 25 percent respectively). Of the 50 percent that is left, many are unavailable for various reasons to include remaining mobilization dock. Those available for activation and deployment are being managed to meet the requirements of upcoming rotations.

The Army continues to leverage volunteers in order to maintain unit cohesion and pace the Reserve Force contribution to the global war on terror. Working within the 24-month cumulative service, the Army generally does not run soldiers up to their 24-month cumulative service mark unless they have volunteered to serve beyond 24 months on a voluntary Active-Duty order. The majority of the 2 percent of the soldiers who will achieve or have already achieved 24-months of cumulative service have volunteered for additional Active-Duty in the global war on terror. To date over 4,500 soldiers have volunteered to serve on Active-Duty when their involuntary time has run out. Their willingness to fill validated requirements has enhanced unit cohesion and allowed us to save remaining available manpower for future missions.

Secretary HARVEY. But roughly, overall, 45 percent have been mobed or previously mobed.

Senator REED. But, Mr. Secretary, as I understand—and please correct me if I'm wrong—there is a statutory limit on their service beyond 24 months?

Secretary HARVEY. That's correct. It's 24, and that's it.

Senator REED. Are you seeking relief from that? If you're not seeking relief from that, how are you going to make up, in terms of deploying forces—50 percent of the forces in Iraq are Reserve and National Guard—for these reservists who legally cannot be committed?

Secretary HARVEY. At the present time, Senator, for the next rotation into Iraq is the so-called 2005–2007 rotation, which begins in approximately September of this year. We have adequate Reserves for that rotation, both in the Reserve component and the National Guard.

We are evaluating and assessing the availability for the next rotation, which is the 2006–2008 rotation, which will begin probably—16 to 17 months from now. We're in the process of determining whether we have people, units, and leadership available for that.

So we are studying that. I don't have a final answer, because its assessment's ongoing.

Senator REED. I understand that. But, again, this is one of those problems that we understand right now. You either have to get legislative relief or you have to come up with on the order of perhaps 40,000 additional soldiers from the active component or non-tasked Reserve component.

Secretary HARVEY. Absolutely, and if we need that, we'll come.

Senator REED. Thank you, Mr. Secretary.

Secretary England, it was good being with you for the *Jimmy Carter* commissioning, and thank you.

Secretary ENGLAND. Thank you for being there, Senator.

Senator REED. It was a great ship, and named after a great individual.

Let me just ask—this is another issue—this is Marine Corps end strength. I understand the Marine Corps has just canceled their participation in Foal Eagle and the reception, staging, onward movement, and integration (RSOI) exercises in South Korea this year. Part of that is a result of the operational tempo that they face. This raises the broader question of the cumulative impact on our ability to respond to other problems across the globe because we have to keep boots on the ground in Iraq.

Just your comments, but one could see this as one of the first manifestations of the stress on the force, the Marine Corps in this case, because of Iraq, now not being able to participate in exercises, which are very important—I think we'd all agree that you have to keep exercising—in not only a tactical sense, but also in a political geo-strategic sense.

Now, I know the *Kitty Hawk* is going to be involved in these exercises—we're doing some of these things. But is this a benchmark that the Marine Corps, even at a 178,000 needs more marines?

Secretary ENGLAND. Senator, I just have to defer on that one. I don't know the rationale for not participating. I don't know if that's stress or other reasons. So I just have to defer on that.

Senator REED. That's fair.

Secretary ENGLAND. I just can't help you. But I will get back with you, Senator.

[The information referred to follows:]

Prior to the Tsunami in Southeast Asia and Operation Unified Assistance, over 2,500 marines were scheduled to support RSOI/Foal Eagle. However, due to the uncertainty associated with the availability of Marine Corps units taking part in Tsunami relief efforts, participation was scaled back. Since early March 2005, approximately 1,000 marines have participated in Operation Foal Eagle. All reductions in participation in RSOI/Foal Eagle were due to involvement in Operation Unified Assistance.

Senator REED. Thank you, Mr. Secretary.

Let me also associate myself with Senator Lieberman's very eloquent remarks about submarines. We share a passion for submarines.

Secretary ENGLAND. Yes, sir, I understand.

Senator REED. Thank you.

Secretary Harvey, the transformation costs of $5 billion, approximately, are going to be put in the supplemental. The rationale is that this will jumpstart the process, that we can get $5 billion here before October 1. The presumption that Secretary Wolfowitz left us was that the additional costs would be funded in the regular budget starting in the 2007 budget. So let me ask specifically, will all Army transition costs be in the 2007 budget? Will, once again, we see some in the regular budget, some in supplemental budgets?

Secretary HARVEY. Starting in 2007 and beyond, the cost of the Army modular force initiative is in the base budget, as the Secretary said.

Senator REED. Thank you very much.

Secretary HARVEY. That's for sure.

Senator REED. Thank you, gentlemen. My time's expired. Thank you, Secretary Teets.

Chairman WARNER. Thank you.

Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

I thank all of you gentlemen for being here. We appreciate your service and your patience.

I want to try to clarify, for my own concerns, the treatment of wounded soldiers, both Active-Duty, Guard, and Reserve. First to Secretary Harvey, I've previously requested information about this situation arising and first coming to my attention because of the condition of Specialist Robert Loria, of Middletown, New York, who lost an arm serving our Nation in Iraq; and last year, as he was getting ready to return back to New York for the holidays, he was expecting to receive a paycheck of about $4,500, but, instead, he was told by the Army that he owed the Army money. It appears that Specialist Loria was caught up in bureaucratic red tape. He was being billed for travel and expenses that he should not have owed. In the course of intervening on behalf of Specialist Loria, I was told that the Army had identified 19 more soldiers who were treated the same way.

Then my office began receiving additional complaints about the way wounded soldiers, debts, and pay issues were being handled. So I wrote to you, Secretary Harvey, on January 19, asking that you examine whether this was a systemic problem.

Mr. Chairman, I ask unanimous consent that my letter to Secretary Harvey be included in the record.

Chairman WARNER. Without objection.

[The information referred to follows:]

HILLARY RODHAM CLINTON
NEW YORK
SENATOR
RUSSELL SENATE OFFICE BUILDING
SUITE 476
WASHINGTON, DC 20510-3204
202-224-4451

COMMITTEES:
ARMED SERVICES
ENVIRONMENT AND PUBLIC WORKS
HEALTH, EDUCATION, LABOR, AND PENSIONS
SPECIAL COMMITTEE ON AGING

United States Senate
WASHINGTON, DC 20510-3204

January 19, 2005

The Honorable Francis J. Harvey
Secretary
Department of the Army
The Pentagon
Washington, D.C. 20310

Dear Mr. Secretary:

My office has recently received complaints about complications that injured soldiers have faced with pay entitlements upon return to the United States. I know that the Army cares deeply about its soldiers and would like to make sure that wounded and disabled soldiers do not face bureaucratic complications after they have given so much on behalf of our Nation.

The bureaucratic problems that many wounded soldiers face with pay entitlements are exemplified by the treatment of Specialist Robert Loria, USA of Middletown, New York. As you may know, Spc. Loria returned to the United States after being wounded and traveled between Fort Hood and Walter Reed Army Medical Center to receive treatment. Last month, following treatment, he prepared to travel to New York from Fort Hood and transition out of the Army. According to information provided to my office, Spc. Loria's understanding was that he was due more than $4,000 in pay.

However, Spc. Loria learned that the Army claimed he owed almost $1,800, including family separation pay the Army mistakenly paid Loria, travel expenses between Fort Hood and Walter Reed, and repayment for missing equipment. Spc. Loria identified several reasons the Army's estimate was overstated, including paperwork errors. Once these issues were called to the attention of the Army by Spc. Loria's family, congressional representatives, and others, the Army agreed not to pursue the debt it had claimed.

While I am grateful for the Army's action in the case of Spc. Loria, I am concerned that other soldiers may be facing similar problems, and that Spc. Loria and others may still not be receiving proper guidance and assistance to ensure they receive the pay to which they are entitled.

The possibility that other soldiers may face similar pay problems was first called to my attention by an Army officer. He informed my office that as a result of Fort Hood's examination of Spc. Loria's case, the command at Fort Hood would be conducting a review of the pay of nineteen other soldiers who were receiving treatment at Walter Reed. This proactive response to the situation is to be commended and I would appreciate information on the status of the Fort Hood review.

In addition, information has been provided to my office suggesting that in the case of Spc. Loria and others the rules governing Hostile Fire Pay and taxes, specifically the Combat Zone Tax Exclusion, may have been improperly applied and consequently Spc. Loria and others were inadvertently deprived of compensation they are due. My office has also received information that some soldiers may be unaware of the requirement to file a travel voucher to receive "Per Diem" payments. If correct, many soldiers may be incurring debts without their knowledge.

I know that the Army and the Department of Defense endeavor to coordinate finance, personnel and administrative staff to provide injured soldiers adequate assistance necessary for them to receive the pay to which they are entitled. However, reports to my office suggest serious systemic problems which may necessitate a larger overall review of finance and accounting. In light of these reported problems, I would appreciate receiving information on the procedures in place and the number of Army and/or civilian finance and personnel staff located at Walter Reed who are presently assisting soldiers with this vital task.

I look forward to your prompt response. If you have any questions, please contact Andrew Shapiro on my staff at 202-224-4451.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

Senator CLINTON. I asked Army Vice Chief of Staff, General Richard Cody, about this at a hearing a couple of weeks ago, and, on February 4, he sent me a letter saying that the Army had identified 129 soldiers with payment and debt issues, but that the Army had put systems in place to rectify the problem. He also stated in that letter that I would be receiving a more formal response later from Secretary Harvey.

Again, Mr. Chairman, I ask consent that this letter be placed in the record.

Chairman WARNER. Without objection.

[The information referred to follows:]

UNITED STATES ARMY
THE VICE CHIEF OF STAFF

February 4, 2005

The Honorable Hillary Rodham Clinton
United States Senate
476 Senate Russell Building
Washington, DC 20510-3204

Dear Senator Clinton:

It was a pleasure to see you at the hearing, and thank you for your concern over the welfare of our Service Members. I wanted to give you a quick update on the questions you asked in your letter. Meanwhile, the Secretary of the Army will soon be sending a formal response.

When we learned of the first issues we assigned an Army audit team to rapidly find and recommend solutions to the pay problems. They found that we had approximately 129 cases of wounded Soldiers that experienced pay issues, and the Army immediately obtained a debt waiver for all Soldiers.

To prevent further instances from occurring our medical and finance communities have teamed to individually meet with and educate wounded Soldiers on entitlements such as pay and travel. In the case of III Corps at Fort Hood the local team personally meets with Soldiers to review their Leave and Earnings Statements, process account adjustments, and assist Soldiers with completing travel vouchers. Also, at other hospitals we have established wounded Soldier direct support finance teams that exist to remediate pay and entitlement problems in a swift manner.

Thank you again for bringing this issue to our attention. You will receive a detailed response in the near future. We are dedicated to the well being of our Soldiers and strive to provide the absolute best for America's sons and daughters. My personal thanks for all you have done for our Army at War.

Sincerely,

Dick Cody

Richard A. Cody
General, United States Army

Senator CLINTON. Now, General Cody's letter stated that the Army had assigned an audit team to find and recommend solutions to the pay problem. So my questions are the following:

Now, Specialist Loria was based out of Fort Hood. Did the Army conduct audits for units other than those based out of Fort Hood?

Second, does the figure of 129 cases of wounded soldiers that experienced pay issues, related in General Cody's letter, reflect just soldiers based at Fort Hood, or was there a broader examination of the issue in the Army?

Third, does the Army plan to go back and audit the treatment of all wounded soldiers who have left Walter Reed or other facilities to see if they had pay problems?

Finally, I would like to request that the Army provide to me and the committee the status of all audits of pay problems of wounded soldiers, as well as an update of the number of soldiers who have been identified as having such pay problems, because I'm concerned that we don't, perhaps, have a full understanding of this problem.

That is compounded by the recent story about the way Guard members and reservists are being treated. Because, right now, when a reservist or Guard member is sent to a military hospital in the United States, their overseas orders are revoked, and they lose their combat-pay allowance. Since they can't go back to their civilian occupation while they remain in the military hospital, they and their families suffer a financial disadvantage.

So we're looking for ways to really understand the extent of this problem. We know we have more than 11,000 wounded soldiers, marines, and others.

First, Secretary Harvey, with respect to my specific questions, I did receive a letter, just today, from General Hagenbeck, providing additional information. I'd like to include that in the record as well.

Chairman WARNER. Without objection.

[The information referred to follows:]

DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF G-1
300 ARMY PENTAGON
WASHINGTON DC 20310-0300

28 FEB 2005

REPLY TO
ATTENTION OF

Compensation & Entitlements Division

The Honorable Hillary Rodham Clinton
United States Senate
476 Senate Russell Building
Washington, DC 20510-3204

Dear Senator Clinton:

This further replies to your inquiry on behalf of Specialist Robert Loria, and all wounded in action Soldiers who may be experiencing financial problems.

My office recently initiated a new program, the Disabled Soldier Support System (DS3), where members of my staff work directly with our wounded Soldiers and serve as advocates with the Department of Veterans Affairs and the Defense Finance and Accounting Service (DFAS). In the case of Specialist Loria, he advised our DS3 Constituent Liaison on December 8, 2004, that he was having financial problems. The problems were overpayment of Family Separation Allowance for 10 months, the non-receipt of the balance of temporary duty pay for medical travel, and a charge for loss of Government equipment. Officials with DS3 spoke with DFAS who then contacted Specialist Loria and ensured he filled out the necessary financial documents to substantiate payment is due. Specialist Loria was then paid $3161.00. Specialist Loria received 80% ($570.00) of his retirement orders travel payment to return to his residence; the remaining 20% will be paid upon receipt and final processing of his travel settlement voucher. His commander waived the charges for his equipment as "Battle Loss."

At this time there are 40 pay personnel in the National Capital Region Defense Military Pay Office. Five of these personnel are dedicated to assisting Walter Reed Medical Treatment Facility patients and personnel with their financial matters. The plan for the DS3 office is to have one counselor for every 30 Soldiers. Currently there is one DS3 counselor at Walter Reed and a DS3 office at the Landstuhl Medical Treatment Facility.

Army officials have coordinated with the DFAS on what corporate changes need to be made to ensure wounded Soldiers do not incur financial hardship in the future. DFAS has established a team to develop a centralized system that captures all essential data for wounded Soldiers. The goal of the system is to

create the capability for supporting finance offices to pull their specific wounded Soldier's information and make appropriate pay changes in a decentralized manner, while providing a second set of eyes at DFAS Indianapolis to ensure issues are taken care of properly.

Please be assured we are committed to providing a quality, human approach for our wounded Soldiers.

Please don't hesitate to call me directly if any more NY soldiers encounter similar problems.

Sincerely,

F. L. Hagenbeck
Lieutenant General, U. S. Army
Deputy Chief of Staff, G-1

Senator CLINTON. But I'm worried that this is a much broader problem than we are yet focusing on.

Secretary HARVEY. Thanks for your questions. As I said in my opening statement, attaining a quality of life for our soldiers and their families that match the quality of their service is very important to me. My number-one priority, when I go around to the bases, is providing for their well-being. This is a component of it.

In general, it's disturbing that these things happen. They shouldn't happen. The objective here is perfection. I don't want to see any wounded soldier have any problems with pay.

Now, when I first got onboard, I was given these briefings about how we're going to fix this through information systems, and I said, I've been down this road a long time. Next thing I'm going to hear is, "In 2009, we'll have perfection." When you get these information system briefings, that's what you get. Maybe in 2009 the world will be perfect, but what are you going to do today?

We have set up, and beefed up, our hotline so that if there's any pay problem—it doesn't matter whether they're wounded or not, but wounded are very important—that they have a means, and a short-term means, to get this resolved.

I'm pleased to say that in the Guard the statistics—Guard and Reserve statistics—I have are that February 2005 there were something on the order of 15,000 requests a day—or a week—on pay problems. December, it was down to 400. That's progress. Four hundred's too many. Zero is the objective.

In the active, we try to resolve pay problems. Our objective is 90 percent the first day. We're about 75 percent.

So we're taking actions, Senator, in order to fix this, and this is just not a Fort Hood problem; this has to be a systemwide problem that we will audit and ensure that this is the case.

Now, in this hotline, which for the techie types is also an Internet site that you can go to and get the frequently-asked questions answered. There's a software package behind that, also behind all the phone calls, where we get the reasons why it happened so that we can take corrective action in the system.

So besides just answering it and trying to fix it, we want to know where the system problems are, so as we develop these systems, interconnect, and link up the financial system with the human-resource system, that we, in fact, fix this forever.

But I will keep you informed of that. I'm aware of your letters. I will give you a comprehensive response; General Cody gave you a response, General Hagenbeck gave you a response. As we go and do these audits, I'll certainly keep you informed of that. It's an important issue, my number-one priority is soldiers and their families, and I'm going to put words into actions. I'm glad you're concerned. I'm concerned. We're going to take care of this. I hope when I'm up here next year you're going to say, "I haven't heard of anything for the last 3 or 4 months."

Senator CLINTON. That's my hope, as well.

Could I just very briefly ask each of the Secretaries if they would support efforts to ensure that wounded Guard members and reservists don't lose their combat-pay allowance while they are in a military hospital, and that we postpone that until they are discharged?

Secretary Harvey, and then Secretary England.

Secretary HARVEY. Sure. Yes, we will.

Senator CLINTON. Secretary England?

Secretary ENGLAND. Actually I'm not familiar with the issue, Senator. So, I'm inclined to say yes, but I'm not sure of this issue.

Senator CLINTON. Yes is the right answer. [Laughter.]

Secretary TEETS. This is an easy one. Yes.

Secretary ENGLAND. If my colleague's in favor, I support him, so the answer is yes.

Secretary TEETS. Indeed, Senator.

Senator CLINTON. Thank you.

Chairman WARNER. Thank you for asking that question and clarifying that, because thousands of families are following these hearings and trying to ascertain the simple answer that you've elicited from these persons with the responsibility to see that it happens. Thank you.

Senator CLINTON. Thank you.

One final point, Mr. Chairman. I've heard that there are some efforts, with respect to the supplemental, to decrease the amount of money going to Afghanistan reconstruction efforts. I know there are many competing considerations within our military and stability needs. But having just returned from Afghanistan, I think that would send a terrible signal. One of the real challenges we face is demonstrating to the people and government of Afghanistan, the region, and the world, that we are there for the long term, we are committed, we are not walking away from this responsibility. I'm very enthusiastic about the leadership of President Karzai and his government. But the city of Kabul, the countryside, is in just terrible shape. The help that they need in order to get on their feet is something that I hope we will continue to place as a high priority.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator. I concur in that observation. Again, I appreciate very much your finding the time to make that trip there. Senator Levin and I, with some frequency, make that trip.

We're going to take a few wrap-up questions.

Mr. Secretary, I do have to return, however, to the subject of the carrier. I'm going to ask that a piece of paper be provided to you so that you can carefully read it and take it with you, if you so desire. But we have to have consistency with the testimony of our senior members, uniformed and civilian, of our military departments. On February 10, this committee was conducting a hearing with the Chiefs of the Services, and Admiral Clark received this question from Senator Akaka, a member of this committee. I'll read the question: "Admiral Clark, as a part of the DOD's Global Posture Review, it is my understanding that the Navy may forward-deploy a second carrier in the Pacific. How is the Navy planning on rebalancing its carrier fleet to comply with this? Where would this carrier be based?"

Response from the Admiral: "That's a great question, Senator. I can't tell you where it would come from. We've had zero discussions about how we would unfold this. We are having the discussions about whether we should do this and analyzing all of the data and the analyses, and we're actually doing this as a part of the Base Realignment and Closure (BRAC) process."

Now, I take a back seat to no one in trying to defend this BRAC process. Senator Levin and I have been on this committee 27 years. This is number five, am I not correct? It is a high priority of the President and the Secretary of Defense. So much so that in the course of our conference last year, when there were efforts to change the dates of effectiveness of the BRAC process, we got a veto letter.

It seems to me that Admiral Clark's response was very clear, that he wants to preserve the integrity of the BRAC process and he would not try and presume any of the answers to this question until the completion of that process. I find that a direct footprint to the question asked by my friend and colleague from Florida about your moving ahead with this EIS with regard to Mayport.

Now, let me say, I've been around a long time. I pride myself in trying to do what is right for the security interests of this country. If that time comes where the BRAC process, the QDR, is of the judgment that a second nuclear-capable facility is needed on the east coast, whether it's Mayport or wherever, then this Senator is going to support it. I'll say that right here and now. But I have to, as chairman, preserve the integrity of the process by which these decisions are made. The material that the Department prepares to support its own decisions is really as much a part of our consideration as other things. In other words, we are dependent. We don't have the infrastructure to run all these EISs and stuff. We have to rely on you.

Now, I want you to go back and revisit how you responded to the Senator from Florida's question, with precision, that you're going to—and I copied it down—very shortly, and then you came back, within a week, initiate a follow-on EIS. To me, that is in direct conflict with the procedures outlined by the distinguished chief.

Secretary ENGLAND. Senator, we did an EIS in 1997.

Chairman WARNER. I'm aware of it.

Secretary ENGLAND. That was not BRAC related. All of our BRAC work is going to be done here in another month or 2—all their recommendations.

Chairman WARNER. Not all of it in a month. It's a process that's going to take some time.

Secretary ENGLAND. Our recommendations all go to the commission by, I believe, 16 May.

Chairman WARNER. That's true.

Secretary ENGLAND. So, again, our work is going to be largely done here in the next month or 2. Doing an EIS is not a BRAC-related issue, Senator.

Chairman WARNER. It says to the commissioners that you have pretty well made the decision that this is what you're going to do, and you want to determine the EIS factors as to how it would bear on your making such a decision.

Now, what's the harm in waiting until BRAC is finished, at least? In the course of the 27 years we've been here, we saw a BRAC process disrupted, and it caused a very substantial delay until we got the assurances and drew up a new law to try and preserve the integrity of this process. I just want to preserve the integrity. If BRAC comes out and answers this question, let the chips fall. If QDR comes out and answers it, let the chips fall. But at least we've done it in an orderly way and the two chiefs of the military, Department of the Navy, are consistent in their approaches.

Secretary ENGLAND. Senator, I believe, frankly, we are consistent. I don't disagree at all with what the testimony of Admiral Clark. I think he's exactly right on.

Chairman WARNER. He says he's not going to answer anything about the Pacific re-posturing or relocating of the aircraft carrier until BRAC's over. That's what it says.

Secretary ENGLAND. Sir, I will look. I will verify the situation regarding the EIS. I don't believe conducting an EIS is a BRAC-related issue. But I will, indeed, confirm that. I do understand your input, and I'll work this. I'll respond back to you, Mr. Chairman.

[The information referred to follows:]

The EIS in Mayport is not related to BRAC.

Chairman WARNER. All right, we'll take it for the record. I've made a statement here, point blank. I'm going to support what's right, in the best interests of the country, but, by golly, I'm going to make sure that the steps that both the executive and the legislative branches follow are consistent with the law.

Secretary ENGLAND. We definitely want to be consistent with the law.

Chairman WARNER. Surely.

Secretary ENGLAND. We definitely are in sync with you there, Mr. Chairman.

Chairman WARNER. All right, and I thank you. Let us move on.

On February 17 before this committee, the Chairman of the Joint Chiefs of Staff testified, together with his other colleagues, about proposals to increase the amount of the lump-sum death gratuity to $100,000. General Myers stated his view that any change in the death-benefit system should apply to all deceased servicemembers' survivors, irrespective of where they were serving or under what

situations. Have each of you formulated a view as to that issue? If so, we'd like to have the benefit of it now; or, if you haven't, then I urge that it be submitted for the record very quickly, because we're in the process, legislative, with context of the supplemental, of maybe legislating on this question.

Why don't we start with you?

Secretary HARVEY. Yes, certainly in support of extending the death gratuity in the life insurance, for sure.

I'm certainly 100 percent supportive.

Chairman WARNER. All service persons, irrespective of——

Secretary HARVEY. Let me get you my answer for the record. I know there's a lot of debate going on right now.

[The information referred to follows:]

The Army supports the administration's position that a lump sum death gratuity of $100,000 be paid to soldiers who die in locations designated by the Secretary of Defense. Soldiers who do not die in these designated locations would continue to receive the lump sum death gratuity of $12,420 for calendar year 2005.

Chairman WARNER. It's an important debate.

Secretary HARVEY. Yes, I understand.

Chairman WARNER. It's a timely debate, and now is the time to have your voice and your thoughts. It's very important for you to speak for the civilian——

Secretary HARVEY. I totally agree with you.

Chairman WARNER. Good.

Secretary HARVEY. I think the direction is right. There is no question that we should do this.

Chairman WARNER. It's a very significant budget implication.

Secretary HARVEY. It's a matter "of"—not "if." Yes, I know that.

Chairman WARNER. Mr. Secretary?

Secretary ENGLAND. We've had a number of discussions with the CNO, the Commandant, and within the Department, and I believe we do agree we should extend the death benefit. It should not just be in the combat area, because our people are training in Pendleton. This is a hazardous-training area when you're training for combat. So, obviously, those personnel are covered.

Chairman WARNER. I fully appreciate that.

Secretary ENGLAND. The only question I would have, does it apply to people who are on leave, Senator?

Chairman WARNER. Or on liberty.

Secretary ENGLAND. I mean on liberty, right.

Chairman WARNER. If he's driving his motorcycle and has an unfortunate accident, loss of life, then you have to say that that widow at home with two children is impacted no less severely, except for emotional aspects of a casualty in combat versus a motorcycle accident. I suppose there's some difference. I don't know. It's a tough issue. But your views on that are needed. Would you think it through and provide it for the record?

Secretary ENGLAND. I will provide you my written views very quickly, Senator.

[The information referred to follows:]

The death gratuity was implemented to provide immediate financial assistance to the deceased service member's family until other monetary benefits (such as SGLI and VA payments) begin. SGLI proceeds are normally processed and paid within 7 days. Additionally, the current maximum level of SGLI benefit is $250,000 with 98 percent participation. Since the death gratuity is meant to tide over the family of

the deceased for payment of immediate expenses, it could be argued that a $100,000 death gratuity payment is much more money than is necessary to provide this support.

An alternative to increasing the death benefit substantially is to provide a $500,000 total death benefit. This could be accomplished by increasing SGLI to a higher maximum amount, such as $450,000, along with a more moderate increase of $50,000 to the death gratuity. This approach might also discourage those who might be tempted to decline SGLI coverage on the basis of a large death gratuity payment.

With regard to retroactive application of the death gratuity, the Department of the Navy agrees that the benefit should be applied retroactively for all deaths.

Chairman WARNER. I thank you very much.

Secretary Teets.

Secretary TEETS. Mr. Chairman, I think this is an issue that does deserve very serious consideration. I would raise a couple of points I'm interested in looking into, and I've asked people to pull together some information for me.

Number one, this death gratuity that you refer to is part of a total benefits package.

Chairman WARNER. Right.

Secretary TEETS. I'd like to see what that total benefits package is. I've heard some rough numbers calculated that say that the death benefit is as much as several million dollars for people that——

Chairman WARNER. Cumulative over a period of time.

Secretary TEETS. Cumulative over a period of time, that's correct. This benefit that you're referring to is the instant award of cash to the family survivors to handle things until payment streams start to take effect, and so forth. I think I would like to have a look at what that whole package looks like.

Then the second piece of it would be that while the benefit is attractive and good, I'd like to try and understand what's the magnitude of the cost? Because we will have to defer something else in order to pay that cost. I'd like to do something of a cost analysis to understand the magnitude of it before just absolutely saying yes. I respectfully submit that, sir. As it relates to the issue of Active-Duty versus others and those matters, I'd be glad to give you a statement for the record.

[The information referred to follows:]

I agree with General Myers' view. Any change in the death benefit system should be equitable and not discriminate nor attempt to place differing weights on the losses simply based on their geographical location or the missions we have charged them to perform. We realize all deaths are devastating to surviving family members, and while benefits cannot replace the value of a human life, a lost airman is lost to their loved ones no matter what we had them doing or where we sent them to do it. Although our system of benefits is somewhat comprehensive, recent assessments concluded that the overall package could be improved to better acknowledge the many contributions and ultimate sacrifices of our servicemembers and their families. We are working with OSD to develop a comprehensive benefits enhancement package that supports the President's recent death benefits proposal, which includes improvements to the Servicemembers' Group Life Insurance and death gratuity programs.

Chairman WARNER. Good, thank you very much.

Secretary TEETS. Thank you.

Chairman WARNER. Now, Senator, why don't you take a question, and then I'll return.

Senator LEVIN. Okay.

Secretary Harvey, on February 1, the Wall Street Journal reported that the top U.S. Commander in Baghdad is facing what he calls an unaffordable budget gap of $4 billion between what the contractor says it'll cost to provide the food and housing and other services to the troops for a year and what the government has budgeted. According to this article, the Army has budgeted just $3.6 billion for services which are estimated to cost $10 billion. It's a huge gap between the two estimates.

I'm just wondering, since General Casey has said what he has said, that there is this gap, and he's quoted as saying the Army needs for troop support far exceed the Pentagon's budget ceiling for those services. I'm wondering whether or not you agree with that assessment, that there is that budget gap between the troop support services that the Army needs in Iraq and what the Department of Defense is willing to pay for.

Secretary HARVEY. I'm familiar with the issue, Senator. The $10 billion that was reported in that article for the year starting in May 2005 to May 2006 was a rough order of magnitude (ROM), as we like to say. We are in the process of negotiating with the contractor on exactly what the services are.

I find the number a little hard to believe, because, since December 2001, when the so-called Logistics Command Assessments of Projects (LOGCAP) competition was conducted and awarded to the Kellogg, Brown & Root, the total disbursements have been around $7 billion, to date. I find it hard to believe that they're going to burn $800 million a month when they haven't burned but $6 billion in 3 years. So there's a disconnect here. I'm certainly not going to get involved in negotiation, but the contractor has to provide what the basis of estimate is, what service he's talking about. These things all start out, as you can imagine, with some ROM and then we definitize that.

So that's ongoing. We're going to ensure that the soldier gets the services he needs, and we're going to ensure that we don't pay one nickel more than we have to. So, we're going to converge with that. There's obviously a little disconnect right now.

Senator LEVIN. Yes. If there's a shortfall in the budget request, would you let us know as soon as you know that?

Secretary HARVEY. I certainly will. There's enough money, right now, in the 2005 supplemental, certainly, to take us through the remainder of this fiscal year.

Senator LEVIN. But if it turns out during your review that the 2006 budget, as submitted, is short from what we, or you, determine is needed, would you let us know that?

Secretary HARVEY. We'll let you know.

Senator LEVIN. We may not be able to support it, for whatever reasons, because the White House likes supplemental budgets more than they like——

Secretary HARVEY. I hate to mention the "S" word, but it'll be probably in the "S" word.

Senator LEVIN. If you could let us know what that is in any event, even without committing yourself to supporting it, it would be important for us.

Secretary HARVEY. Sure. I will, as soon as I know, you'll know.

Senator LEVIN. Gotcha. Thank you.

Secretary England, I believe the Combatant Status Review Tribunals for the people at Guantanamo have been completed for all 558 detainees. Is that correct? Are we accurate?

Secretary ENGLAND. Senator, you're correct, in that we've had all the hearings. They go through a review process; and then, for sufficiency, we still have about, I believe, 83 to go through the sufficiency process, in terms of determination.

Senator LEVIN. Of the ones that have been determined, then, it would be about 450, roughly.

Secretary ENGLAND. Yes, sir.

Senator LEVIN. What is the percentage of the detainees that continue to have intelligence value to us?

Secretary ENGLAND. I'm sorry, I'm not in a position to answer that. My responsibility, Senator, is to determine if they are an enemy combatant or not an enemy combatant, so I have a very limited venue at Guantanamo.

Senator LEVIN. On that subject, of the 450, roughly, what is the number that have been determined not to be, and how many have determined to be enemy combatants?

Secretary ENGLAND. Senator, I believe the number is in the order of 10 to 15 are not enemy combatants.

Senator LEVIN. Out of the whole 450?

Secretary ENGLAND. Yes, sir. Senator, let me get back and confirm the exact number with you, but I believe that's close. But I'll get back with a specific with you.

[The information referred to follows:]

As of March 29, 2005, a total of 558 Combatant Status Review Tribunal Hearings were completed at Guantanamo Bay, Cuba, to determine the combatant status of detainees. Of the 558 hearings conducted, the enemy combatant status of 520 detainees was confirmed. The tribunals also concluded that 38 detainees were found to no longer meet the criteria to be designated as enemy combatants.

Senator LEVIN. Apparently a District Court judge, Judge Green, found on January 31, that the tribunal procedures were unconstitutional, that they put reliance on statements obtained through torture or through an overly broad definition of "enemy combatant." Is that decision on appeal? If not, is the Defense Department then going to review these tribunal findings, in light of her decision?

Secretary ENGLAND. It is on appeal, but I will tell you, if you look at all of our procedures, all that is taken into account and if anyone says at all that they made statements under torture, then we don't just take those comments that assume that the statements were correct. We go back and have a full investigation. So it is fully investigated every time, Senator. In that regard, I believe I would question the judge's decision. But it is being appealed—it is being appealed by the Justice Department. That's my understanding.

Senator LEVIN. Thank you.

Secretary Harvey, a question has been asked about the Future Combat System program. Apparently the program was recently adjusted to delay the fielding of the manned ground systems by 4 years, while adding $6 billion to the program to accelerate the network and certain other technologies for spiraling the current force. Do you believe, whether those numbers are precisely accurate or not, that you're going to be able to maintain FCS development

schedule, given the pressures for both modularity and reset in the Army budget?

Secretary HARVEY. Yes. I think the restructure of the program, which happened last summer, was exactly the right thing to do. It gives us the opportunity, as you said, Senator, to spiral technologies into the current force. Then, right before our eyes, we can see the transformation into the future force, and that is not only the network, but unattended munitions, precision munitions, unmanned aerial vehicles (UAVs), the aerial vehicles, and the unmanned ground vehicles.

So I think it's a sound approach. I think the technology maturity and technology schedules are reasonable, achievable. I will be paying close attention to it. The funding's there. It's in the base budget. It's adequate to do it. So I think it's a program that now we can execute, and it's a program that will enhance our current force much quicker than it otherwise would be. So I really agree with the acquisition strategy.

Senator LEVIN. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much.

Senator Sessions.

Senator SESSIONS. Gentlemen, I want to thank you for your service. I'm sure today you've had many questions about difficult areas, areas where people are concerned and are worried or have complaints, because that's what comes up at these hearings, and that's what makes us get better, as a country. I certainly salute our ability to ask those kind of questions. But I do think it's appropriate that we celebrate your leadership in producing the finest military the world has ever known, absolutely. It's technologically advanced; it's sophisticated; it's professional. They're courageous.

We've had some pretty good years, budget-wise. When I came here, we were under $300 billion for the Defense budget. This year we'll hit $419 billion, not counting the supplementals. We've had some real strong, steady growth.

I think it is obvious to anybody who has to look at the situation that the Army is stressed today. They are in combat. They are losing soldiers. They are, the marines, the ground soldiers. There's been some need. We have Members of this Congress that say, why should the Defense budget keep increasing? They're questioning the increases that we've gotten and the increase that's in this year's budget as being too much.

So I just would say this. I know you have to make some tough decisions. I think we, in Congress, need to evaluate the major weapons-systems proposals that have been made, to stretch some of those out or to reduce those, make sure that that can be justified, make sure it's not going to cost more in the long run than it does.

But the fact that we are considering some of those programmatic cuts that hit the Navy or the Air Force, and looking for ways to provide some additional support for the Army, is fairly logical, if anybody looks at what's happening in the world today. That's just plain common sense, and I wanted to say that. We all need to think about it, wrestle with it, and make sure we do the right thing as we make each decision when we go forward.

Secretary Teets, I was a Federal prosecutor for quite awhile, the biggest part of my professional life. I am pleased that the investigators have dealt with some of the problems of corruption, particularly the Druyun case. I expect that companies who are implicated in that will be punished and that they have to demonstrate major changes in their behavior if they're going to do business with the Department of Defense.

The Boeing Company has one of the most magnificent facilities I've ever seen in Decatur, Alabama, to make the Evolved Expendable Launch Vehicle (EELV). They've been under suspension now for quite some time. I understand perhaps they've lost as much as a billion dollars in contracts. I know they've taken steps to try to demonstrate to the Department of Defense that any of the problems that occurred would not be repeated.

But, at some point, you could end up punishing the innocent people. Now, there's some in jail already. I'm glad they're in jail, or heading to jail, been convicted and plead guilty. Anybody else that's involved ought to go to jail, be convicted, and prosecuted.

What I'm saying is, at some point, if this suspension is not lifted, that magnificent facility may fail. I know that personally, from my State's interest. But the taxpayers could lose; the innocent stockholders can lose; the Department of Defense can lose if it weakens one of its major suppliers.

I want to ask you, how are they doing in terms of responding adequately to the misbehavior that has occurred? How soon can we get that suspension lifted and be able to utilize the capability that they have for our defense?

Secretary TEETS. Senator Sessions, I was the Air Force person who announced the suspension of Boeing, back in July 2003. So it has been a lengthy process and a lengthy period. The Air Force found that three Boeing companies that were all involved in their launch business had committed a very serious violation of the Procurement Integrity Act, and had, in their possession, proprietary information from a competitor during a point in time when the EELV was in competition. So, the Air Force had little choice but to suspend them.

Over this period of time, Boeing has taken strong corrective action. The Chief Executive Officer (CEO) of Boeing, Harry Stonecipher, has been personally involved with this effort. They've taken it on, on a corporate basis, and have instituted a very strong program of ethics and ethical behavior across the corporation.

We're in the process, right now, of finishing up a recent review of exactly where Boeing stands with their ethics program, where they stand with all of their corrective action, coming out of this suspension activity. I would say that the Air Force is in a position to be able to probably lift that suspension in the relatively near term. Now, it's done by the Department and the suspension official in the Air Force who resides in the General Counsel's office. He's a strong professional by the name of Steve Shaw. But I have had recent conversations with Steve on the subject, and I believe that we are, in the near term, ready to lift that suspension, sir.

Senator SESSIONS. I hope that's so, and I hope you can do that with integrity and confidence, because there's huge implications out there for this continuum thing.

As I understand it, Mr. Stonecipher, the new CEO, has been returned, but basically, the entire leadership of Boeing, or most of the top officials in the Boeing Company at the time this misbehavior occurred, have been replaced, and there's pretty much a new leadership team.

Secretary TEETS. There has been some management turnover, for sure. But I do think the leadership of Harry Stonecipher, and his strong push at the corporate level, has been instrumental in improving the situation. I do know that the specific companies involved in the Procurement Integrity Act violation have, in fact, had very large management turnover. They've instituted this strong ethics program that I'm referring to. The Air Force has been monitoring this and following it very closely for the last year and a half.

Senator SESSIONS. That's good to hear. Do the right thing. Don't be lenient on a company that misbehaves. But just prolonging a suspension beyond any connection to the current company that actually can adversely impact our defense capabilities, I believe would be a mistake. I'm glad you're moving forward with it.

Secretary TEETS. Yes, sir. Thank you.

Chairman WARNER. Senator, I'd like to join you, in a sense, on this issue about Boeing, but the broader issue about the Department and the Air Force. I had a very memorable conversation here recently with General Jumper, whom I admire greatly, even though he graduated from Virginia Military Institute (VMI) and I graduated from the competing university. [Laughter.]

Extraordinary man. It's the desire of this Senator and my colleague here and pretty well around the table. Indeed, I've talked to my good friend, long-time friend, John McCain—we want to get the Air Force back, as a Department, on track in its rightful place of strength, admiration, trust, and confidence in the overall defense picture. We're moving in that direction.

Secretary TEETS. Yes, sir.

Chairman WARNER. I think one part of it is, as the Senator from Alabama said, this suspension issue. I'm pleased to hear that you will be addressing that, together with your subordinates in the Department, and go about it in the proper way. But we have to get over this thing and move on, because we have extraordinarily fine people. There are promotions that are implicated in this.

I make this statement, but I reassure the American public that this Senator and others are going to continue to determine the question of, one, how this happened; and, two, has there been full accountability?

Now, I don't want to keep bringing up the fact of when I was in the Department, but when I handled those major contracts, I had to report directly to the Deputy Secretary of Defense on a very regular basis, usually biweekly. That was old Dave Packard, one of the greatest men that ever existed. Believe me, he used to point his finger at me, and he said, "You are responsible, Secretary of the Navy." For one individual to have been able to step out and do the things that were done in this case is very perplexing to me, and I hope that the Inspector General will be forthcoming quickly, because it's an integral thing, in responding to the letter that I and Senator Levin sent him about finishing his work on the simple issue of how this happened and what can be done to make certain

it doesn't ever happen again, whether it's the Department of the Air Force, the Navy, or the Army.

Thank you, Senator.

Senator SESSIONS. Thank you, Mr. Chairman.

I would just note that, you're correct, of course, Air Force personnel and Department of Defense personnel failed also, and that is a big part of this problem. I know Senator McCain feels strongly about that. He and I have discussed it. But I don't think there is any real objection, if you believe, professionally, and your staff believes, professionally, that this debarment or this suspension is time to end. I hope you'll do the right thing. That's all I'll say.

Secretary TEETS. Yes, sir. As I say, we are in process on that item. I also, Mr. Chairman, would say that I appreciate your comments. The Air Force takes these matters extremely seriously.

As you mentioned, our Chief of Staff, General Jumper, is a person of the highest integrity, and it is an honor for me to work with him. We are working hard to make certain that this array of problems that have faced the Air Force—and that, very frankly, have come between the Air Force and this committee—that these items are resolved in a very short order. We appreciate your attitude and receptivity to it.

Chairman WARNER. I thank you for that.

If you stop and think that myself and Senator McCain stopped a reprogramming, when three other committees of Congress had approved that, it was that action that led to the revelation of all of these problems. It just shows that the committee structure plays a role, Mr. Secretary, as a full partner with the executive branch.

Thank you very much.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Gentlemen, Secretaries, thank you for your great service to our country and the things that we are accomplishing and the brave way that our troops are effectively fighting and winning the war on terror. We thank you for the leadership that you provide to them.

Secretary Teets, I'd like to direct a question, if I could, to you, and perhaps get your reaction. I have a specific interest in the B–1 bomber. We have a base in South Dakota, Ellsworth Air Force Base, the 28th Bomb Wing. It is proven to be a remarkably effective weapons platform in the type of warfare that we're fighting in Afghanistan and Iraq, even though it, in fact, was designed in the midst of the Cold War.

The Air Force has successfully extended the role and capabilities of that aircraft to perform a multitude of missions that are less suitable for other, sometimes newer, aircraft in the inventory in its ability, for example, to perform dynamic in-flight re-targeting, carry out non-traditional missions, including even close-air-support missions for Special Forces on the ground truly has been remarkable. I know, at some point, that this current generation of aircraft that has served us so well will be replaced, and that the Air Force plans to develop a next-generation, long-range strike aircraft by the 2035 time frame.

My question is, could you update the committee on the status of Air Force plans for the next-generation bomber to replace the B–

1B, the B–52, particularly the planned midterm improvements and/or upgrades that may be made to the existing bomber fleet until such time?

A second question. That is, what does the Air Force need to keep the B–1Bs flying and capable of performing all of its missions until that next-generation bomber comes off the assembly line?

Secretary TEETS. Thank you, Senator, for the question.

You are exactly right, the B–1 is doing a fine job for us, even as we sit here, and it has performed remarkably well in the theater. I would say that, you've stated it well, the Air Force does have a long-term plan for global strike that would include things like space-maneuvering vehicles, perhaps, or other hypersonic kinds of vehicles that could deliver weapons on target, globally, within minutes. Yet the time frame for that kind of technology to be available is out in the 2035 time frame.

So, what we plan to do, as part of our QDR, is to look at, is there a near-term—I'll say 2015, 2020 time frame? What are our options for that 2015–2020 time frame? Would it make sense to have a new platform, or would it be more appropriate for us to maintain and carry on the set of equipment that we currently have? That will be part of the QDR. Coming out of it, next February, will be an answer to the question you're asking. We're actively engaged in studies and analysis that will inform that QDR activity.

Senator THUNE. I appreciate that. I would simply, again, say—to the degree that you can—that if you would keep this committee apprised of those things that the Air Force needs in order to keep those B–1Bs flying and capable of continuing to perform all those missions until that next generation comes along. We have made, even as I, as a Member of the House of Representatives, a number of upgrades, which I think have improved the precision with which the aircraft can strike targets and the technology that's been—the updates and the upgrades have made that even a more effective platform. I hope that it has a long, prosperous, and bright future.

Secretary Harvey, one question that I'd like to direct to you—and this is a follow-up on some questions that I've posed of other witnesses that we've had before this committee—but it's with respect to the role that the National Guard has played in Iraq and Afghanistan. Once deployed, the performance and their responsibilities really do match their Active-Duty counterparts; yet, oftentimes, their facilities and support structure back in the home States lag behind.

My question, Mr. Secretary, is what plans do you have to upgrade Army National Guard facilities? What can Congress do in this authorization bill to improve the quality of the National Guard's infrastructure?

Secretary HARVEY. Senator, let me just say that the National Guard is an integral part of the Army. It's very important to us.

I just got done, this week, giving a presentation to the adjutants general from all 50 States. They were in town this week for a conference under the Chief of the National Guard Bureau, General Blum. I told them that we have what is called the "Army Equipment Campaign," which is a master plan of resetting and reconstituting the force as it comes out of Iraq. As part of the Army—so that's on the return end—and on the deploy end, we have detailed

plans to modularize 43 Active Component Brigade Combat Teams and 34 National Guard. So we have master plans to equip, train, and organize the Guard for this global war on terrorism mission.

We also are certainly aware of their title 32 responsibilities and also their homeland defense mission. For example, in support of that, we're about to acquire approximately 325 of these light utility helicopters. Two-thirds will go to the National Guard.

I think we have the plans in place. I offer any time to have a person in our programs and requirements branch, the G–8, General Steve Speakes, come over and show you the master plan, which is comprehensive. It includes both the Guard and the Active component. They're just an integral part of what we do. I said to the TAGs, "You just keep pushing for your needs." We have, certainly not the entire plan done, but, as part of that 34, we have an equipment strategy, which will then be made into plans.

So I think you'd find that it's comprehensive. I was surprised about the visibility that we have—not surprised, that's the wrong word. It just confirmed my preconceived notion that the Army plans well. So I was very pleased to see the degree of planning and the Guard's an integral part of that.

Senator THUNE. I appreciate that answer very much, and I will say that, in the last, I think, 3 weeks, I've been to five different Guard unit deactivation welcome-home ceremonies. These are folks—they're not complaining about any of the equipment that they have, but you become increasingly aware. The last one I attended was one where we had actually lost a couple of members of that unit over in Iraq—of the important role that they are playing in this war on terror, of how seamless the military has become with respect to the mission, and the way that the Guard fits into that mission. I'd just hope that you would continue to advise this committee, and us, about what we can do to make sure that they are trained, equipped, prepared, and have all the tools and the resources they need to support the mission that our troops are performing.

So I'll look forward to further conversation.

Secretary HARVEY. As you say, as an example, the 42nd Infantry Division (ID), the headquarters of 42nd ID actually has Active Brigade Combat Teams reporting to it. So we're just seamless, integrated. They're serving as one of the divisional headquarters right now, in Baghdad.

Senator THUNE. Thank you.

Thank you, Mr. Chairman.

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

Gentlemen, if you'll permit me, I'll do some quick wrap-up questions here. Please feel free to provide answers for the record so we can expedite, if you'd like.

On the Army, Secretary Harvey, earlier this year, there was a great deal of discussion about the status of the Army Reserve and its ability, due to the shortage of eligible Reserve soldiers, to meet the rotational requirements. We've had briefings here. Is there any update on that? Because the current officer in charge of the Army Reserve rather pragmatically made an assessment that concerned the committee.

Secretary HARVEY. I'm certainly aware of that assessment. I don't share that assessment, in the near term. It could be real in the long term. But as I said in answer to Senator Reed, I've looked into the availability of the Reserves for the next rotation, the so-called 2005–2007 rotation, which starts in September. I have numbers in front of me—I've been assured that we have adequate resources, both in terms of people, units, and leadership, to meet the requirement of approximately 10,000 reservists.

Chairman WARNER. We'd like to have for the record your very full dissertation on—respectful—with regard to your differences of your view.

[The information referred to follows:]

Let me be straightforward in projecting that difficulties in meeting contingency sourcing requirements, strength achievement/recruiting shortfalls, and shortages in company grade officers will continue through fiscal year 2005 and into fiscal year 2006. The unit requirements for Operation Iraqi Freedom 05/07 are set, sourcing is nearly complete, and mobilization of those units is ongoing. In the long view the status of the Army's Reserve component, with regard to our current operational environment, is healthier than one would expect from a purely voluntary force in a protracted struggle where they have been called upon to shoulder much of the burden.

Unlike Lieutenant General Helmly, I believe the Reserves are "a strained" not "a broken" force and will continue to be so for the next couple of years. That being said, volunteerism within the Reserve component is an unsung story—in the last few months over 4,500 soldiers within the Army National Guard and Army Reserve have agreed to combine voluntary orders with the remaining portion of their 24 months involuntary time to stay with their deploying unit and complete the upcoming rotation. This has negated the requirement to mobilize an equal number of soldiers as replacements, or in the worst case, leave a unit and a combatant commander requirement undermanned. This is an example of the dedicated and selfless commitment that I believe the majority of our citizen soldiers practice everyday. It provides insight into the status of the force. These soldiers and our Nation, as a whole, understand the vital contribution our Reserves have made in the fight against terrorism. We will continue to work with you and across the total spectrum of influencers, to include the communities that shoulder the burden of loved ones deployed, in order to ease the strain, maintain the willingness to serve, and keep any portion of our Army from becoming a broken force.

Chairman WARNER. Secretary England, you mentioned how Members of Congress visit our wounded. I recall vividly, about 18 months ago, being out with Bob Dole, who is a decorated World War II officer who was severely wounded. We're walking down the hall; we were together, going in the rooms and—you've experienced this yourself, all of you have—the family's there. The youngster will say, "All I want to do is get back to my unit." He may be an amputee, or whatever degree of severity of his wounds. He's oblivious to that. He wants to go back.

So, I put together a little piece of legislation, and slipped it in last year's bill, to encourage each of you to facilitate, through fair and pragmatic assessments, the ability of these young people—maybe some of them are a little older—but, anyway, to go back into uniform.

Is there any further legislation that you feel that is necessary to facilitate that? Because it's a dramatic chapter of this era of men and women in uniform.

Secretary ENGLAND. Senator, I don't believe anything else is necessary. I'll tell you, there's a great outreach, and I thank you for your efforts, and the Senate's efforts to do that. But there's a great effort, I know, within the Department of the Navy—I suspect all departments—not only to retain people in the military, if they want

to; but, if they don't want to, or for some reason can't, then we welcome them into the Department of the Navy as a civilian worker. So we work extensively with all these great men and women, great Americans, and they always have a home in the Department of the Navy.

Chairman WARNER. Wonderful.

Secretary HARVEY. Same in the Army. I just had the pleasure of finding out that a severely wounded soldier from the 101st, amputated almost to the hip, is going to join the Army marksman team and compete, hopefully, in the Olympics for us. So there's all kinds of stories like that.

We have what we call the Disabled Soldiers Support System, the DS3 program, which helps severely wounded soldiers integrate back into whatever they want to do. I'm pleased to say that my civilian aides to the Secretary of the Army have taken the responsibility to be advocates and advisors to them in either their home communities or if they're going to stay in the Army, go in the Veterans Administration. We track them, and they have a direct pipeline to my office so that, for example—I should have mentioned that with Senator Clinton—if they have a pay problem, they can get directly to my office. If they have any problem at all, we're going to set them up with job interviews, make sure they get to the Veterans Hospital. If they want to stay in the Army, we'll be an advocate for that.

So, like the Navy, we have a comprehensive program, because, as you noted, these are great Americans. They've served this country well.

Chairman WARNER. No question. Just extraordinary.

Secretary HARVEY. They're extraordinary individuals, and we must treat them just exactly the way you articulated it. We are doing that. Rest assured, we're doing that.

Chairman WARNER. Well, I'm pleased.

And you, Secretary Teets?

Secretary TEETS. Yes, Senator Warner, the Air Force, too, has a very active program, as does the Navy and the Army. I simply would say, we are doing all we can for support. We thank you for your concern, which is apparent, and your help.

Chairman WARNER. It's a concern shared throughout Congress.

Secretary TEETS. Of course.

Chairman WARNER. I remember when I was in your seats. It was during Vietnam, and it was a different atmosphere out there. I just have done everything I can, in my humble career here in the Senate, to make sure that the things that I witnessed, in terms of society really turning against the uniformed—the innocent people coming back. We will never witness that again. We don't want to do it.

I remember they used to sing that old refrain to the British Army, where the soldier is called a Tommy. "It's Tommy this and Tommy that. When the war is over, chuck him out, the brute! But when the guns begin to shoot, tis a hero of his country."

Well, we never know when these guns are going to crank up. They're on there firing right now, but let's just do everything we can for them and their families.

Aircraft survivability equipment, for Secretary Harvey. This is a technical one, and I'm going to ask you. I'll submit this question to you for the record.

Secretary England, the sea-based missile defense, we've had some good successes here, of recent, with the short-range ballistic missile, the standard missile free-fired system. Would you respond to that question and bring us up to date on that?

Secretary ENGLAND. Yes, I would.

Chairman WARNER. Good success story.

Lastly, Secretary England, we're very pleased that the President has made the decision to recognize the services of Admiral Mullen to become the next Chief of Naval Operations. We will include, in the record of this proceeding, his distinguished biography.

[The information referred to follows:]

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO

MAR 8 2005

Dear Mr. Chairman:

The President, under the provisions of Sections 601 and 5033, Title 10, United States Code, has submitted to the Senate the nomination of Admiral Michael G. Mullen, United States Navy, for reappointment to the grade of admiral.

Admiral Mullen is presently serving as Commander, United States Naval Forces, Europe and Commander, Maritime Command Naples. He will be assigned as Chief of Naval Operations. He is 58 years of age.

This action will not result in the Navy exceeding the number of authorized four-star positions.

For the information of the Committee, I am enclosing a career resume on Admiral Mullen which includes a summary of his joint duty assignments.

Most respectfully,

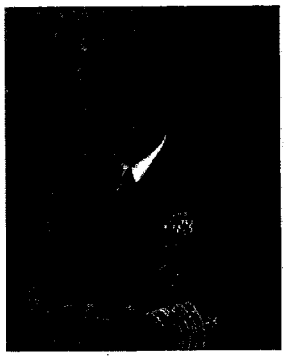
R. S. ERSKINE
Director, Flag Officer
Management and Distribution

The Honorable John W. Warner
Chairman, Senate Armed Services Committee
United States Senate
Washington, DC 20510

cc: The Honorable Carl Levin
Ranking Member
Senate Armed Services Committee
United States Senate
Washington, DC, 20510

★★★★

TRANSCRIPT OF NAVAL SERVICE FOR
ADMIRAL MICHAEL GLENN MULLEN
U.S. NAVY



04 OCT 1946	Born in Los Angeles, California
05 JUN 1968	Ensign
05 JUN 1969	Lieutenant (junior grade)
01 JUL 1971	Lieutenant
01 OCT 1977	Lieutenant Commander
01 JUN 1983	Commander
01 SEP 1989	Captain
01 APR 1996	Rear Admiral (lower half)
05 MAR 1998	Designated Rear Admiral while serving in billets commensurate with that grade
01 OCT 1998	Rear Admiral
21 SEP 2000	Designated Vice Admiral while serving in billets commensurate with that grade
01 NOV 2000	Vice Admiral
28 AUG 2003	Admiral, Service continuous to date

ASSIGNMENTS AND DUTIES	FROM	TO
Fleet Training Center, San Diego, CA (DUINS)	JUN 1968	AUG 1968
Fleet Anti-Submarine Warfare School, San Diego, CA (DUINS)	AUG 1968	SEP 1968
USS COLLETT (DD 730) (ASW Officer)	SEP 1968	JUN 1970
Naval Destroyer School, Newport, RI (DUINS)	JUN 1970	FEB 1971
Nuclear Weapons Training Group, Atlantic, Norfolk, VA (DUINS)	FEB 1971	FEB 1971
USS BLANDY (DD 943) (Weapons/Operations Officer)	FEB 1971	NOV 1972
Fleet Training Center, Norfolk, VA (DUINS)	NOV 1972	JAN 1973
Staff, Commander Service Force, U.S. Atlantic Fleet (DUINS)	JAN 1973	JAN 1973
CO, USS NOXUBEE (AOG 56)	JAN 1973	JUL 1975
U.S. Naval Academy, Annapolis, MD (Company Officer/Executive Assistant to Commandant)	JUL 1975	MAY 1978
Ship Material Readiness Group, Idaho Falls, ID (DUINS)	MAY 1978	OCT 1978
USS FOX (CG 33) (Engineering Officer)	OCT 1978	APR 1981

TRANSCRIPT OF NAVAL SERVICE FOR
ADMIRAL MICHAEL GLENN MULLEN
U.S. NAVY

ASSIGNMENTS AND DUTIES (CONT'D)	FROM	TO
Surface Warfare Officers School Command, Newport, RI (DUINS)	APR 1981	JUL 1981
XO, USS STERETT (CG 31)	JUL 1981	JAN 1983
Naval Postgraduate School, Monterey, CA (DUINS)	JAN 1983	MAR 1985
Surface Warfare Officers School Command, Newport, RI (DUINS)	APR 1985	MAY 1985
CO, USS GOLDSBOROUGH (DDG 20)	JUN 1985	OCT 1987
Naval War College, Newport, RI (DUINS)	OCT 1987	DEC 1987
Surface Warfare Officers School Command, Newport, RI (Director Surface Warfare Division Officer Course)	DEC 1987	SEP 1989
Office of the Secretary of Defense, Washington, DC (Military Staff Assistant to Director, Operational Test and Evaluation)	SEP 1989	AUG 1991
Harvard University Advanced Management Program	AUG 1991	NOV 1991
Surface Warfare Officers School Command, Newport, RI (DUINS)	NOV 1991	NOV 1991
Tactical Training Group Atlantic (DUINS)	NOV 1991	DEC 1991
COMNAVSURFLANT (DUINS)	DEC 1991	JAN 1992
AEGIS Training Center Dahlgren, VA (DUINS)	FEB 1992	APR 1992
CO, USS YORKTOWN (CG 48)	APR 1992	JAN 1994
Bureau of Naval Personnel (Director, Surface Officer Distribution Division) (PERS-41)	FEB 1994	AUG 1995
Office of CNO (Director, Surface Warfare Plans/Programs/Requirements Division, N863)	AUG 1995	MAY 1996
Office of CNO (Deputy Director, Surface Warfare Division, N86B)	MAY 1996	JUL 1996
Tactical Training Group Atlantic (DUINS)	JUL 1996	AUG 1996
Commander, Cruiser Destroyer Group TWO	AUG 1996	MAY 1998
Office of CNO (Director, Surface Warfare Division) (N86)	MAY 1998	OCT 2000
Commander, SECOND Fleet/Commander, Striking Fleet Atlantic	OCT 2000	AUG 2001
Office of CNO (Deputy Chief of Naval Operations for Resources, Requirements and Assessments) (N8)	AUG 2001	AUG 2003
Vice Chief of Naval Operations	AUG 2003	OCT 2004
Commander, U.S. Naval Forces, Europe/Commander, Joint Forces, Naples	OCT 2004	TO DATE

TRANSCRIPT OF NAVAL SERVICE FOR
ADMIRAL MICHAEL GLENN MULLEN
U.S. NAVY

MEDALS AND AWARDS

Distinguished Service Medal with one Gold Star
Defense Superior Service Medal
Legion of Merit with three Gold Stars
Meritorious Service Medal
Navy and Marine Corps Commendation Medal
Navy and Marine Corps Achievement Medal
Navy "E" Ribbon with Wreath
Navy Expeditionary Medal
National Defense Service Medal with two Bronze Stars
Armed Forces Expeditionary Medal
Vietnam Service Medal
Humanitarian Service Medal
Sea Service Deployment Ribbon
Navy and Marine Corps Overseas Service Ribbon
Republic of Vietnam Gallantry Cross Unit Citation
Republic of Vietnam Civil Actions Unit Citation

SPECIAL QUALIFICATIONS

BS (Naval Science) U.S. Naval Academy, 1968
MS (Operations Research) Naval Postgraduate School, 1985
Language Qualifications: Italian (Knowledge)

PERSONAL DATA

Wife: Deborah Morgan of Sherman Oaks, California
Children: John Stewart Mullen (Son)
Born: 30 April 1979
Michael Edward Mullen (Son)
Born: 29 December 1980

SUMMARY OF JOINT DUTY ASSIGNMENTS

Assignment	Dates	Rank
Office of the Secretary of Defense, Washington, DC (Military Staff Assistant for U.S. Navy Programs to the Director, Operational Test and Evaluation)	SEP 89 - AUG 91	CAPT
Commander, SECOND Fleet/Commander, Striking Fleet Atlantic	OCT 00 – AUG 01	VADM
Commander, U.S. Naval Forces, Europe/Commander, Joint Forces, Naples	OCT 04 – TO DATE	ADM

3

Chairman WARNER. I've had the privilege of knowing him. As we recognize him, we keep in mind Admiral Clark, what a magnificent job he has done, a great personal figure today, with his lovely wife Connie.

Secretary ENGLAND. A great personal friend, a great professional friend.

Chairman WARNER. You are lucky to have served with him.

Secretary ENGLAND. I know. You're absolutely right. I've been very fortunate. Admiral Clark, General Jones, General Hagee, and their spouses, we've had a great leadership team. We've been like a family together. He's been a marvelous, marvelous leader.

You will find Mike Mullen, Admiral Mullen, is also magnificent. He was the Vice Chief.

Chairman WARNER. Oh, yes.

Secretary ENGLAND. I had the great opportunity to serve with him for about 3 years. I look forward to when he comes into the Department of the Navy.

But two great leaders, both in the Navy and in the Marine Corps. You're right, I have been, indeed, blessed. It's been wonderful to serve with them.

Chairman WARNER. It should be known that the Secretary of the Navy makes that initial selection of CNO, in consultation with the existing CNO, and forwards it up the chain. Well done.

Secretary ENGLAND. Thank you.

Chairman WARNER. Well done.

Secretary ENGLAND. Thank you. He's a great officer. He'll be a great CNO.

Chairman WARNER. Yes.

Now, lastly, I'm going to ask one of the able members of the military to step up here and get this photograph, which is facing the dais of the Senators, and turn it around. I'm fascinated with it. Stand over here in the corner and turn around so the audience can see this thing.

My understanding—now I can't see it. [Laughter.]

[The picture referred to follows:]

Photograph taken by Caren Firouz/Reuters

Chairman WARNER. I understand that is in your office. Is that right, Mr. Secretary?

Secretary HARVEY. That's in my office.

Chairman WARNER. If I may paraphrase what I've been told, I commend you. You consider each day how you and your colleagues can lighten his load. You're making the Army more mobile and lighter. Based on my very modest experience a half-century ago as a marine carrying a pack, that's about twice what we carried then. Is that your idea of moving towards lighter and more mobile? [Laughter.]

Secretary HARVEY. He had to land—he didn't land as a unit. I think he has about 150 to 200 pounds on him.

Chairman WARNER. Now, is that—seriously——

Secretary HARVEY. That's the 173rd Brigade. Part of the 18th Airborne Corps landed in Iraq, northern Iraq, in April 2003.

Chairman WARNER. Oh, I remember that landing very well.

Secretary HARVEY. The way we're going to lighten his load one way is what I talked about, we're going to network the force. We're going to give him situational awareness so he doesn't have to take all that stuff with him. If, with our Air Force friends, we would land a whole Brigade Combat Team, he wouldn't have to have all that with him, because we'd have a fighting force that is organized the way it's going to fight, and we'd lighten his load that way.

So we have a number of initiatives to make sure that that doesn't happen again.

Chairman WARNER. I'd be interested, for the record, a more precise weight of that outfit. You say 150 to 200 pounds.

Secretary HARVEY. My understanding is 150 to 200.

Chairman WARNER. Let's ask the Colonel. Would you identify yourself for the record?

Colonel ANDERSON. Colonel Joseph Anderson, sir, an executive officer (XO) to the Secretary of the Army, former 2nd Brigade Commander of the 101st.

Chairman WARNER. You have carried, sir, that pack?

Colonel ANDERSON. I've carried that load, sir.

Chairman WARNER. Would you kindly inform the committee what is the weight, with some greater precision than 150 to 200 pounds?

Colonel ANDERSON. That's a modular pack, sir. They can go up to about 150 pounds.

Each of these are subcomponents, and you can carry as much as you cram in there, but the average weight's about 150 pounds.

Chairman WARNER. Is that your idea of becoming more mobile and lighter? [Laughter.]

Colonel ANDERSON. No, it's not, sir. [Laughter.]

Chairman WARNER. Then let's work on that.

Secretary HARVEY. We're going to. That's exactly why it's in my office.

Chairman WARNER. We've had a wonderful hearing.

Thank you. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

SEA-BASED MISSILE DEFENSE

1. Senator WARNER. Secretary England, on February 25, the Navy successfully intercepted a short-range ballistic missile with its Standard Missile-3 fired from the U.S.S. *Lake Erie.* This was the fifth successful test in six attempts and reflected significant operational realism by using an operational missile with operational crews, against a real threat target, and an unscripted test scenario. In light of the recent successful missile defense test, what are current Navy plans for fielding this important missile defense capability for the protection of U.S. deployed forces, friends, and allies?

Secretary ENGLAND. Continued improvements in the Aegis Ballistic Missile Defense (BMD) system's technical capability, for example the Aegis-BMD signal processor and SM–3 Block 2 spiral improvements, will enhance our ability to defeat ballistic missile threats as they grow over the next few years. The current force structure of 7 Pacific Fleet Long Range Surveillance and Track (LRST)-destroyers, 1 engagement cruiser (U.S.S. *Lake Erie*), and 4 SM–3 Block I missiles will grow to 15 destroyers, 3 cruisers, and over 100 improved SM–3 missiles by 2009. Outfitting of Japan's Kongo class Aegis equipped destroyers with this capability will also begin in 2007.

AIRCRAFT SURVIVABILITY EQUIPMENT

2. Senator WARNER. Secretary Harvey, helicopters are particularly vulnerable to surface fire and manportable missiles. The Army has made aircraft survivability equipment (ASE) a high priority and has taken actions to have modern ASE delivered to the CENTCOM Area of Operations for installation on Army helicopters. I was pleased to note that the Army has requested over $200 million for ASE in its fiscal year 2006 budget request. What is the status of the installation of this ASE equipment?

Secretary HARVEY. To date, the Army has upgraded 50 UH–60s (Black Hawks), 13 CH–47s (Chinooks), and 5 C–12 fixed wing aircraft with improved Common Missile Warning System (CMWS) ASE equipment for theater operations. This effort is

ongoing and in process and the Army anticipates having all deployed aircraft upgraded with improved ASE by second quarter of fiscal year 2006.

3. Senator WARNER. Secretary Harvey, are these upgrades fully funded for both Active and Reserve component aircraft?

Secretary HARVEY. These upgrades are fully funded for both Active and Reserve component aircraft.

4. Senator WARNER. Secretary Harvey, how will the Army meet ASE requirements for new helicopters requested in the fiscal year 2006 budget request and the fiscal year 2005 supplemental?

Secretary HARVEY. The ASE equipment for new helicopters requested in the 2006 budget request and the fiscal year 2005 supplemental will be installed during the "new build" or "reset" phase as appropriate.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

FAMILIES OF INJURED SOLDIERS

5. Senator MCCAIN. Secretary Harvey, Secretary England, and Secretary Teets, when an injured servicemember returns to the United States, usually to Walter Reed or Bethesda, he or she often times faces an unknown future. The length of stay could be a few weeks to a year or longer before they can be transferred to a military medical treatment facility (MTF) closer to their home. To aid their recovery, a spouse or family member usually travels to the hospital and is able to help with their physical care as well as much needed emotional support. The cost to the families can be very high. Many of the spouses or family members must quit their jobs, at least temporarily, to spend the necessary time with the injured servicemember. This financial burden hurts the families and could impact retention and recruitment. Describe all the services related to quality of life provided to accommodate a servicemember's family and dependents during the servicemembers recovery period. Which family members are covered, i.e. parents, spouse, former spouse, children? What expenses are paid by the government? What out-of-pocket expenses are expected to be incurred by the family? How long does the coverage last? What resources are available to accommodate loss of income experienced by the family members?

Secretary HARVEY. The quality of life services provided to accommodate an injured soldier's family and dependents during the servicemember's recovery period are numerous and varied. The Joint Federal Travel Regulation (JFTR) specifies the Next of Kin (NOK) may be offered invitational travel orders (ITO) by the Department of the Army. The standard invitation made by the Department of the Army is to three NOKs of a Seriously Injured/Very Seriously Injured (SI/VSI) soldier. These NOK individuals are contacted by the Human Resources Command (HRC) Alexandria to begin the preparation for movement process approximately 1 hour after notification by either the soldier's unit or HRC-Alexandria of an injury or illness to their servicemember. This movement preparation process includes actions by the NOK and the Army such as acquiring copies of birth certificates, if needed, coordination for passports issuance, and travel to a military installation to receive cash advances on their per diem (for meals, lodging and incidentals). While the SI/VSI soldier is outside the continental United States (OCONUS), HRC-Alexandria makes daily contact with her or his attending physician to receive updates on her or his condition, and relays it to the NOK. HRC also connects NOK via telephone free of cost to their soldier while she or he is OCONUS. HRC-Alexandria makes all coordination for the movement of the three NOKs to the soldier's bedside. Movement includes the purchasing of the plane/rail/bus tickets and local travel from the arrival airport to the stateside hospital/MTF.

The majority of soldiers initially are treated at Walter Reed Army Medical Center (WRAMC) and NOKs on travel orders receive per diem based on the rate in the Washington, DC, area. If sent to a different MTF, the NOK will receive the per diem rate for that area unless it is the soldier's home station or where the family normally resides. A majority of family members are located with accommodations on the installation with the MTF, some with kitchens. The accommodations being located on the installation precludes the cost of local travel. If accommodations are located off the installation, transportation is provided by the MTF. Once at the hospital, dining halls are open to the families as is the Post Exchange and other support facilities.

The Department of the Army provides each individual NOK on orders per diem for the area in which the MTF is located. In the case of WRAMC, the per diem is $150 per day per person, of which the individual receives the meals and incidentals portion of the per diem totaling $50, with the Army paying the lodging cost for both on and off installation lodging with the remaining portion of the per diem. The soldier's per diem and continuing war zone entitlements (some of which continue as long as the injured soldier is on in-patient status at the MTF) supplement the average sergeant's income by approximately $565 monthly (Combat Zone Tax Exclusion continues up to 2 years following the end of the combat zone designation; Hostile Fire Pay of $225 continues for up to 3 months; Family Separation Allowance of $250 for as long as the soldier is not in an MTF at his normal permanent duty station; per diem of $3 per day as long as the soldier is in a per diem status). The family per diem payments (approximately $1,500 per month) will continue as long as authorized by the ITO orders or later amendments to th orders.

There is no formal Army program to compensate the spouse or other NOK of injured servicemembers for lost personal income the NOK may suffer while providing "emotional support and comfort" to the injured soldier. As stated above, the soldier and family will continue to receive all entitlements authorized by the war zone as long as the servicemember remains in an in-patient status. These continued entitlements offer a limited off-set to lost income for NOKs above the soldier's normal pay in a non-combat zone environment. In addition, free services and items are provided by numerous organizations to the injured servicemembers and their families. Examples of items and services provided by these organizations are:

- American Red Cross provides tapes, CDs, players, food, suitcases, clothes, personal services (babysitting), calling cards, and transportation (taxi vouchers).
- Army Emergency Relief provides interest free loans, grants or combination thereof.
- Army Community Services provides goods and services.
- Fisher House provides free room and board.
- Fisher House Foundation provides free airlines tickets.
- USO provides free tickets to entertainment activities.
- Walter Reed Society provides grants.

Secretary ENGLAND. JFTR allows payment of travel and transportation allowances for up to three family members to and from the bedside of a member with a serious illness or injury. Additionally, the Secretary may waive the limitation on the number of family members paid for travel and transportation allowances. While traveling under this authority, family members are paid a per diem that provides for lodging and subsistence as well as incidental expenses. Certain other expenses may be paid on a reimbursable basis. Amendments enacted in the National Defense Authorization Act for Fiscal Year 2005 transportation costs, as well as rates of per diem, specific types of reimbursable expenses and the amount paid, may not exceed those authorized for members of the uniformed services.

While the family is visiting, the Department of the Navy (DON) continues to support them. Hospital Liaison Offices provide support to family members by acting as their liaison with a large list of agencies that provide assistance to the injured and their families. The Navy Fleet and Family Support Programs (FFSPs) and the Marine Corps Family Centers also provide valuable resources for the families during and after their visit. FFSPs and Marine Corps Family Centers have long-established partnerships and collaborative efforts with local helping agencies, resources, and community groups, including mental health organizations, schools and the Department of Labor and Veterans affairs to assist families. In addition to their liaison role, FFSPs and Marine Corps Family Centers provide direct clinical, financial, and educational counseling to eligible family members. All these services are provided at no cost to the family members. DON will go as far as to assist visiting military spouses that want to telework by working with several corporate partnerships that offer that option.

In 2005, many of these support services were consolidated within the Marine Corps through the Marine for Life—Injured Support Program. The program provides a single organization to act as the primary patient advocate to improve medical care, provide family support, eliminate seams in care, and increase transition assistance for disabled Marines. The Navy is working to implement a similar program in the immediate future.

All family members are covered by these travel entitlements. The servicemember, in conjunction with the primary next of kin, is responsible for determining which family members will visit. DON's main concern is to ensure the spouse and all chil-

dren are at the bedside or, in the absence of a spouse or children, the parents or next closest family member.

Virtually no out-of-pocket expenses are expected to be incurred by the family. Traveling family members are provided per diem, including authorized miscellaneous expenses, and Invitational Travel Orders. Transportation costs are paid up front by DON. All other expenses born by the traveling family member are reimbursed when their travel claim is liquidated. In those cases where a family member must remain at the bedside for a longer period of time, the Navy processes partial travel liquidation every 2 weeks. The Naval Bureau of Medicine authorizes servicemembers receiving care at medical treatment facilities due to injuries sustained in the performance of their duties in support of OIF and OEF, to receive a clothing allowance of up to $250 as well as funds to purchase personal hygiene items where there is an identified medical necessity.

The coverage lasts as long as the servicemember remains in a seriously ill/injured status in accordance with public law.

No sources are available to accommodate loss of income experienced by the family members. However, grants and loans are offered by Navy-Marine Corps Relief Society. The attached list of agencies are an additional source of emergency funds. Hospital Liaison Offices, as well as the FFSP and Marine Corps Family Centers provide assistance in contacting agencies.

Benevolent/Philanthropic Agencies

PROGRAM NAME	BENEFIT OFFERED	CONTACT INFORMATION WEB ADDRESS	ELIGIBILITY REQUIREMENTS	ADDITIONAL/ MISCELLANEOUS INFO
American Red Cross	*Varies	www.redcross.org/services/afes/0,1082,0_321_,00.html	Active Duty Dependent	Communication, Financial Aid, Counseling
American Legion	Multiple Programs	www.legion.org/activeduty	Active Duty Dependent	Household Maintenance, Errands, Car Repair, Scholarship, Financial Assistance
American Ex-Prisoners of War	Awareness/Benefit Assistance	www.axpow.org	All former prisoners of war and dependents	Benefits Awareness, Counseling.
AMVETS, Voices from Home	Communication	www.voicesfromhome.com/home.html	Active Duty Dependent	Assist Families in Communicating with Service Members, Voice Emails.
Armed Forces Relief Trust	Monetary Donations	www.afrtrust.org	Active Duty Dependent	Transportation, Air Fair, Special Medical Attention, College Tuition
Blind Veterans Association	Advocacy Assistance	www.bva.org	Veterans and their Families	Education Scholarship, Counseling.
Blue Star Mothers	Communication	www.bluestarmothers.org	Mothers of Service Members	Assist with Communication Between Mothers and Service Members, Email.
Comfort for America's Uniformed Services Elite	Comfort Items	www.cause-usa.org	Military Service Members	Clothing, Recreational/Practical Items, Lending Library, Gift Packs.
Disabled American Veterans	Multiple Programs	www.dav.org	Military Service Members and Veterans	Assist with Medical Board/Personnel Evaluation Boards, DVA Claims.
Fallen Patriot Fund	Monetary Donations	www.fallenpatriotfund.org	Dependent of Service Member Killed or Wounded in OIF.	Recipient Selected by Mark Cuban Foundation
Fisher Foundation	Lodging, Airline Tickets	www.fisherhouse.org	Active Duty Dependent, Others	Comfort Homes near Medical Facilities, Airline Tickets via Hero Miles Program
Fleet Reserve Association	Information Resource	www.fra.org	Enlisted members of the Navy, Marine Corps and Coast Guard (reserve, retired and AD)	Advocate on Capitol Hill/Member of The Military Coalition
Gold Star Wives	Benefits Service Organization	www.goldstarwives.org	Spouse of active duty member	Benefit Info, Legislative Updates
Injured Marines Semper Fi Fund	Multiple Programs Monetary Support	825 College Blvd. Suite 102, PMB 609, Oceanside, CA 92057	Military Service Members and Families	Wide Variety of Monetary Benefits
Intrepid	$10,000 per Family	www.intrepidmuseum.c	Dependent of	None

Foundation	$5,000 per Each Additional Child	om/foundation_default.html	Service Member Killed or Wounded in OIF.	
Marine Corps League	Multiple Programs	www.mcleague.org	Honorably discharged, active duty and Reserve Marines with 90 days of service or more, and retired Marines	A national service program, scholarships
Military Pets Foster Project	Pet Foster Care	www.netpets.org/netp/foster.php	Military Service Members and Families	None
National Amputation Foundation, Inc. (NAF)	Information Counseling	www.nationalamputation.org	Veteran and Civilian Amputees	Donated Medical Equipment, Peer Support.
National Military Family Association	Multiple Programs	www.nmfa.org	Active Duty Dependent	News, Information
Navy-Marine Corps Relief Society	Multiple Programs	www.nmcrs.org	Active Duty Dependent	Financial, Educational, Benefits Counseling, Information and other Services
Operation Hero Miles	Transportation	www.heromiles.org	Active Duty and Dependents	Transportation for Emergency Leave and Travel to Bedside. Operated by Fisher Foundation.
Paralyzed Veterans of America (PAV)	Multiple Programs	www.pva.org	Veterans	Assistance with benefits and health care issues.
The Retired Enlisted Association	*Varies	www.trea.org	Veterans	Financial aid to veterans and their families who are faced with adversity or distress
Tragedy Assistance Program for Survivors (TAPS)	Counseling Programs	www.taps.org	Active Duty Dependent	Peer Support, Grief Counseling, Crisis Information
USO	*Varies	www.uso.org/pubs/8_20_2747.cfm	Active Duty and Dependents	Contingency Travel, Child Care and Phone Cards
Veterans of Foreign Wars of the United States	Multiple Programs Monetary Grants up to $500	www.vfw.org	Active Duty and Dependents	Provide emergency financial aid to qualified military personnel, or their family members, for help during financial hardships resulting from military deployments
Wounded Warriors	Quality of Life Support	www.wounded.warriors.org	Military Service Members	Food coupons, clothing, entertainment, phone cards.

***Note:** The benefit amount varies based on a number of different factors, i.e. financial ability, hardship, academic criteria, maximum allowance, and the organization's funding level.

Secretary TEETS. Family members are authorized travel and transportation allowances to visit [very seriously] injured airmen. Current law limits travel and transportation to three family members. As the acting service secretary, I may authorize additional family members on a case-by-case basis. Eligible family members include: spouse, children (including step, adopted, and illegitimate), siblings and parents. Family members are paid a per diem allowance (amount varies by location) that covers their meals and incidental expenses and are reimbursed lodging costs up to the maximum locality rate set by the Department of Defense Per Diem, Travel, and Transportation Allowance Committee. Travel related expenses should be minimal since we cover family members' meals, lodging and miscellaneous expenses (i.e., taxis, baggage fees, etc). Initial travel is approved for up to 30 days and may be extended, normally in 30-day increments by our Air Force Personnel Center. If travel and transportation entitlements are insufficient to meet the family's needs, the Air Force Aid Society (AFAS) is prepared to assist with grants; but no further statutory authority exists to permit the reimbursement for lost income these families may experience.

Services of a non-monetary nature, but clearly related to quality of life, provided to accommodate injured servicemember's families during the recovery period, are

substantial. Both Walter Reed Army Medical Center and Bethesda Naval Medical Center offer excellent web sites and in-house family care programs specifically designed for loved ones traveling to the bedside of injured personnel.

Walter Reed offers a Medical Family Assistance Program (MEDFAC) and Bethesda Naval Medical Center offers the medical evacuation (MEDEVAC) and the Fallen Heroes programs. Both Medical Centers coordinate their resources and act as a point of contact for patients and their family members. They provide detailed information on medical evacuations, family travel, Fisher House and/or billeting, base and local area information, grief and stress counseling, childcare arrangements, support groups, Morale Welfare Recreation (MWR) programs and various base and local services. Both Medical Centers also provide email access, telephones, television, and comfortable surroundings for families to relax.

Assistance to support airmen who are wounded in action (WIA) and their families is an Air Force unique program. It was created to provide one focal point, the Family Liaison Officer, to provide assistance to WIA and families, and information to the senior leadership of the Air Force.

Originally focused on Active-Duty deaths, the Survivor Assistance mission was expanded by Chief of Staff, Air Force (CSAF) in November 2003 to include tracking and providing updates on our WIA as they return to the States for treatment. We follow their progress until they return to duty or return to their home base of record for treatment and convalescence. Updates are provided to the CSAF on a weekly basis. We also track civilian WIA and provide identical services to what we provide to the military WIA. We have expanded this program to care for seriously injured in accidents and critically ill airmen.

From the moment the program learns of an airman who has been WIA, we initiate a tracking process and assign a Family Liaison Officer (FLO) to the airman and family. This process begins as a wounded airman leaves the combat zone and arrives at Ramstein Air Base (RAB) and Landstuhl Regional Medical Center (LRMC). Each incoming WIA airman is met upon arrival at RAB and LRMC by a uniformed servicemember. Assistance Program representatives often call LRMC and talk to the airman; they explain the FLO program and how we will be with them at each stop along the way, and that we are also supporting their family with a second FLO back home if one is required.

When it is determined that the wounded airman will travel back to a Medical Treatment Facility (MTF) in CONUS, we work with the base closest to that MTF to provide FLO support at that location. Wherever the airman goes, a FLO is appointed to meet them as they arrive. We do the same for their family. We have had as many as five FLOs for one airman as he moved from Iraq to his home station in Alaska. Each FLO provides a warm hand-off to the next, coordinated by e-mail, phone, or both.

What do these FLOs do? Simply everything they can for the wounded airman and family. Their commander releases them to provide this service; this is their only duty during the early days or weeks of treatment. They make hotel reservations, pick up family members at the airport, assist with transportation, help the airmen and their family members understand the process they are going through, translate military jargon, get Emergency Family Member Travel orders extended, assist filling out travel vouchers, cut red tape and get the right people talking to each other. Their mission is to provide the airman and family whatever they need. FLOs complete a log of events and submit it to the Survivor Assistance Program manager. A weekly report taken from these logs keeps senior leadership fully aware of how the airmen and their family are doing. It often leads to senior leaders visiting these great Americans and family at their MTF, and many of our wounded airmen have personally received their Purple Hearts from the Secretary of the Air Force (SecAF), CSAF, Chief Master Sergeant of the Air Force (CMSAF). One airman had a special visit from SecAF for his STEP (early) promotion.

Our airmen appreciate the importance of the Survivor Assistance Program and have volunteered to spread the word to commanders. They are guest speakers at the Ira C. Eaker School of Professional Development at Maxwell AFB for Wing and Group Commander's Seminars. Their block of instruction is consistently rated the best and comments from the students always points out the value of having these combat veterans better prepare them to support their airmen and their families should they become wounded in action.

Though family needs are most often provided by the servicing Medical Center, Air Force Family Support Centers (FSC) stand ready to assist as needed. Family support centers provide a valuable service to our airmen and their family members. We realize there is a direct relationship between a member's ability to successfully accomplish a mission and the quality of life that his or her family experiences. Because of this relationship, many programs and policies are available to promote a

positive family environment. The Family Support Center helps families enhance their quality of life with several programs, such as:

Career Focus Program

Maintains information about the local job market and employment agencies. Conducts monthly workshops on job search techniques, resume writing, Federal job application preparation, and interviewing skills. Personalized assistance is also available.

Family Life Education

Learn effective ways to enhance military family life through classes on parenting skills, couples' communication, building family strengths, marriage enrichment, assisting aging parents, and other family and singles' issues. Short-term assessment counseling is available for individuals, couples, and families on a one-on-one basis.

Information and Referral

Maintains a comprehensive listing of base and community programs and services available to meet most family needs, including legal and medical services, crisis intervention, and marriage and family assessment.

Personal Financial Management Program

This program is designed to assist people in managing personal finances and provides individualized training to help personnel get out of debt and gain good money management skills.

Readiness Program

Provides assistance for resolving problems that occur when the military member is on temporary duty, alert, or a remote assignment. Morale telephone and videotelephone communication is also available for eligible personnel.

Relocation Assistance

Addresses concerns related to relocating by providing a "Welcome Tour," a Loan Locker stocked with household items, a "Smooth Move" workshop, handouts and software programs.

Transition Assistance Program

Assists retiring and separating servicemembers and their families in making a smooth transition to civilian life. All combat wounded and other disabled veterans engaged in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) will receive complete information and assistance in obtaining all services from DOD, Department of Veterans' Affairs (DVA), and Department of Labor (DOL) through existing and effective Family Support Center Transition Assistance programs. The Palace Hart (Helping Airmen Recover Together) program will provide oversight and case management for the continued Air Force employment of those WIA disabled veterans who cannot be retained on Active Duty.

BOEING CONTRACT SUSPENSION

6. Senator MCCAIN. Secretary Teets, on several occasions over the past year you have lifted the contract suspension with Boeing to launch military satellites. You took this action—and you were the Air Force official responsible for this decision—after Boeing had been found guilty of violating Federal laws by possessing more than tens of thousands of proprietary Lockheed Martin documents during a competition for launch services. The revelations of Boeing over the last couple of weeks have been considerable. Let's review them: numerous (as many as 13) Boeing contracts were referred by Defense Contract Management Agency (DCMA) to the Department of Defense Inspector General (DODIG), two Government Accountability Office (GAO) protest decisions overturned two separate Boeing contracts on C–130 AMP and small diameter bomb, two senior Boeing executives are in jail, a Boeing President and CEO has been let go. Recent press reports suggest that you are once again planning on lifting the suspension on Boeing—this time for good. What are you thinking? Is Boeing too big to punish?

Secretary TEETS. The Air Force terminated the suspensions of three Boeing business units on March 4, 2005. Those suspensions—nearly 20 months in length—were by far the longest suspensions of a large defense contractor ever imposed. While to date Boeing has not been found guilty of having violated any laws regarding the Evolved Expendable Launch Vehicle matter, we felt that the suspension, and the other sanctions we took against Boeing for possession of Lockheed Martin's documents, was necessary to protect the interests of the government. The cornerstone

of the Air Force's acquisition philosophy is integrity in all phases of the procurement process.

Boeing has taken significant corrective actions over the past 20 months to rectify its past improprieties and to develop long-lasting integrity standards that make them eligible to compete for government launch contracts again. Based on our finding that the suspensions were no longer required to protect the government's interests, the Air Force was required by applicable law to terminate the suspensions.

To help ensure that Boeing maintains its revised corporate governance programs, complies with representations it has made to the Air Force regarding its corrective actions, and to protect the government's interests in the future, the lifting of the suspensions was contingent on the execution of an Interim Administrative Agreement between the Air Force and Boeing. That agreement is one of the toughest ever entered with a contractor, setting a new precedent for these types of agreements, and allows the Air Force to reinstate the suspension in the event Boeing is indicted or convicted of any offense, or if new evidence of wrongdoing is discovered. The agreement also requires Boeing to engage an outside Special Compliance Officer to monitor Boeing's compliance with its procurement and ethics procedures, and to periodically report his findings to the Air Force.

The extent of Boeing's punishment for its misconduct has yet to be determined, as only the suspension has been resolved (and by law a suspension may not be imposed as punishment). Boeing remains potentially liable, both criminally and civilly, for its conduct that is under investigation by the Department of Justice.

CAPTAIN MICHAEL SPEICHER

7. Senator MCCAIN. Secretary England, on October 11, 2002, you changed the status of Captain Michael Speicher from "Missing-in-Action" to "Missing—captured" or "Prisoner-of-War." I have been briefed that U.S. search teams have exhaustively searched known prisons and other sites, interrogated captured former Iraqi officials—including Saddam Hussein, interviewed Iraqi citizens and Bedouin tribesman, reviewed seized documents—including Iraqi classified documents, re-examined the crash site of Captain Speicher's aircraft and have revealed no conclusive evidence supporting the change in Captain Speicher's status. Do you intend to change Captain Speicher's current status? If so, when?

Secretary ENGLAND. On 1 April, the Department of the Navy received the Defense Intelligence Agency report that investigated the Captain Speicher case. The report is being reviewed to determine if a change of status is warranted.

8. Senator MCCAIN. Secretary England, are any other reports required on this or do you have enough body of evidence to make a determination now?

Secretary ENGLAND. This determination will be made by 8 April.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

FUTURE COMBAT SYSTEM AND NON-LINE-OF-SIGHT CANNON

9. Senator INHOFE. Secretary Harvey, I am proud to be a co-chair of the Army caucus, along with my good friend, Senator Akaka. I am being told the manned ground vehicles in the Future Combat Systems (FCS) may be moving farther to the right again. This concerns me because it was just 2 years ago when General Shinseki sat in front of this committee and reconfirmed the need for a new cannon for the Army. He wrote the committee and said the Army needed a Crusader-type capability in the same timeframe that Crusader was to be fielded, which is 2008. I am concerned that this budget pushes the fielding of the non-line-of-sight cannon (NLOS–C) and the other manned ground vehicles further to the right. Can you tell me where we are on developing the NLOS–C and these other manned ground vehicles and what the Army plan is to meet the requirement stated by General Shinseki in 2002?

Secretary HARVEY. The Army still intends to provide a "Crusader-type" capability to soldiers in 2008. On May 14, 2003, the Defense Acquisition Executive approved the Milestone B decision to transfer the FCS and its manned ground variants, including NLOS–C, into System Design and Development (SDD). Also at that time, the Army reduced risk to the program by restructuring, adding funding, and adjusting the Initial Operating Capability (IOC) of the FCS program to fiscal year 2014. Subsequently, the Joint Requirements Oversight Council (JROC) revalidated the requirements and key performance parameters of this program January 31, 2005.

The restructured program provides for fielding a brigade-size element using spirals of available technology. NLOS–C as the lead variant of the FCS Manned Ground Vehicle (MGV) program will be fielded ahead of the remainder of FCS systems. The Army will provide a set of six prototypes, automated, self-propelled, "Crusader-type" cannons (NLOS–C) to this evaluation force by 2008. By 2014, this evaluation force will be complete with fielding the complete unit of action set of FCS equipment to include all seven variants of the MGV. This includes replacing the 6 prototype NLOS–C with 18 first generation, production NLOS–C systems (6 each during 2010, 2011, and 2012).

The NLOS–C project is on track to provide this capability. The NLOS–C Concept Technology Demonstrator funded by Congress in 2003 has fired over 426 rounds in testing and demonstrated the viability of hybrid-electric propulsion.

The remainder of the MGV program is also on track. The design team has selected the best technical approach for all seven systems and is proceeding with SDD. This SDD process is critical to ensure the commonality of all MGV systems that will dramatically reduce the current logistics and personnel footprint associated with armored vehicle formations.

The use of an evaluation force is consistent with other efforts. For example, the Army utilized an evaluation force (to include deployment to combat) for the High Mobility Artillery Rocket System (HIMARS). This technique allowed the Army to identify employment techniques and correct problems before beginning full-rate production and will be critical to ensure success in the FCS.

NON-LINE-OF-SIGHT CANNON IN STRYKER

10. Senator INHOFE. Secretary Harvey, in 2004 I visited the Stryker brigade in Mosul. The Stryker brigade was doing a great job and the soldiers and the commander were very proud and excited about the capability of the Stryker brigade. I asked the commander if there was anything else he would like to have in the brigade, any capability that was lacking. He told me he would like to have a cannon system like NLOS that had similar mobility to the rest of the brigade. At this time, the brigade is fielded with towed cannons and the troops in that artillery formation are exposed. They are not protected by the same armor as the other vehicles in the brigade. This seems to be a glaring deficiency to me, and apparently to that commander. Does the Army have any plans to fix this problem? Should we move the NLOS–C forward to fill this gap in capability?

Secretary HARVEY. Currently, Stryker brigades have the M198 towed, 155mm howitzer. The Army acknowledges this is a sub-optimal solution. Beginning in fourth quarter, fiscal year 2006, the Army will begin fielding the joint, lightweight, 155mm (JLW155), towed, howitzer to Stryker brigades. This howitzer has a "Paladin-like" self-laying capability and increased mobility that increases its effectiveness and survivability. This howitzer is a joint program under U.S. Marine Corps (USMC) lead and recently entered a joint (USMC-Army), multi-year production contract to procure 233 Army howitzers, enough for 6 Stryker brigades and 4 general support fires battalions. The joint USMC/Army program completes fielding of this howitzer to the five Active component Stryker brigades by fiscal year 2008 and the Reserve component Stryker brigade by fiscal year 2010.

The Army has considered fielding NLOS–C to the Stryker brigade. To keep NLOS–C parameters common with FCS and realize the long-term savings in logistics and personnel, NLOS is correctly tied to the FCS MGV production timeline. Separating the program to support early Stryker brigade fieldings would incur additional research and development costs and most likely generate a new class of single purpose vehicle. Once FCS MGV production has begun, and commonality among variants is assured, the Army may relook the opportunity to provide this capability to Stryker brigades. This projected date would be fiscal year 2014 or later. Until then, this near-term solution provides the newest and best howitzer (JLW155) to Stryker brigades as quickly as possible and allows these units to have the capability 8-plus years ahead of any NLOS–C solution that maintains commonality with FCS.

C–130J

11. Senator INHOFE. Secretary Teets, 3 weeks ago General Jumper informed this committee that 30 C–130Es were grounded and another 60 C–130s, both Es and Hs, were being restricted due to cracks in the highly stressed wingbox area. Because of the heavy employment of the C–130 and the need for additional tactical airlift, we, as Congress, approved the purchase the C–130J. A Mobility Capability Study was commissioned in order to determine exactly just how short we were in strategic

and tactical airlift resources. I understand this study is due sometime this month. I have expressed concern repeatedly, as have many of my fellow senators on this committee, about why the Department of Defense and the U.S. Air Force have decided to cancel the C–130J at this time. First, there are extensive termination costs, some say as much as $1.3 billion, associated with the cancellation. Second, with the USAF canceling the C–130J, it increases the cost per unit for the Marine Corps' KC–130J, which is also being cut, as well as the Air Force's F/A–22, since the contractor spreads the overhead costs for manufacturing across the three aircraft systems. Third, we do not know what the final disposition or cost will be to repair these 90 grounded and restricted C–130s. With the Mobility Capability Study due later this month, it seems to me that we are being shortsighted in canceling the C–130J before receiving and analyzing the results of this study first. It is my fear that this study will show that we do indeed need more C–130Js. General Jumper's response to this concern 3 weeks ago was that the Pentagon would revisit the program cancellation and Secretary Rumsfeld in his testimony 2 weeks ago stated that the DOD might seek an amendment to restore funding to the program. Can you give us a status on the DOD review of the C–130J program, when we will have a decision, and what the basis of that decision will be?

Secretary TEETS. The Office of the Secretary of Defense (OSD) review is still ongoing and as stated by the Secretary of Defense (SECDEF) will be completed in April 2005. The review includes all additional information that has come to light since the budget request was submitted. These items include termination settlements that appear to be much higher than anticipated, the Air Force's recently completed analysis indicating our legacy C–130 fleet is aging faster than originally predicted, and finally, the performance of the C–130Js in conducting their wartime mission while deployed to Iraq. Those items along with the Mobility Capability Study and QDR, which will be completed later this year, will help guide this decision.

F/A–22

12. Senator INHOFE. Secretary Teets, this budget calls for drastically cutting the number of F/A–22 aircraft. After the initial operational testing and evaluation that was conducted recently, the evaluators' report stated that the aircraft was "overwhelmingly effective" and that the weapon system further "dominated all adversaries, air and surface." Because of this cut, we will now have to rely longer on the older airframes and capabilities of the F–15 and F–16, some of which are approaching 30 years, to meet our mission requirements. Even with the JSF in the pipeline, we determined that both weapons platforms were needed in sufficient numbers to meet the future threat. If we want to upgrade the F–15s and F–16s to approach the capability of the F/A–22 we will then have aircraft that cost about as much as the F/A–22 yet without the full capability. The next F/A–22 will cost about $197 million, as I understand, now that the initial development costs have been paid for. Air supremacy is a central tenet of our United States Air Force and we have seen time and again, as early as World War II and most recently during Operations Enduring Freedom and Iraqi Freedom, how our air power dominance shapes the outcome of war. As other countries advance their technology, increasing aircraft stealth and reliability, and as their pilots' training improves, in both offensive and defensive capability we may lose the edge that we currently possess. The Russian's SU–30 and 35s are here today and the F–15 with today's systems are on par at best and sometimes at a disadvantage when it comes to maneuverability, radar detection, range and radar cross section. We cannot risk putting our pilots in inferior aircraft against a potential enemy. Because of America's air supremacy and our control of airspace at the beginning of and throughout a conflict we are better able to protect the lives of our military members on the ground. Given your best judgment, please comment on whether the Air Force can guarantee air supremacy for the next 30 years without a sufficient number of F/A–22s?

Secretary TEETS. Without sufficient numbers of F/A–22s, the Joint Force will incur increased operational risk, attrition, and time to gain air and surface dominance. Additionally, the Joint Force Commander's ability to "seize the initiative" and gain access to the battlespace for joint forces will be critically jeopardized in the future. Previous analysis determined the Air Force requirement for at least 381 Raptors. That analysis was based on capability, business case, and sufficiency needed to meet the national defense strategy at moderate risk. The Department's upcoming QDR analysis on joint air dominance capabilities will reassess future tactical aircraft force structure risks and requirements.

FUTURE TOTAL FORCE

13. Senator INHOFE. Secretary Teets, I have been briefed on the plan for an initiative the Air Force is pursuing known as Future Total Force. I commend the Air Force for its vision in looking at our current aircraft fleet and determining which of our oldest, least capable, most expensive aircraft will be retired and on what time line, over the next 20 years. This initiative is based on aircraft capability and future threat, as well as new emerging missions, such as unmanned aerial vehicles, along with the weapon systems in the production cycle. This initiative looks across the Active-Duty, Reserve, and Guard Forces, and has a number of test cases ongoing to optimize the structure of tomorrow's Air Force and the mission requirements for the various units. I also understand that the Air Force is committed to the Air National Guard end strength remaining stable without any loss of its end strength, which I am very happy to hear. How will the Air Force ensure that in the future, as it looks at a strategic 20-year plan, that short-term budget actions similar to this year's cancellation of the C–130J and limiting the production of the F/A–22 will blend into the retirement actions that will have been enacted? It seems to me that you cannot take such shortsighted actions when you have planned the overall force structure partially based on such development and production.

Secretary TEETS. As you are aware, the fiscal year 2006 budget request reduced F/A–22 procurement to approximately 179 aircraft. Our latest information indicates this number could be as low as 165 aircraft, depending on future negotiations with the contractor. Prior to the cut, the Air Force had budgeted 277 Raptors within the FYDP, with an out-year goal of 381 to satisfy operational requirements.

The Future Total Force (FTF) plan we briefed to your staff meets those requirements with 381 Raptors. Although the recent cut to F/A–22 procurement was a budgetary decision based on fiscal realities and Defense Department priorities, the Department directed the QDR to assess all tactical aircraft (TACAIR) and their contributions to joint air dominance. The Air Force looks forward to the QDR where we will explain why we believe the procurement of 381 Raptors is necessary from both a capability requirements and business-case perspective.

Similarly, the reduction in the total procurement plan of 168 C–130Js stems from Defense Department budgetary priorities. The Air Force will work with the Department to revalidate the procurement plan based on results of the QDR, the Joint Intratheater Airlift Study (commencing April 2005), and the Mobility Capability Study (MCS) due to be released in April 2005.

In conducting its FTF analysis, the Air Force ran a variety of defense planning scenarios (with threats determined externally by the Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), etc.) using 14 different force structure models. The FTF force structure, including the numbers of F/A–22s and C–130Js mentioned earlier, was determined to give us the capability we needed with the wisest use of our resources, i.e. retirement of our oldest fighters, refuelers and airlifters. Any significant changes to these aircraft programs may result in retention of legacy aircraft that become increasingly more expensive to operate.

In short, we will always maintain the ability to adjust our plans as external forces dictate; however, we feel strongly that the force structure presented in the FTF plan will give the Nation the most capability in the most efficient manner possible.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

DD(X) DESTROYERS

14. Senator COLLINS. Secretary England, I know that you have spoken many times about the need to contain the costs of shipbuilding. As you are already aware, key drivers of cost in ship construction are rate and volume. It is simple economies of scale: the more ships you produce, the lower the cost per ship. A decrease in production from 12 DD(X) destroyers to 5 will certainly increase the cost of each ship. Has the Navy calculated what the cost of each ship would be if 12 were produced as opposed to five?

Secretary ENGLAND. The Navy has conducted extensive analysis to achieve the best-balance between resources and requirements in the fiscal year 2006 President's budget request, which includes the fiscal year 2006 funding and projects $13.7 billion across the FYDP for the construction of five DD(X) ships.

In order to establish a per unit cost for the construction of 12 ships between fiscal year 2006 and fiscal year 2011, specific assumptions would have to be made regarding the phasing of the profile, the acquisition strategy, shipyard capacity, which shipyard would build each of the ships, and multiple other variables. Certainly, the per ship unit cost would be lower based on achieving economies of scale, which

would spread overhead and non-recurring costs across additional hulls. However, there is not sufficient total obligation authority to procure 12 DD(X) ships in the current FYDP.

The revised DD(X) acquisition strategy is intended to reduce ship unit cost by concentrating the workload associated with the lower build rate at a single shipyard. Navy analysis indicates that sufficient production capacity exists in either surface combatant shipyard to support a build rate of up to two DD(X) destroyers per year. The Navy expects to save in excess of $1 billion over the FYDP by avoiding the premium required to maintain a second shipyard.

15. Senator COLLINS. Secretary England, a DD(X) competition will very likely lead to a delay in the program. I know that within the Department of Defense there have been substantial analysis about the costs of this delay. Specifically, how much does it cost to delay this DD(X) program? How are costs affected if the rate of production goes from two per year to one per year?

Secretary ENGLAND. The Navy estimates that there will be a delay of approximately 1 year to the start of fabrication and the delivery of the lead ship due to competition. Preliminary analysis indicates that the cost of the delay equates to approximately $40 million on the lead ship. The additional cost of the lead ship has been factored into the overall savings that would be generated by the competition. However, the delay in delivery of the lead ship will allow the Navy to further mature and test the Advanced Gun System, Long Range Land Attack Projectile, and the Integrated Power System. The additional time would address the concerns regarding technical and schedule risks mentioned in language contained in both the fiscal year 2005 Authorization and Appropriations Conference Reports.

The per unit ship cost increases if the rate of production goes from two per year to one per year. However, there is potential to significantly decrease costs by constructing all ships at one shipyard. A draft, revised DD(X) acquisition strategy being considered, would result in savings in excess of $1 billion over the FYDP by avoiding the premium required to purchase ships at rates below the industry's minimum economic build rate and to maintain a second shipyard.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

ACTIVE-RESERVE COMPONENT REBALANCING

16. Senator CHAMBLISS. Secretary Harvey, like you, I am greatly concerned with the stress being placed on our Reserve component soldiers. As the co-chair of the Senate Reserve Caucus, I have received a great deal of feedback on the effects of deployments on soldiers and their families. On February 22, General Brown stated that we have already deployed 90 percent of our Reserve component civil affairs units. In addition, Secretary Rumsfeld told us in his written statement a few weeks ago that 65 percent of enlisted construction equipment operators have been called up. These are two good examples of specialties that exist almost exclusively in the Reserve component of the Army. Yet the solution presented of rebalancing the Army deals mainly with shifting soldiers from under-utilized specialties to heavily-utilized career fields within the same component. These shifts within the Army do not shift force structure and units, like civil affairs battalions, from the Reserve component to the Active. Many of these units, particularly those that have previously existed only in the Reserve component, will take a substantial amount of time to activate and train. Can you tell us to what extent the Active-Duty component of the Army has activated new units in these and other high demand specialties and what your plans are to do so in the future?

Secretary HARVEY. We are rebalancing over 100,000 spaces of structure both between and within Active and Reserve Forces in the Army to increase the number of high demand capabilities, such as military police, civil affairs, and other career fields. The active Army will be able to perform a larger portion of these high demand functions once our restructuring efforts are completed. To date, we have rebalanced approximately 40,000 spaces of force structure and will complete the majority of our rebalancing efforts by fiscal year 2007. The additional rotational depth created by rebalancing will decrease the frequency and duration of deployments for both Active and Reserve component soldiers. Since we are creating new units, it takes significant time to properly man, train, and equip them. Changing force structure is not a near-term solution to relieving stress on high demands units.

COST OF THE F/A–22

17. Senator CHAMBLISS. Secretary Teets, recently the Secretary of Defense testified that the production cost of an F/A–22 was a "quarter of a billion dollars and rising." However, from my analysis the per copy cost of an F/A–22 continues to decrease and is now in the neighborhood of $130 million a copy with the expected costs for Lot 5 aircraft even lower than that. Is that correct?

Secretary TEETS. The per-copy cost of an F/A–22 continues to decrease as production matures. The flyaway unit cost, which accounts for air vehicle, avionics, engines, and other nonrecurring efforts, for a Lot 4 aircraft was $157.9 million. The budgeted flyaway unit cost for a Lot 5 aircraft decreases to $137.3 million.

18. Senator CHAMBLISS. Secretary Teets, the F/A–22 and C–130J production lines share overhead costs because they are produced at the same facility. Has the Air Force conducted an analysis to show what impact closing the C–130J production line after the FY06 buy will have on F/A–22 production costs? If not, when will this analysis be conducted?

Secretary TEETS. The Defense Contract Management Agency (DCMA) provided the F/A–22 System Program Office (SPO) a preliminary assessment of overhead rates at all Lockheed Martin Aerospace (LMA) F/A–22 production facilities, to include LMA-Fort Worth, LMA-Palmdale, and the LMA-Marietta, Georgia where the C–130J is produced. LMA manufacturing overhead rates are site specific, while all other overhead rates are LMA company-wide. The DCMA preliminary assessment included impacts from closing the C–130J production line at LMA Marietta after the fiscal year 2006 buy and closing the F/A–22 production line after the fiscal year 2008 buy at all LMA F/A–22 production facilities. The impact was an increase of approximately $240 million for the F/A–22 program through the end of production in fiscal year 2008. A joint Office of the Secretary of Defense Cost Analysis Improvement Group (OSD CAIG), Air Force Cost Analysis Agency (AFCAA) and DCMA team will further evaluate the overhead impacts to all DOD programs at LMA production sites. This effort is currently scheduled to be complete in May 2005.

19. Senator CHAMBLISS. Secretary Teets, based on the President's proposed budget for fiscal year 2006–2011 which terminates F/A–22 production after the fiscal year 2008 buy, how do you expect this proposed early termination to affect Lot 6 contract negotiations and pricing based on the fact that supplier confidence will be lower and subcontractor costs higher due to the smaller number of aircraft being purchased?

Secretary TEETS. Supplier confidence is one of many factors we expect to translate into price increases for Lot 6, and we anticipate the impacts to magnify with each successive lot buy. Initially, as supplier confidence weakens, suppliers will cease investments in production improvements and seek to recoup previous investments earlier. The projected impact to Lot 6 related to supplier confidence is approximately $40 million. Additionally, we expect to see higher costs resulting from increased overhead rates, work disruption, displacement or loss of experienced workers, and lost economic ordering benefits due to quantity reduction.

NATIONAL SECURITY PERSONNEL SYSTEM

20. Senator CHAMBLISS. Secretary England, one of the pillars of transformation of the military has been the National Security Personnel System (NSPS) which will revamp and modernize the military's civilian personnel system by changing the way the military hires, assigns, and compensates civilian employees. You have been the point person for developing this system across the DOD. I support the goal of NSPS and look forward to continuing to work with you and the military departments on the specifics of the plan. One of the basic tenets in NSPS is to give managers and supervisors greater control and flexibility in rewarding their employees. This is by and large the process used by private industry which, although it is imperfect, is largely effective in rewarding and promoting outstanding employees. However, success in this area depends greatly on how effective, fair, and well-trained the supervisors are in managing, evaluating, and leading their employees. In fact, union representatives from Robins Air Force Base recently shared their concerns about supervisor training with me. As DOD transitions to a less structured pay and promotion system in Spiral 1 of NSPS beginning in July 2005, what will the Department do to ensure that supervisors will be properly trained, instilled with the appropriate leadership qualities, and held accountable for their own performance in managing and evaluating employees, so that implementation of the NSPS within DOD will succeed?

Secretary ENGLAND. The flexibilities proposed in the NSPS regulations bring with them an increased need for accountability. This includes employee accountability for performance, as well as supervisory and managerial accountability for the proper exercise of the authorities in NSPS. Extensive training will be given to supervisors and managers, including military supervisors and managers, with a focus on improving skills needed for effective performance management, such as setting clear goals and expectations, communicating with employees, and linking individual expectations to the goals and objectives of the organization.

In order to meet our training goals, we have developed a two-fold strategy to prepare our workforce. First, we will make sure all employees get the training needed to understand the system, how it works, and how it will affect them. In addition, the Department will offer specialized courses for all of the functional areas covered in the NSPS regulations, tailored for specialized audiences (e.g., supervisors/managers, human resources practitioners, attorneys). These courses will cover pay banding, staffing flexibilities, performance management, employee engagement, labor relations, the appeals process, and other matters. Courses aimed at supervisors and managers will focus heavily on the performance management aspect of NSPS. The Program Executive Office is developing these courses now and will make them available to components in time to train all affected employees in advance of NSPS implementation. Second, components will offer a variety of informational forums and learning opportunities designed to assist commanders/senior leaders, supervisors, and employees in adapting to and prospering under NSPS. The primary focus of this effort is to develop and enhance the skills needed to manage in a performance-based environment. We recognize that doing this kind of training and preparing is critical to the success of NSPS, and we're committed to doing it right.

E–10A PROGRAM

21. Senator CHAMBLISS. Secretary England, I was pleased to see your comments in your written statement regarding the importance of the E–10A program to the future of our military forces. The E–10A and its multi-platform radar will enable our forces to identify, track, and target enemy forces. The E–10A will provide our forces with persistent intelligence, surveillance, and reconnaissance information so that they can respond to time-sensitive opportunities with decisive force. Can you provide a short update on the status of the E–10A program and comment on what capabilities the E–10A will mean to the future Joint Force Commander?

Secretary ENGLAND. Question re-tasked to the Air Force.

Secretary TEETS. The E–10A program has been restructured within current funds to focus on technology and risk reduction with an emphasis on demonstrating a cruise missile defense capability before entering a low risk system development and demonstration. In the restructured E–10A program, the first demonstration flight of the MP–RTJP wide area surveillance radar is scheduled in fiscal year 2010 and the first orbit of four operational aircraft will be delivered in fiscal year 2018 to support cruise missile defense and precision engagement of time critical ground targets.

C–5 AND C–130 AVIONICS MODERNIZATION CONTRACTS

22. Senator CHAMBLISS. Secretary Teets, based on a review of Air Force contracts that Ms. Druyun was involved during her tenure in the Air Force acquisition office, the DOD has announced that the DODIG will investigate the C–5 Avionics Modernization Contract (AMP), and separately, GAO has recommended that the Air Force re-compete part of the C–130 AMP contract. I commend the DOD and GAO for undertaking these reviews and taking this issue seriously. Regarding the C–130 contract, can you comment on GAO's recommendation and give me a timeline for when the Air Force will make a decision on whether and what part of that contract to re-compete?

Secretary TEETS. Upon concluding the requested analysis, we will report back to the GAO. The Air Force is attempting to complete its analysis within 60 days from the date of their decision (25 Feb 05) and has identified the team members. Their review is ongoing.

23. Senator CHAMBLISS. Secretary Teets, for the C–5 contract, do you have a sense of how long the DODIG will take to review that contract and is the Air Force working with the DODIG on their review?

Secretary TEETS. As the DODIG C–5 AMP contract review is ongoing the AF defers to the DODIG as to when that review will be completed. The AF will continue

to support the DODIG in any way necessary to quickly and accurately complete the C–5 AMP contract evaluation.

24. Senator CHAMBLISS. Secretary Teets, for both contracts, regardless of the way they were awarded, the AMP program is crucial for both the C–130 and C–5 fleets, and I would appreciate your comments on how the Air Force will ensure that the necessary modernization of these aircraft will continue in the event that re-competing either of the contracts is necessary.

Secretary TEETS. The Air Force is committed to modernizing our C–130 fleet, which includes the C–130 AMP and the C–130J multiyear procurement programs. We will carefully consider the GAO recommendation to perform an objective analysis for recompetition.

The Air Force is also committed to modernizing the C–5 fleet beginning with C–5 AMP. AMP is currently in the final stage of development and the initial stages of production We will evaluate DODIG recommendations when that agency has completed its investigation.

QUESTIONS SUBMITTED BY SENATOR LINDSEY O. GRAHAM

FUTURE TOTAL FORCE

25. Senator GRAHAM. Secretary Teets, as part of its Future Total Force (FTF) initiative, the Air Force has promised not to reduce Air National Guard (ANG) end strength which stands at approximately 106,700. To compensate for the planned loss of flying units, the Air Force is generating a list of emerging missions for the ANG to assume. The issue with this aspect of the plan is that aircraft retirement is well-defined and time-phased while identification and implementation of new missions is only in the early discussion stage. In addition, due to cultural differences between Active-Duty and National Guard members and redundant forces (such as military police and maintainers), many Guard members may choose or be forced to leave the Service. How does the FTF initiative compensate for this reality?

Secretary TEETS. The Air Force FTF plan describes which airplanes we're divesting, but not the units and bases; BRAC will decide that. Last year, Congress asked the Secretary of Defense to submit a 20-year force structure plan based on two assumptions: 1) the capabilities required for the future; and 2) the anticipated levels of funding for the DOD. After a significant 2-year internal Air Force debate (including full participation from the Air National Guard and Air Force Reserve at many points along the development process), the Air Force submitted its proposed plan. This plan recommended divesting the oldest, least capable, and most expensive aircraft in our inventory. Unfortunately, these older and less capable aircraft were predominately located in Air National Guard units. Again, this force structure plan did not specifically identify who would have the particular equipment under a specific organizational construct, or where the remaining aircraft will be based.

It is important to note that simply identifying the oldest platforms for divestment does not mean there will not be other platforms that will "roll-down" to replace the current systems. Discussions to this effect have been ongoing during the BRAC deliberation process. However, these deliberations, by law, cannot be made public until recommendations are given to the BRAC committee in May.

Another aspect of the FTF plan is to increase the "association" of all three components—Active, Guard, and Reserve in order to produce the most effective organizations and preserve the benefits of the highly experienced Guard and Reserve personnel. One example is the CSAF FTF Test Initiative at Langley AFB where the Virginia Air National Guard's 192nd Fighter Wing will begin to fly the F/A–22 at the same time as the Active Duty in an associate unit arrangement with the 1st Fighter Wing. This fundamentally changes an old paradigm of putting Guard and Reserve in "hand-me-down" systems and instead puts them in front line systems with decades of relevancy.

In addition to units such as the association at Langley, an important part of our plan is to increase the number of "active associate" units. That is, units in which an Active-Duty unit is located at a Guard or Reserve location. The Air Force is highly cognizant of the value our ARC bases bring to their surrounding communities, as well as the sensitivities to considerations such as recruiting demographics our Reserve and Guard components must enjoy in order to be successful.

With regard to the "cultural differences" you mention, the FTF effort is mindful of the different cultures that reside across our three components; in fact, we celebrate them. We want to capture the inherent strengths of each component while respecting the citizen airman culture. We feel strongly that the associate model of in-

tegration is the answer, preserving separate organizational structures (and command opportunities that go along with them), but at the same time increasing the interaction on a daily basis . . . interaction that is virtually transparent on the battlefield.

ASSAULT RIFLES

26. Senator GRAHAM. Secretary Harvey, it has come to my attention that the DOD is conducting two separate 5.56 assault rifle programs for the Armed Forces. The first is U.S. Special Operations Command's (SOCOM) Special Operations Combat Assault Rifle (SCAR). The second is the Army's XM–8. SOCOM selected the SCAR through fair and open competition from the weapons submitted by nine manufacturers. In contrast, it appears the Army has not competed the XM–8 on the grounds that it is the surviving rifle component of the terminated objective individual combat weapon (OICW) program which began in 1994. I also understand that the Army has continued the XM–8 program by issuing a contract to a non-U.S. manufacturer, justifying the award for reasons "other than free and open competition". Why is the DOD conducting two parallel rifle programs instead of standardizing the same caliber combat rifle among all the Services?

Secretary HARVEY. The Army's OICW Increment I requirements and those of SOCOM SCAR are significantly different. Unlike the SCAR, the OICW Increment I requires four weapon variants which form a multi-configurable, modular family that includes a carbine, a special compact, a designated marksman, and a lightweight machine gun. These 5.56mm weapon variants have a high degree of commonality and can be reconfigured by the unit armorer. These four variants will replace the M4 Carbine, the M16 series rifle, the M249 Squad Automatic Weapon and selected M9 pistols across the Army. They have, as an integral part of the weapon system, a multipurpose optic that includes an infrared laser pointer and illuminator. There is no Army requirement for a 7.62mm weapon variant such as the SCAR.

The OICW Increment I requirement was developed with input from all Services including SOCOM. It was validated by the Army Requirements Oversight Council on October 19, 2004, and was submitted to the Joint Oversight Requirements Council on March 7, 2005. It is reasonable to assume that the differences between the Army and Special Operations Force (SOF) requirements documents reflect real differences in weapons capability and performance metrics of the conventional Army and SOF units.

In April 2005, the Army will release a draft request for proposal (RFP) to industry and on or about May 6, 2005, the actual RFP will be released to industry requesting they submit their current families of small arms for full and open competition. The winner will be the initial producer for the OICW Increment I. The OICW Increment I will be selected utilizing full and open competition. The XM–8 will be submitted by the vendor as a competitor.

The SCAR is a SOCOM-specific weapon. While the weapon can be configured with three different length barrels, it utilizes existing optics and accessories. There is no light machine gun requirement as there is in OICW Increment I. There is a SOF requirement for a 7.62mm rifle capability, which the U.S. Army Infantry Center has said is not required for the OICW family. The SOCOM Joint Operational Requirements Document (JORD) for the SCAR was written specifically to meet SOCOM requirements and was designated "independent" by the Joint Staff during staffing. The XM–8 was not permitted to compete in the SCAR competition at the direction of the SOCOM contracting staff.

Your question characterized the XM–8 as the surviving rifle component of the terminated ORCW program. To clarify, the ORCW program has not been terminated, but rather, restructured to bring forward the more mature technologies while the technologies involving lethality and weight reductions of the combined, 25mm and 5.56mm weapon mature in order to meet the Infantry Center's lethality and weight requirements.

27. Senator GRAHAM. Secretary Harvey, is the Army planning to compete the XM–8 prototype with all other U.S.-manufactured assault rifles before a final decision is made?

Secretary HARVEY. The Army is competing the contract for the OICW Increment I family of small arms. On April 1, 2005, the Army released a draft RFP to industry, and on or about May 6, 2005, the Army will release the official RFP to industry, requesting they submit their competitive small arms for full and open competition. The winner will be the initial producer for the OICW Increment I.

28. Senator GRAHAM. Secretary Harvey, once this decision is made, does the Army intend to allow all potential manufacturers to compete for the contract to build this weapon?

Secretary HARVEY. After a winner is selected for the OICW Increment I family of small arms, the Army will negotiate the initial production and as part of the contract, the transfer of data rights to the government after a given number of weapons have been produced. The Army fully intends to compete the follow-on production of the OICW once the technical data package is under government control.

QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

B–1 BOMBER

29. Senator CORNYN. Secretary Teets, the B–1 bomber performed well and played an important role in Afghanistan and Iraq. The B–1's ability to perform its mission was the result of the conventional mission upgrade program. Is the Air Force committed to ensuring that the Block E and Block F upgrades will be completed? What is the schedule for completion?

Secretary TEETS. The Block F upgrade. to replace the defensive system was cancelled in 2002 after repeated cost over-runs and schedule slips. In the interim we are performing modest upgrades on selected components of the original defensive system, and will continue to look at ways to ensure the aircraft is survivable in its intended role. The Block E replacement of the computers and avionics software is an unqualified success, however, and is well underway, with over half of the fleet—37 of 67 aircraft—completed to date. The computer replacement will continue through this year and is slated to complete by the middle of 2006. In addition to the enhanced computing power, the updated software also brings with it the ability to employ newer standoff weapons such as the Joint Air to Surface Standoff Missile, and the flexibility to employ weapons in new ways such as mixing loads between weapons bays and within the same weapon bay. That weapon's flexibility takes advantage of the B–1's payload—the largest weapons payload of any aircraft in the inventory.

30. Senator CORNYN. Secretary Teets, what are the Air Force's plans to continue the Conventional Munitions Upgrade Program (CMUP) beyond Block F to ensure that the B–1 has the latest technology and its capabilities continue to improve?

Secretary TEETS. The Air Force will continue to modernize the B–1. While the B–1 performed extremely well supporting our efforts in the Middle East, it is an old design and some of its equipment is starting to show its age. Our short-term focus for the B–1 is replacing aging electronics that are becoming difficult to maintain. We have an effort starting this year to replace the on-board diagnostics computer with a modern processor. Next year we begin development on programs to replace the inertial navigation system with a ring laser gyroscope, to replace the original monochrome displays in the front cockpit with modern color displays, and to replace the most troublesome radar components. All four of those efforts are fully funded in the current budget submission. In addition to these sustainment efforts, we are continuing development to put a fully integrated data link into the aircraft, and we will also continue to look at integrating new weapons onto the aircraft as they become available, such as the extended range Joint Air to Surface Standoff Missile and the Small Diameter Bomb. Finally, we intend to leverage our Forward-Looking Infrared Radar (FLIR) efforts with a long-range plan to place a system on the aircraft that will allow the B–1 to positively identify ground targets. All of these efforts are an indication of the Air Force commitment to continue modernizing the B–1.

31. Senator CORNYN. Secretary Teets, the Air Force has increased the B–1 fleet from 60 aircraft to 67. With this larger fleet, is the Air Force committed to maintaining the mission capable rates for the B–1?

Secretary TEETS. Yes, the Air Force is committed to maintaining the MC rates for the entire 67 aircraft B–1 fleet. Currently the Air Force is implementing three near term, already programmed, essential upgrades and programs to improve B–1 MC rates; the Automatic Test Equipment (get well fiscal year 2008), the Radar Modernization Program (get well fiscal year 2010), and the B–1 Aircraft Availability Improvement Program (AAIP), an ongoing AFMC initiative. The AFMC AAIP initiative is a transformational effort to improve the availability of mission capable aircraft to Air Combat Command. It is aimed at achieving B–1 aircraft availability goals that requires a transformational approach. The effort seeks to identify and improve the processes and practices that impact B–1 aircraft availability; mainly Total Non-

Mission Capable for Maintenance, Total Not-Mission Capable for Supply, and Depot Possessed Aircraft.

32. Senator CORNYN. Secretary Teets, what steps is the Air Force taking to ensure that there are sufficient spare parts for the B–1 fleet?

Secretary TEETS. The Air Force is ensuring that spares computations are accurate and reflect current and planned operations. We are working with suppliers to ensure timely delivery of new spares as well as working process improvement initiatives to reduce repair turnaround times. In addition, the Air Force is working to ensure accurate forecast information is provided to Defense Logistics Agency.

33. Senator CORNYN. Secretary Teets, what other steps is the Air Force taking to ensure that the B–1's mission capable rate is maintained?

Secretary TEETS. Other steps taken include accomplishing critical fleet modifications. These modifications include the Central Integrated Test System (CITS) modification, which upgrades the in-flight recording and diagnostic device used to identify aircraft system failures; the Radar Reliability and Maintainability Upgrade, which replaces two unsupportable components of the radar system; the Vertical Situation Display (VSD) modification, which replaces the obsolete and unsupportable pilot and copilot flight instruments; and the Ring Laser Gyro Upgrade, which replaces the existing, unsupportable spinning mass Inertial Navigation System (INS) with modern, dual ring laser gyros. These modifications will help resolve diminishing manufacturing sources issues, as well as improve mean time between failures and mission capable rates.

AIRBORNE LASER

34. Senator CORNYN. Secretary Teets, the AirBorne Laser (ABL) program accomplished two significant technical milestones last year, one being the simultaneous first light of the conjoined six laser modules in the ground test facility and the second being the beginning of flight testing of the ABL aircraft with the Beam Control/Fire Control (BC/FC) system on board the aircraft. Could you comment on these milestones and their importance to the overall program's goals?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

The two ABL milestones, First Light and First Flight of BC/FC, were extremely important accomplishments and represent significant risk reduction for the ABL program. The first light milestone refers to the first firing of the fully assembled, six module high-energy laser. Previous sub-assembly and single module testing showed us we had done our engineering correctly, that is the individual systems performed as designed. The first light test was our first demonstration proving we had done the physics right, and that the system can create and sustain a megawatt class laser beam within the confines of a Boeing 747 fuselage. Since the first light test, we have fired the laser an additional seven times to optimize chemical flows and to prove out the various safety and control systems before moving to longer duration laser firing later this spring.

The first flight of the BC/FC system was also significant because it showed the flight turret assembly and associated 1.5 meter class optics, as well as the other BC/FC and battle management equipment on-board the aircraft, were airworthy and ready for functional testing in the real aircraft environment. Since that first BC/FC flight, the aircraft has flown an additional 12 times, completing the primary airworthiness aspects of the flight testing, and starting the BC/FC and battle management operational tests. The ongoing flight tests planned through this summer are intended to prove out the ability of the BC/FC system to passively acquire and track targets in flight.

35. Senator CORNYN. Secretary Teets, does the ABL program accomplishment of these technical milestones bolster the Air Force's support of the program?

Secretary TEETS. Yes, the Air Force continues to support this program.

First Light was a critical milestone for ABL. It verified that the physics underlying the high-energy laser design was correct and that the conditions exist to create and maintain a megawatt-class laser beam.

Return to Flight provides essential knowledge of the BC/FC system as integrated on the aircraft. ABL's return to flight testing signifies a major step towards addressing key risks.

36. Senator CORNYN. Secretary Teets, does the Air Force continue to support the expenditure of funds to continue the ABL program?

Secretary TEETS. Yes, the AF continues to be committed to the ABL's current schedule.

The ABL program is a transformation weapon system specifically designed to meet boost phase missile defense requirements. Although the AF has slipped production by a total of 5 years since the fiscal year 2004 Program Objective Memorandum (POM) cycle (due to delays in Missile Defense Agency's (MDA) RDT&E program), we realize this weapon system is one of the most technologically challenging undertakings ever. As long as MDA continues to make significant, measurable progress, the AF will continue to support the program. MDA refocused its RDT&E efforts in January 2004 to meet near term technical program milestones, and the AF supports such efforts to keep the program on track.

37. Senator CORNYN. Secretary Teets, what are the calendar year 2005 goals/milestones for the ABL program, and how does the accomplishment of these objectives impact the overall ABL program?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

ABL has two knowledge points planned for calendar year 2005: First, is the completion of the BC/FC passive flight test series, and second, is the completion of the high-energy laser ground test series. The passive flight test series is significant because it will demonstrate that the fully integrated Beam Control, Battle Management, and ABL aircraft systems function as designed in the flight environment. This provides considerable risk reduction for the airworthiness of the weapon system, its ability to passively acquire and track a target, and its ability to control environmental disturbances (such as jitter). The completion of the laser ground test is also a major risk reduction effort for the program since this testing will verify that the high-energy laser has sufficient power, duration, beam quality, and reliability to perform a missile shoot down type of mission and is ready to be integrated onto the ABL aircraft.

38. Senator CORNYN. Secretary Teets, under the current program, assuming that developmental and test activities proceed favorably, when could an ABL system be ready for transfer to the Air Force for possible utilization in an emergency or local conflict?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

The first ABL aircraft could potentially be available for limited application in an emergency or contingency operation after the system accomplishes the additional knowledge points/milestones. For calendar year 2005, the ABL program has committed to completing two additional knowledge points: 1) The low-power passive flight test series, and 2) ground testing of the high-energy laser. We will review upcoming knowledge points on a yearly basis based on information gained through ongoing testing, so some iteration is anticipated in the selection of future knowledge points. At the current time, we anticipate the following additional knowledge points/milestones will have to be accomplished on the path toward the "live-fire engagement" missile shoot down: completion of the low-power active flight test series; installation of the high-energy laser onto the ABL aircraft; ground testing of the fully integrated weapon system; flight testing of the fully integrated weapon system; and "live-fire engagement" demonstration testing. We expect to achieve these milestones by the end of the Missile Defense Agency's Ballistic Missile Defense System Block 08 program, which ends in December 2009.

39. Senator CORNYN. Secretary Teets, how is the Air Force working with the Missile Defense Agency to define the transition of the ABL back to the Air Force?

Secretary TEETS. The Air Force understands that the ABL will not be considered for entry into the transition phase until after a successful shoot down event by the first aircraft. The end of the transition phase will be framed around the second aircraft development, efforts to solve producibility issues, and a program transfer to the military service that will pay for procurement, operations, and support. That being said, the Air Force is addressing ABL transition and transfer through continued interaction by the Air Combat Command in conjunction with the U.S. Strategic Command, the ABL Program Office, and the Missile Defense Agency's Force Structure Integration and Deployment office (MDA/TR). A transition team has been established to develop initial transition and transfer plans for selected Ballistic Mis-

sile Defense System elements and components. The team's present focus is on systems that are closer to the transition phase; however, the ABL program is still supporting the team and has begun development of the ABL transition and transfer plan to support future efforts.

40. Senator CORNYN. Secretary Teets, the ultimate goal of the ABL program is to demonstrate the capability to shoot down a ballistic missile in its boost phase. Could you please describe the necessary program milestones that must be achieved in preparation for an ABL live fire engagement?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

Under the knowledge-based approach followed since early last year, the Missile Defense Agency has focused the ABL contractor team on completion of near-term knowledge points such as laser First Light and BC/FC First Flight activities described earlier. For calendar year 2005, the ABL program .has committed to completing two additional knowledge points: 1) the low-power passive flight test series, and 2) ground testing of the high-energy laser. We review upcoming knowledge points on a yearly basis based upon information gained through ongoing testing, so some iteration is anticipated in the selection of future knowledge points. At the current time, we are anticipating the following additional knowledge points/milestones will have to be accomplished on the path toward the "live-fire engagement" missile shoot down: completion of the low-power active flight test series; installation of the high-energy laser onto the ABL aircraft; ground test of the fully integrated weapon system; flight test of the fully integrated weapon system; and "live-fire engagement" demonstration testing.

41. Senator CORNYN. Secretary Teets, assuming the program continues to achieve its milestones, when do you estimate that an ABL live-fire engagement demonstration could occur?

Secretary TEETS. Although the Air Force is not the executive agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

The live-fire engagement demonstration will not occur earlier than 2008.

42. Senator CORNYN. Secretary Teets, could you describe how the ABL fits into the overall missile defense architecture and, in particular, elaborate on some of the unique capabilities/benefits that ABL brings directly and indirectly to both the missile defense architecture and the warfighting community in general?

Secretary TEETS. To this point, only the ground based portion of the Integrated Air and Missile Defense (IAMD) architecture has been developed. As the MDA determines which systems will comprise the boost phase and mid-course elements, those systems will become integral parts of the architecture. ABL is only one boost phase system under consideration. MDA is planning a fly-off between ABL and a kinetic kill interceptor in 2008 to determine which weapon best suits the IAMD needs. Lt. General Obering of MDA can respond more specifically to this issue when he testifies before the Senate Armed Services Committee on 7 April 05.

If ABL is chosen as the boost phase component of the IAMD, it will be the first major weapon system to utilize directed energy to engage and kill ballistic missiles. In addition to its principle capability of engaging ballistic missiles in the earliest (boost) phase of flight, it will rapidly respond to ballistic missile threats in areas where land- or sea-based systems can't deploy and provide key cueing to attack operations, mid-course, terminal, and passive defense systems.

43. Senator CORNYN. Secretary Teets, the ABL program was originally structured to include the purchase and simultaneous testing of two ABL aircraft, but has since been reduced to just one test aircraft. When do you foresee purchasing a second aircraft under the ABL program?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

The Missile Defense Agency is presently planning to purchase the second ABL aircraft in fiscal year 2009 with modifications occurring through fiscal year 2014, based on success in the test program.

44. Senator CORNYN. Secretary Teets, how will a second aircraft enhance the current program? Would a second aircraft accelerate or enhance the transition to an operational ABL system capability?

Secretary TEETS. Although the Air Force is not the Executive Agent for the ABL program, we have coordinated the following information with the Missile Defense Agency.

A second ABL aircraft would enhance the current program by permitting a dual path approach towards fielding a robust capability. The second ABL aircraft is necessary to demonstrate the program's ability to weaponize and make the technology proven by the first ABL aircraft ready for production. It also could allow one aircraft to be used for emergency operations and operational testing, while the second aircraft could be used for continued research and developmental testing. The second aircraft directly supports an emergency operational capability and program risk reduction activities to achieve a production decision.

45. Senator CORNYN. Secretary Teets, what are some of the national missions that the ABL weapon system could perform in conjunction with its missile defense mission?

Secretary TEETS. To my knowledge, there have been no concepts proposed or analyses conducted for any other national missions for ABL.

46. Senator CORNYN. Secretary Teets, what is the envisioned concept of operations for the ABL and how does this concept of operations leverage the unique, revolutionary capabilities of this asset?

Secretary TEETS. The present concept of operations (CONOPs) was developed by the Air Force for theater ballistic missiles and will be modified (date to be discussed) somewhat by U.S. Strategic Command (USSTRATCOM) for its national role if ABL is chosen as the boost phase component.

The present CONOPs calls for ABL to be rapidly deployed to a forward area where land- or sea-based systems may not be able to deploy and conduct 24-hour combat air patrols of designated air space. It would provide early detection and speed of light engagement of boosting missiles to protect bases and deployed troops. It can be easily repositioned and can respond to emerging threats in any area of the conflict.

COMMERCIAL OFF-THE-SHELF AIRCRAFT

47. Senator CORNYN. Secretary Harvey, I understand that in the wake of the Comanche cancellation you decided to add an Armed Reconnaissance Helicopter (ARH) and a Light Utility Helicopter (LUH) to the Army's Aviation "Road Map." Are you planning to pursue commercial off-the-shelf (COTS) aircraft that are already Federal Aviation Administration (FAA)-certified in order to fill these shortfalls quickly?

Secretary HARVEY. Yes, in the case of LUH, as its missions will be conducted in noncombat environments. We intend to conduct a full and open competition for an existing aircraft that probably will be a COTS helicopter. Such is not the case with ARH. There probably is no existing helicopter in the commercial market that is ready to go to war and that meets our needs for ARH. However, there are militarized off-the-shelf helicopters that come close to meeting our requirements. We intend to conduct a full and open competition for such an aircraft that will meet our needs with minimal integration of nondevelopmental components. Existing nondevelopmental components that we may integrate include such items as: satellite communications radios, aircraft survivability equipment, and armament. All components that we would consider integrating are currently in use on other similar size helicopters. We believe we will be able to rapidly acquire aircraft and begin fielding within 3 years.

QUESTIONS SUBMITTED BY SENATOR EDWARD M. KENNEDY

BASE REALIGNMENT AND CLOSURE

48. Senator KENNEDY. Secretary Harvey, Secretary England, and Secretary Teets, in the consideration of the status of DOD's laboratories and technical centers with regard to BRAC, how is the DOD attempting to capture the value that it gains from the proximity of DOD technology facilities to commercial facilities in similar technology sectors?

Secretary HARVEY. The Department is relying on the selection criteria set forth in the Defense Base Closure and Realignment Act of 1990, as amended, in making its closure and realignment recommendations. The law requires that priority consideration be given to the military value selection criteria. The degree that the synergy of association with other research organizations and available intellectual capital

can enhance a facility's military value is also considered in our analysis of research facilities.

Secretary ENGLAND. The Department is relying on the selection criteria set forth in the Defense Base Closure and Realignment Act of 1990, as amended, in making its closure and realignment recommendations. The law requires that priority consideration be given to the military value selection criteria. I am not at liberty to discuss the specifics of the evaluation process at this time, but, I can assure you we are doing a comprehensive review of all activities. The Department's complete analysis will be made available when the Secretary's recommendations are forwarded to the Defense Base Closure and Realignment Commission on or before May 16, 2005.

Secretary TEETS. During the open period for comments on the eight BRAC criteria (23 Dec 03–28 Jan 04) several commentators asked similar questions. From the Federal Register; February 12, 2004; Vol 69, No 29, pg 6950, the Office of the Secretary of Defense BRAC office addressed related public questions as follows:

> "Several commentators also raised concerns that the [BRAC] criteria did not take into account the availability of intellectual capital, critical trade skills, a highly trained work force, allied presence, and the synergy among nearby installations and between DOD facilities and nearby industrial clusters and academic institutions. DOD appreciates the importance of having an available pool of intellectual capital and critical trade skills that make up, and allow us to recruit and retain, a highly-trained and experienced work force, as well as the synergy provided by nearby facilities. To the extent that the availability of highly skilled civilian or contractor work forces and relationships with local institutions and other installations influence our ability to accomplish the mission, they are captured in criteria one, three, and seven."

49. Senator KENNEDY. Secretary Harvey, Secretary England, and Secretary Teets, how is this quantified and compared to other decision criteria?

Secretary HARVEY. I am not at liberty to discuss the specifics of the evaluation process at this time. The Department's complete analysis will be made available when the Secretary's recommendations are forwarded to the Defense Base Closure and Realignment Commission on or before May 16, 2005.

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QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

MANUFACTURING TECHNOLOGIES

50. Senator LIEBERMAN. Secretary Harvey, Secretary England, and Secretary Teets, what investments are you making to ensure that we are developing next generation, innovative manufacturing technologies that will enable us to have the domestic industrial base required to support future warfighting capabilities?

Secretary HARVEY. The Army focuses its manufacturing technology investments in areas that will have the most impact in enabling an industrial base that is capable of producing the weapon systems and components that will be required for future warfighting capabilities. Army manufacturing technology investments are directed on efforts to improve manufacturing processes and reduce costs of new technologies. These efforts are done primarily through domestic industry partners. Major areas of manufacturing technology investment include: lighter weight ceramic and metallic armor; rapid net shape titanium forming; focal plane arrays for sensor applications; micro-electro-mechanical systems for munitions guidance systems; and flexible displays for military applications.

Secretary ENGLAND. Manufacturing Technology (ManTech) program investments are used to improve the productivity and responsiveness of the Navy industrial base by developing manufacturing technologies that are beyond the risk that industry is able to assume. The program develops moderate to high-risk process and equipment technology needed to support emerging acquisition program requirements that address warfighting capabilities. For example, on the next generation destroyer class, DD(X), numerous warfighting capability requirements drove the design of the topside structure to utilize composite materials. Given that the hull would be constructed of steel, industry required an effective and efficient means of joining the different materials. To address this issue, the ManTech program developed an adhesive bonded joining technology for marine applications. It is now being incorporated into the baseline design for DD(X) and the technology is available for other applications.

Secretary TEETS. The Air Force Manufacturing Technology or ManTech program is funded at approximately $40 million per year across the FYDP. This investment helps strengthen the industrial base by developing manufacturing technologies that enable affordable production and sustainment of current and future weapon systems. The Air Force is working to ensure these resources are utilized to the maximum extent possible to identify and resolve critical advanced manufacturing capability issues in response to warfighter top priority needs. Extensive planning and coordination with the other Services through the Joint Defense ManTech Panel enables collaboration and information exchange on mutual objectives and management standards of excellence and further strengthens the domestic industrial base. The DOD's "trusted foundry" approach to the issue of assured access also provides for a domestic industrial base that can provide assured access to critical components from trusted domestic sources to support current and future warfighting capabilities. Finally, the Defense Production Act Title III program can also assist in strengthening the domestic industrial base by establishing, maintaining, and/or expanding a production capability necessary for national defense as in the case of radiation-hardened microelectronics.

51. Senator LIEBERMAN. Secretary Harvey, Secretary England, and Secretary Teets, what basic and applied research programs in manufacturing technology have you established to ensure that new manufacturing processes are being developed that can support next generation defense technology production?

Secretary HARVEY. Within the Army, we have established an approach to promote synergy between our basic and applied research in manufacturing science and technology. Our goal is to achieve a nearly "seamless" transition from knowledge to useful applications while exploiting advanced technology opportunities. We want to reduce the cycle time from technology transition through development to production while making our systems more affordable. To this end, we have sought opportunities to pursue applied research and manufacturing technology in parallel to create an affordable capability that can rapidly transition into an acquisition program. Two specific examples of this parallel development are the Micro Electro-Mechanical Systems Inertial Measurement Unit (MEMS IMU) effort and the Flexible Display Initiative. Both efforts stress the development of manufacturing techniques that enable the affordable production of this state-of-the-art technology. In newly emerging-areas of interest, specifically nanotechnology and biotechnology, the Army has established centers of technology excellence. Both the Institute for Soldier Nanotechnology and the Institute for Collaborative Biotechnology have incorporated industry partnerships to examine the scale-up of manufacturing processes for production earlier in the development cycle.

Secretary ENGLAND. Our policy is to maintain a balanced portfolio of research programs that support promising research for the current Navy, the Navy over the next 5 years, and the Navy 5 to 20 years from now. Below are examples of basic and applied research that support new manufacturing processes and technologies:

- Development and exploitation of active materials for use in underwater transducers for sonar system arrays, and actuators for smart systems.

• Development of additional new processes related to the new magnetostrictive material, Galfenol. Work will also be performed on developing low-cost joining techniques to consolidate the individual sheets into useful transducer elements.
• Experimentation with a new type of vapor deposition process that has distinct advantages over conventional vapor deposition.
• Discovery of a revolutionary class of materials "Cellular Metals" based on a novel transient liquid phase joining process.
• Demonstration of manufacturability of formable aligned carbon thermoset compounds.

Secretary TEETS. There are no direct investments in the Air Force science and technology (S&T) program budget for basic and applied research aimed specifically at new manufacturing processes to support the next generation of defense technology production. However, at almost $2 billion in the fiscal year 2006 President's budget, Air Force S&T supports a broad and balanced set of technologies, which feed the United States industrial base and could lead to new manufacturing processes in support of next generation defense technology production. The Air Force is continually looking for ways to improve and focus our S&T program on those capabilities most dear to the warfighter and to streamline the process for getting these capabilities into the warfighter's hands as quickly as possible, including improved and/or new manufacturing processes to enhance system affordability, reduce total ownership and life-cycle costs, and provide for greater cycle time reduction. In addition, the Air Force's manufacturing technology program is tightly linked with the S&T community and works with existing programs to couple technology with manufacturing processes to support next generation defense technology production. Finally, there is also an increased emphasis within the Air Force Small Business Innovation Research program on efforts that could lead to improved manufacturing processes.

SUBMARINES

52. Senator LIEBERMAN. Secretary England, in his annual "CNO Guidance" last month, the Chief of Naval Operations (CNO), Admiral Vernon E. Clark, called for the Naval Sea Systems Command and Office of Naval Research to "study and develop proposals for alternate propulsion methods for submarines" by July. This guidance has been interpreted as a potential initial step for the Navy from nuclear propulsion submarines and toward conventional propulsion submarines. A key rationale for such a move is that conventional subs could be built more inexpensively. However, some experts have suggested using advanced techniques such as external weapons stowage and replacing the mechanical gearing system with electric drive would reduce nuclear sub procurement costs. Will the Navy examine these techniques as part of its study, or does it plan to concentrate solely on alternative types of propulsion?

Secretary ENGLAND. The CNO's guidance requested study of alternate propulsion methods for both submarines and surface combatants in a Sea Basing context, and did not specifically emphasize cost over capability. While cost is a primary factor and use of non-nuclear power sources for submarines will be considered, alternate propulsion methods does not strictly imply other than nuclear power, and includes new technologies such as shaftless propulsion concepts. External weapons stowage will not be investigated in this study which is focused on comparing the relative merits of different propulsion methods.

53. Senator LIEBERMAN. Secretary England, there are many issues surrounding submarines beyond construction costs, such as the greater requirement for forward bases and support that would be needed by nonnuclear submarines. Will the study look beyond just construction costs and examine the full range of requirements and operational considerations to determine what types of submarines will best meet mission requirements?

Secretary ENGLAND. Yes. The study will consider the full range of requirements and operational considerations, including the additional costs of forward bases and support associated with non-nuclear propulsion.

WARFIGHTERS' CRITICAL ASSETS

54. Senator LIEBERMAN. Secretary Teets, virtually every hearing we have had with warfighting commanders over the past few years reveals a significant shortage of so-called high demand low density assets, particularly airlift. Army restructuring plans rely on a lighter force moving largely by air and operations in Iraq require

more and more airlift. Recently we have seen problems develop on the older C–130s which have grounded planes and negatively impacted this important capability, yet this budget only continues the C–17 program and it terminates the future workhorse, the C–130J. I know some have already said this decision will be revisited, but the larger question is, what do you need and how do you intend to provide the warfighters with this critical asset?

Secretary TEETS. As you know, we are expecting the results of our Mobility Capability Study to identify the current and future needs of the combatant commanders for both intra- and inter-theater airlift. Additionally, with emphasis on intratheater airlift contributions from current aircraft as well as future/evolving programs, U.S. Transportation Command (USTRANSCOM) has recently requested an Intratheater Airlift Analysis (Memo to Joint Staff Director of Logistics, 16 March 2005). The analysis should provide DOD an answer to ensure the combatant commander is provided the best possible solution. The study could include aircraft performance and the Services' future operational maneuver requirements. Once we have the results of these studies and determine the appropriate impact on requirements, we will be able to better determine how to provide the needed capabilities to the warfighter and begin a programming procurement strategy at that time.

QUESTIONS SUBMITTED BY SENATOR JACK REED

LABORATORY PERSONNEL DEMONSTRATION PROGRAMS

55. Senator REED. Secretary Harvey, Secretary England, and Secretary Teets, the National Defense Authorization Act for Fiscal Year 2004 exempted certain DOD laboratories and test centers from participating in the NSPS for a period of time. During this time period, the laboratories are supposed to continue their innovative personnel demonstration programs in which they can develop and test new methods to ensure that DOD can recruit and retain the finest possible technical talent. What is the status of the ongoing laboratory personnel demonstration programs in your Service? Please provide a full list of enhancements and improvements that have been made in these demonstration programs since 2001.

Secretary HARVEY. The Army laboratory demonstrations continue to exercise the authorities initially granted to them to attract and retain the finest possible scientific and technical personnel. The DOD was going to implement "Best Practices" among the laboratory demonstrations, which has since been cancelled due to the emergence of the NSPS. Consequently, DOD has not acted on requests for laboratory demonstration enhancements in the past several years. We anticipate that the existing demonstrations may be invited into the NSPS prior to the not-earlier-than date of October 1, 2008, and expect that the NSPS will contain authorities and delegations comparable to or exceeding those that exist in our current demonstrations.

Secretary ENGLAND. The Naval Warfare Centers entered into a personnel demonstration project in 1997 and the Naval Research Laboratory entered into a personnel demonstration project in 1999. Both demonstration projects are ongoing. There have been no changes made to these demonstration projects since 2001.

Secretary TEETS. The Air Force Research Laboratory (AFRL) Laboratory Demonstration Project, implemented in March 1997, recently concluded its eighth successful assessment cycle. The Contribution-based Compensation System (CCS), which links pay to contributions to the mission, is the cornerstone of this demonstration project. It is very sound and we have found few changes needed to the current structure. The Air Force did request from OSD changes to the AFRL Laboratory Demonstration Project in December 2000. The request involved hiring flexibilities and a change from cost neutrality to cost discipline. At about the same time, section 1114 of the National Defense Authorization Act for 2001 became effective, giving OSD more authority over laboratory personnel demonstrations. While the administration of this new authority was being developed, the Department was in the initial stages of discussion for a Department wide alternative personnel system, so OSD action on this request was held in abeyance. The NSPS, which evolved from this planning, has great potential to provide much needed flexibility for the entire Department to include the laboratories. AF supports a Department wide personnel system that encompasses our current laboratory demonstration project.

Additionally, the National Defense Authorization Act for 2005, section 1107 requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to partner with the Under Secretary of Defense for Personnel and Readiness and jointly submit a plan for the effective use of the defense laboratory personnel management authorities. The plan is intended to increase the mission responsiveness, effi-

ciency, and effectiveness of the DOD laboratories. The joint plan is due to Congress not later than December 1, 2005.

56. Senator REED. Secretary Harvey, Secretary England, and Secretary Teets, is there value in having a set of special authorities for your laboratory directors within NSPS to enable them to ensure that the technical talent within the laboratories is competitive with the private sector and our global competitors?

Secretary HARVEY. Yes, we believe that the Army laboratories would benefit from special enabling authorities. Through the Laboratory Quality Enhancement Panel sponsored by the Office of the Secretary of Defense (Director for Defense Research and Engineering), the Services jointly developed a set of "imperatives and critical design features" for the laboratories that were recommended for inclusion in NSPS. One of the basic premises of the imperatives was that our laboratories needed special authorities or delegations to effectively manage their unique scientific and technical workforces. We are waiting to see to what extent the NSPS will incorporate these recommendations when they publish the NSPS implementing regulations later this year.

Secretary ENGLAND. Yes. Our Naval Warfare Centers and the Naval Research Laboratory have unique requirements for scientific and engineering personnel and a very competitive recruiting environment. They need all the specialized personnel tools that we can provide to them. In addition, the various personnel demonstration projects in place at the DOD science and technology centers and laboratories have demonstrated the usefulness of many innovative reforms—as they were intended to do. Many of these reforms will find their way.

Secretary TEETS. The work performed in the defense laboratories is critical to the support of the warfighter and national security. The AFRL Laboratory Demonstration Project, authorized by section 342 of the National Defense Authorization Act for 1995, developed and implemented new personnel management programs that have proved very successful in attracting and retaining top notch scientific and engineering talent. We expect that many of AFRL's flexible personnel concepts such as linking pay to performance and contribution and simplified classification will be incorporated into the NSPS. In addition, we expect that NSPS will offer additional flexibilities in pay and hiring that will further enhance AFRL's ability to be competitive with the private sector, and that the special needs of the laboratories will be fully accommodated in NSPS.

CREW SURVIVABILITY ISSUES

57. Senator REED. Secretary Harvey, the acting Director of Operational Test and Evaluation (DOT&E) has indicated that vehicles designed for non-combat environments are being deployed into hostile, combat environment. He recommended that crew survivability issues need to be addressed in the design phase of all crew-carrying vehicles and that capabilities requirements documents for all crew-carrying vehicles address crew survivability. Are you aware of the DOT&E concerns regarding crew protection in tactical vehicles and how do you plan to address these issues as we move to design and build next generation tactical vehicles?

Secretary HARVEY. The Army recognizes the DOT&E concerns and is already implementing corrective action as result of congressional direction. The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 requires the Secretary of Defense to modify acquisition policies and guidance to require key performance parameters for force protection and personnel survivability. This statute applies to all manned systems that have not entered low rate initial production before November 2004. Department of Defense implementation includes revision to the Joint Capabilities Integration & Development System (JCIDS) policy which governs the capabilities requirements documents referenced in the DOT&E's recommendation. The revised JCIDS policy now requires combat developers and materiel developers to address crew and individual soldier protection requirements in an asymmetric threat environment. The Army is revising capabilities documents currently in staffing with the Joint Staff and will incorporate personnel survivability in all future capability analysis and documentation as required.

In addition to improving our deliberate capability definition and design through the JCIDS process, the Army is pursuing expedient measures to address personnel survivability challenges in current operations. The Army is aggressively identifying and integrating a host of capabilities to better protect soldiers in combat and noncombat vehicles. As the Army moves forward adapting the new statutory requirements for crew survivability it remains vigilant that uparmoring is not the only solution to protect our soldiers, but must pursue a holistic approach to crew surviv-

ability. Army/Joint Staff, Multi-National Corps-Iraq (MNC–I), and CENTCOM are integrating capabilities to better protect our soldiers. These capabilities consist of uparmoring, improvised explosive devices (IED) countermeasures, standardized convoy training and tactics, techniques and procedures (TTP) for operations in theater, and individual soldier protective equipment.

The Army remains steadfast in its efforts to provide the soldier with the best equipment and protection available. We will continue to evolve and adjust our acquisition and materiel requirements documentation processes to provide a holistic and viable approach to crew protection and survivability as we build the next generation of tactical wheeled vehicles.

NAVY BASIC RESEARCH FUNDING

58. Senator REED. Secretary England, the Navy's fiscal year 2006 request for Basic Research (6.1) programs is down nearly $30 million with respect to the fiscal year 2005 President's request and nearly $50 million with respect to the final fiscal year 2005 appropriation. What specific areas of basic research are you disinvesting in as a result of this reduction?

Secretary ENGLAND. Navy basic research consists of the programs discussed below.

University Research Initiatives (PE 0601103N). The fiscal year 2006 President's budget request ($75.9 million) is funded at a level that is approximately consistent with the rebaselined fiscal year 2005 President's budget request. During review of the fiscal year 2005 President's budget request, Congress cut the fiscal year 2005 estimate ($83.5 million) for this line by −$6 million based on program growth, which resulted in a rebaselined fiscal year 2005 request of $77.5 million. Reduced program funding in the President's budget funding (fiscal year 2006 $75.9 million versus fiscal year 2005 $77.5 million = −$1.6 million, or −2 percent) will not cause significant disinvestment for this program.

In-House Laboratory Independent Research (PE 0601152N). The fiscal year 2006 President's budget request ($15.5 million) is less than the fiscal year 2005 request ($17.7 million), or −$2.2 million. The reduced funding level was caused by a budget transfer (−$2.4 million) from this Navy line to a DOD agency line for requirements which support the Uniformed Services University for the Health Sciences and the Defense Health Program. The President's budget request for this program does not contain any areas of basic research that are being disinvested.

Defense Research Requirements (PE 0601153N). The fiscal year 2006 President's budget request ($356.9 million) is less than the fiscal year 2005 request ($375.8 million), or −$18.9 million. The primary area of disinvestment is the High Frequency Active Auroral Research Program (HAARP) (fiscal year 2006 $−0 million versus fiscal year 2005 $19.0 million) which is consistent with a Navy/Defense Advanced Research Project Agency (DARPA) Memorandum of Agreement. The remaining reduction (−$2.9 million or less than 1 percent) will not cause significant disinvestment for this line.

59. Senator REED. Secretary England, what is the role of basic research in the overall Navy acquisition strategy?

Secretary ENGLAND. The role of naval S&T is to guide innovation that will provide technology-based options for transformational Navy and Marine Corps capabilities, including capabilities that promise to fundamentally change how we prepare for, fight, and win wars.

The Department's S&T program makes balanced investments in discovery and invention as well as exploitation and deployment of advanced technologies for the Nation's fleet and force. Basic research and early-applied research are the discovery and invention portion of the portfolio. Basic research (6.1) is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific application towards processes or products in mind.

The focus of this discovery and invention portion of the S&T portfolio is largely on areas where the Navy is the only significant U.S. sponsor such as ocean acoustics and underwater weaponry. This stable, long-term investment is essential to keeping the pipeline full of transformation enabling technologies for "The Navy and Marine Corps After Next." The Navy is committed to longstanding, sustained stable support of basic scientific research, especially with respect to naval unique disciplines.

S&T, when integrated with new operational concepts and organizational constructs, is a critical element of transformation for the fleet and force. Leveraging technology is the key to both force modernization and transformation to preserve the

decisive U.S. advantage across the range of military operations. For the naval service we look at the S&T program to lead innovative or transformational advances, which include capabilities that promise to fundamentally change how we prepare for and fight wars.

MARINE CORPS EXERCISE CANCELLATION

60. Senator REED. Secretary England, the Marine Corps cancelled their participation in Operation Foal Eagle and the reception, staging, onward-movement, and integration (RSOI) exercises in South Korea. Why did they cancel? Was it stress of the operational tempo?

Secretary ENGLAND. Prior to the Tsunami in Southeast Asia and Operation Unified Assistance, over 2,500 marines were scheduled to support RSOI/Foal Eagle. However, due to the uncertainty associated with the availability of Marine Corps units taking part in Tsunami relief efforts, participation was scaled back. Since early March 2005, approximately 1,000 marines have participated in Operation Foal Eagle. All reductions in participation in RSOI/Foal Eagle were due to involvement in Operation Unified Assistance.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

OKINAWA

61. Senator AKAKA. Secretary England, I understand that one option under consideration is removing some of our Marine Corps forces from Okinawa. What impact would this have on our ability to carry out our theater presence and engagement missions in the Pacific?

Secretary ENGLAND. Repositioning marines from Okinawa to elsewhere in the Pacific theater is under consideration within the larger context of DOD Global Posture initiatives. The specifics regarding the repositioning of forces in Japan are currently under negotiation between the U.S. Government and the Government of Japan. Repositioning of any forces is contingent upon: availability of funding to provide necessary infrastructure and required mobility to allow these forces to execute theater security cooperation strategies via a regional network of mutually supporting Cooperative Security Locations (CSL), Forward Operating Sites (FOS); and Main Operating Bases (MOB). Assessment of the impact of these proposed moves upon theater presence and engagement missions (now included under the umbrella of "Security Cooperation") would be premature before completion of negotiations and final decisions on force posture and basing; however, enhancing capability in theater is the underlying intent of the overall Global Posture effort. At this time, there is no intention to reduce our presence in the Pacific theater.

DD(X)

62. Senator REED. Secretary England, you state in your prepared statement that the Department of the Navy is 3 years into the competitively awarded DD(X) design and technology development effort. Why is the DOD not considering recompeting the contract award for the DD(X)?

Secretary ENGLAND. No contract involved with the DD(X) program has been or is contemplated to be "recompeted." The DD(X) Phase III contract, which is nearing completion after 3 years of work, was for preliminary design and for the development and production of 10 engineering development models. This contract was competed and Northrop Grumman Ship Systems was the successful offeror in that competition. The Navy's proposed revised acquisition strategy for DD(X) Phase IV involves a new contract for different work. This is for detail design and construction for up to five DD(X) ships. This contract has not yet been competed. Under the acquisition strategy proposed by the Navy to OSD, this contract would be competed under full and open competition with an award planned at the end of the year.

63. Senator REED. Secretary England, I echo the concern of Senators Warner and Collins regarding the consolidation of shipbuilding of the DD(X) at just one shipyard. Can you explain the analysis performed by DOD and the DON that arrived at this decision?

Secretary ENGLAND. The shipbuilding profile of the DD(X) program has fundamentally changed. The previous acquisition strategy approved by OSD in August 2004, called for NGSS to serve as the Phase IV Design Agent and to construct the lead ship. Under the approved acquisition strategy, the next five ships would be al-

located to NGSS and GD–BIW to maintain surface combatant industrial base viability. However, the shipbuilding profile has changed from construction of up to three ships per year to construction of one ship per year. The Navy's analysis of production manning levels and facilities of NGSS and GD–BIW indicate that each shipyard individually has the capacity to design and construct the entire DD(X) Class, as currently programmed. Therefore, the Navy has proposed a full and open competition for the DD(X) program.

HARDENING VEHICLES

64. Senator REED. Secretary England, in your statement, you also identify the number of vehicles that have been hardened at 4,000, including vehicles with Marine Armor Kits for high mobility multipurpose wheeled vehicles (HMMWV), medium tactical vehicle replacement (MTVR) armor systems, and gunner shields. How many vehicles still require hardening, how long will this take, and at what cost?

Secretary ENGLAND. The total requirement for Marine Corps vehicles is outlined below:

- Procurement of the required quantity of an additional 498 M1114 Up-armored HMMWVs has been funded and put under contract. Deliveries are scheduled from July through October 2005.
- Procurement of 920 of the required 1,850 3rd generation MTVR Armor Systems (MAS) has been funded and put under contract. OCONUS' installations can be conducted at a rate of 40 per month and will begin in May 2005.
- Procurement of 2,750 of the required 5,550 3rd generation HMMWV Marine Armor Kits (MAK) has been funded and put under contract. OCONUS installations began this month (March 2005) and are ramping up to the rate of approximately 200 kits per month; CONUS installations began in December 2004 at Camp Lejeune for the 26th Marine Expeditionary Unit and continue at Marine Corps Logistics Base, Albany, GA at the rate of approximately 150 kits per month.
- The fiscal year 2005 Supplemental Request of $289.1 million funds the remaining USMC vehicle armor requirements for 3rd generation armor (total 1,850 MTVRs and 5,550 HMMWVs). Receipt of these funds no later than June 2005 ensures no production gap for the remaining USMC vehicle armor requirements for 3rd generation armor. If supplemental funds are received no later than June 2005, the projected completion of the HMMWV MAK effort is the summer of 2006 and the MAS effort completion is the end of calendar year 2006.

AU–1Z AND UH–1Y FUNDING

65. Senator REED. Secretary England, you have stated that, with regard to AH–1Z and UH–1Y helicopters, you intend to pursue funding in the future for a "build-new" strategy for additional aircraft in order to prevent inventory shortfalls as a result of attrition of aircraft in combat operations. When do you intend to pursue this funding?

Secretary ENGLAND. The "build new" funding strategy for the UH–1Y has been split into two separate initiatives. The first relates to the funding for necessary non-recurring engineering (NRE) and has recently been obtained via reprogramming. The second part of the initiative will procure government furnished equipment (GFE) to be used as a "rotatable" pool so that legacy UH–1N helicopters can retain their GFE thereby staying full mission capable until a replacement UH–1Y is delivered. The funding for this portion will be through the fiscal year 2007 budget development process.

AH–1Z build new NRE funding will be pursued through reprogramming action. Once funding is obtained for the NRE, funding for the recurring cost will be requested through the normal budget process.

ARMY TRAINING BUDGET

66. Senator REED. Secretary Harvey, you have said that your request for Army training budget for fiscal year 2006 includes a reduction of nearly 50 percent due to war, stating that due to the war, troops will not have the time to receive the training. At the same time, there is no request for war funding in the Defense Base Budget. On one hand you are assuming that the global war on terrorism and Oper-

ation Iraqi Freedom will continue in fiscal year 2006 so you cannot execute your training budget and yet you do not identify known costs of the war that are known today. Can you explain the obvious disconnect in this approach?

Secretary HARVEY. The difference in approaches is a factor of the complexity of what we are predicting. We know with a high level of certainty that we will have units deployed fighting the global war on terror during fiscal year 2006. Our training budget reflects this relatively predictable offset to our training cost. We do not know the full extent of our involvement in the global war on terror for fiscal year 2006 and, therefore, could not accurately predict the cost of the war at the time we were building the fiscal year 2006 budget request.

F/A 22 RAPTOR

67. Senator REED. Secretary Teets, in your prepared remarks, you state that the number one challenge for the Air Force is the need to recapitalize your aging systems. You identify the F/A–22 Raptor as the Air Force's primary modernization program. The fiscal year 2006 budget request reduces the planned Raptor buy ending it at 179 in 2008 rather than the planned 381 over the FYDP. Recently Vice Admiral Robert Willard, Director of Force Structure, Resources Assessment, Joint Staff, stated that a mobility capabilities study along with the QDR is reassessing this decision. What has led to this decision, what criteria is being used now that is different than what led to the fiscal year 2006 budget decision, and when can this committee expect to see the results of these studies?

Secretary TEETS. I thank you for your continued support of Air Force programs, and the overall health of the Services in general. As you mentioned, the fiscal year 2006 budget request reduced F/A–22 procurement to approximately 179 aircraft. Our latest information indicates this number could be as low as 165 aircraft, depending on future lot negotiations with the contractor. Prior to the cut, the Air Force had budgeted 277 Raptors within the FYDP, with an out-year goal of 381 to satisfy operational requirements. The recent cut to F/A–22 procurement was a budgetary decision, based on fiscal realities and Department priorities. The Department did, however, direct the QDR to assess all tactical aircraft (TACAIR) and their contributions to joint air dominance—a condition guaranteed only by the F/A–22. The Air Force looks forward to QDR where we will make the case for the procurement of 381 Raptors from both a capability requirements and business-case perspective. The QDR joint air dominance analysis should be complete by the end of the summer and will be included in the report submitted to Congress in February 2006.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

PRIVATE SECTOR INDUSTRIAL BASES

68. Senator BILL NELSON. Secretary Teets, the decision to move Special Operations aircraft modifications and upgrades to Warner Robbins, Georgia, threatens to concentrate further the private sector industrial base. How important is it to the Air Force to retain competition and geographic distribution in the private sector industrial base?

Secretary TEETS. While geographic location is not a factor in source selection, it is important to the Air Force that we retain competition in the private sector industrial base.

69. Senator BILL NELSON. Secretary Teets, what steps are you taking to ensure the proven efficient and cost effective industrial base surrounding Air Force Special Operations Command is maintained?

Secretary TEETS. The Air Force continues to pursue contracts that provide the best value, to execute our funding in the most effective way. Geographic location is not a factor for contract selection, but the Air Force remains committed to providing the Air Force Special Operations Command with the best possible support that can be acquired within existing funds.

VENTURE CAPITAL FUND AUTHORITY

70. Senator BILL NELSON. Secretary Harvey, what is the status of the Army's Venture Capital Fund authority established by Congress?

Secretary HARVEY. The authority to create and maintain a Venture Capital Fund did not contain a time limitation. However, the authority for adding funds from unobligated RDT&E funds was limited to fiscal years 2003, 2004, and 2005.

71. Senator BILL NELSON. Secretary Harvey, how much funding has been used under this authority?

Secretary HARVEY. Under this authority, the Army has provided funding in the amount of $47.6 million to the Army Venture Capital Initiative.

72. Senator BILL NELSON. Secretary Harvey, what investments has the Army made using this authority, and what impacts have those investments had?

Secretary HARVEY. To date, our Venture Capital Corporation, OnPoint Technologies, has made investments in eight companies developing technologies in mobile power and energy for the soldier. These investments total approximately $9.5 million. The technologies being developed include: next-generation fuel cells and integrated fuel cell systems, battery management devices, rechargeable batteries, flexible portable solar cells, bi-polar batteries, and advanced lithium-ion based cells. Our investment in battery management devices has led to the development of a state-of-charge indicator for the widely used BA–5590 battery. A draft Army Audit Agency report estimates annual savings for the Services of approximately $100 million annually in reduced battery purchases and storage, transportation, and disposal costs once the BA–5590 with state-of-charge indicator is full fielded. The Army's share of that savings would be approximately $75 million annually. We expect fielding of the new battery later this year.

73. Senator BILL NELSON. Secretary Harvey, what are the future plans for the use of this authority?

Secretary HARVEY. We plan to continue investing in companies that can bring innovative technology from the commercial world into Army products and systems. We believe that future returns from OnPoint's investments will make this a self-sustaining fund. In the near term, we have asked Congress to extend the authority to supplement the Venture Capital Fund with expiring RDT&E funds beyond fiscal year 2005. We expect OnPoint to make additional investments in power and energy, and to expand future investments into other fields such as networks and communications, logistics, force protection, and simulation training.

[Whereupon, at 12:34 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

TUESDAY, MARCH 8, 2005

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

UNIFIED AND REGIONAL COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

The committee met, pursuant to notice, at 9:51 a.m. in room SH–216, Hart Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Talent, Levin, Reed, Akaka, and Bill Nelson.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Thomas L. MacKenzie, professional staff member; Lucian L. Niemeyer, professional staff member; and Lynn F. Rusten, professional staff member.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Daniel J. Cox, Jr., professional staff member; Gabriella Eisen, research assistant; Evelyn N. Farkas, professional staff member; Bridget W. Higgins, research assistant; and Michael J. McCord, professional staff member.

Staff assistants present: Andrew W. Florell, Catherine E. Sendak, and Pendred K. Wilson.

Committee members' assistants present: Arch Galloway II, assistant to Senator Sessions; Lindsey R. Neas, assistant to Senator Talent; Richard Kessler and Darcie Tokloka, assistants to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; and Mark Phillip Jones, assistant to Senator Dayton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. We welcome Admiral William J. Fallon and General Leon J. LaPorte to testify on the military strategy and operational requirements in their respective areas of responsibility (AORs). I believe you were before the committee just 10 days ago Admiral, for the advise and consent procedure, which I believe went through in record time. General LaPorte will join the Admiral because they work as close partners in this area of the world.

Admiral Fallon, we welcome you before us as the commander now. We look to your insights to inform the committee and, through the committee, the Senate as a whole. I want to thank each of you on behalf of the committee and the Nation for your leadership and your extraordinary careers and, each of you is here with your families. We ask you to convey to the fine men and women under your command the Nation's gratitude for their service. In particular, they made this country extremely proud by the professionalism and compassion they exhibited while responding to the devastating tsunami last December.

The Pacific AOR represents enormous opportunities and challenges for the United States. Among those challenges, the most immediate is the situation on the Korean peninsula and developments relating to the Democratic People's Republic of Korea (DPRK) nuclear program. Over the past 2 years, North Korea has withdrawn from the Nuclear Nonproliferation Treaty (NPT), resumed reprocessing activities, and just last month publicly declared that it possesses nuclear weapons.

North Korea has not shown willingness as yet to engage in serious negotiations to halt and reverse its nuclear weapons program. This situation poses a grave threat, not just to the United States, but to the entire region and international stability.

The United States, in conjunction with its friends and allies in the region, is working responsibly to try to resolve this situation through diplomatic means. We hope that that will be a breakthrough and you can report today on the current status. We look forward to hearing Admiral Fallon's and General LaPorte's assessment of this dangerous situation.

Developments in China are always of great interest to this committee. We are interested in Admiral Fallon's assessment of the current state of China-Taiwan relations and of China's military modernization program and plans. That is extremely important, and for the purposes of receiving testimony in completion from both of you we will have a short closed session at the conclusion of our open session.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

The committee meets today to receive testimony from Admiral William J. Fallon, Commander, U.S. Pacific Command; and General Leon LaPorte, Commander, U.S. Forces Korea, on the military strategy and operational requirements in their respective areas of operation (AORs).

Admiral Fallon, we welcome you to your first appearance before this committee as Commander, Pacific Command. General LaPorte, we welcome you back. We look forward to your insights on developments in your AOR, as well as your assessment of the administration's fiscal year 2006 defense budget request.

I want to thank each of you on behalf of the committee and the nation for your leadership, dedication and service. We ask you to convey to the fine men and women under your command the nation's gratitude for their service. In particular, they made this country extremely proud by the professionalism and compassion they exhibited while responding to the devastating tsunami last December.

The Pacific AOR presents enormous opportunities and challenges for the United States. Among those challenges, the most immediate is the situation on the Korean Peninsula and developments relating to North Korea's nuclear program.

Over the past 2 years, North Korea has withdrawn from the Nuclear Non-Proliferation Treaty (NPT), resumed reprocessing activities, and just last month publicly declared that it possesses nuclear weapons. North Korea has not shown willing-

ness to engage in serious negotiations to halt and reverse its nuclear weapons program. This situation poses a grave threat to regional and international stability.

The United States, in conjunction with its friends and allies in the region, is working responsibly to try to resolve this situation through diplomatic means. We all hope that a diplomatic approach will be successful.

I look forward to hearing Admiral Fallon's and General LaPorte's assessment of this dangerous situation on the Korean Peninsula. The committee is particularly interested in any changes you have seen over the past year in North Korea's military posture, as well as your assessment of North Korea's nuclear program, ballistic missile and proliferation activities, and the readiness of our forces to respond to any possible developments on the Peninsula, both now and in the future.

Developments in China are always of great interest to this committee. I would be interested in Admiral Fallon's assessment of the current state of China-Taiwan relations, and of China's military modernization program and plans, and the impact of this military modernization on U.S. interests in the region. As you well know, there is justifiable concern in Congress about the impact of the pending European Union's decision to lift its embargo on arms sales to China.

In the Asia-Pacific region, the global war on terrorism is being waged in Singapore, Malaysia, Thailand, the Philippines, Indonesia, and other nations. I look forward to hearing an update on the efforts of your command, Admiral Fallon, to counter the numerous terrorist and transnational threats in your AOR.

Again, we welcome our witnesses this morning and look forward to their testimony.

Chairman WARNER. Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman. Let me first join you in welcoming our witnesses, thanking them both for their commitment, their service, their dedication, and those of the troops under their command and the families that make such a contribution, who are not often enough recognized. Our chairman always makes a point to say something about those families and he is so right, because they really are the backdrop and the support for those who are serving us so well and so professionally. Let me join him in thanking the two of you for your service.

Your commands have major responsibilities. You are trying to maintain deterrence and stability on the Korean peninsula. You strengthen deterrence in the Taiwan Straits. You fight terrorism in South and Southeast Asia. You foster military to military relations throughout the Pacific, and you come to the rescue of thousands of South Asians suffering in the aftermath of the December tsunami. Then of course, you provide invaluable support to the Central Command (CENTCOM).

The Asia Pacific region today is rife with challenges and opportunities. First and foremost among these is the continued nuclear crisis on the Korean peninsula. A month ago the North Korean government declared that they had nuclear weapons and that they did not wish to continue the six-party talks. They offered to meet bilaterally with the United States, but the administration rejected that opportunity.

Two weeks ago, a Chinese envoy managed to obtain a statement from Kim Jong Il that the North would resume talks with the United States under the right conditions. Reportedly, what North Korea wants is a "no hostile intent" statement from Washington, a commitment that we will not try to overthrow their government. At the same time, North Korea also stated that it no longer feels bound by the 1999 moratorium on missile testing.

On Sunday, the Chinese foreign minister publicly urged us to talk bilaterally and questioned our intelligence regarding North Korea's nuclear programs. According to the United Press International, "South Korean officials have privately said the United States should be more flexible in dealing with the North."

I find it perplexing that it has taken so long to present North Korea with a serious negotiating package. I also am perplexed that the administration is not exploring every negotiating avenue, both multilateral and bilateral, to try to achieve some agreement to eliminate North Korea's nuclear programs. I hope that our witnesses will tell us about their assessments of North Korea's nuclear, missile, and conventional capabilities and the extent to which our military forces are deterring the North Korean government from developing, testing, and utilizing these capabilities.

A second challenge is the tense standoff in the Taiwan Straits between China and Taiwan. This week, despite recent more positive overtures between China and Taiwan, the Chinese Government is scheduled to adopt an anti-secession law squarely aimed at Taiwan. Whether this leads to greater or lesser stability is unclear. U.S. policy continues to rely on strategic ambiguity. It may be time for the administration to go beyond strategic ambiguity, to be proactive, to use our influence to encourage the two parties to forge an agreement that includes confidence-building measures, that sets out clear lines, so-called red lines, that establishes a path to peaceful resolution, and that reduces the risk that the United States could be drawn into another major conflict.

There are many other challenges and opportunities. I look forward to hearing from our witnesses regarding them and their assessments. Something I specifically would ask them to address, is how adequately the budget request for fiscal year 2005 and beyond meets their operational, readiness, and quality-of-life requirements.

Thank you, Mr. Chairman.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

Let me first join the chairman in thanking the families who support our servicemembers, including our witnesses, and in welcoming our witnesses—Admiral Fallon and General LaPorte.

I would like to extend our thanks to you both for the work that your commands have done. You are trying to: 1) maintain deterrence and stability on the Korean peninsula; 2) strengthen deterrence in the Taiwan straits, and; 3) fight terrorism in South and Southeast Asia.

You foster military-to-military relationships thoughout the Pacific, and you came to the rescue of the thousands of South Asians suffering in the aftermath of the December tsunami. And then, of course, you provided invaluable support to the Central Command.

The Asia-Pacific region today is rife with challenges and opportunities. First and foremost among these is the continued nuclear crisis on the Korean peninsula.

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At the same time, North Korea also stated that it no longer feels bound by the 1999 moratorium on missile testing. On Sunday the Chinese foreign minister [LI, Zhaoxing] publicly urged us to talk bilaterally and questioned our intelligence regarding North Korea's nuclear programs. According to United Press International

[Feb. 14, 2005], "South Korean officials have privately said the United States should be more flexible in dealing with the North." I find it perplexing that it took the administration so long to come up with a serious negotiating package, and that this administration is not exploring every negotiating avenue, both multilateral and bilateral, to achieve an agreement to eliminate North Korea's nuclear programs.

I hope that our witnesses can tell us more about their assessments of North Korea's nuclear, missile and conventional capabilities, and the extent to which our military forces are deterring the North Korean government from developing, testing, and utilizing these capabilities. A second challenge is the tense standoff in the Taiwan Straits between China and Taiwan. This week, despite recent more positive overtures between China and Taiwan, the Chinese government is scheduled to adopt an anti-secession law squarely aimed at Taiwan. The question is whether this lead to greater or lesser stability is unclear.

U.S. policy continues to rely on "strategic ambiguity." It may be time for the administration to go beyond strategic ambiguity, to be proactive, using our influence to encourage the two parties to forge an agreement that includes confidence-building measures; sets out clear lines, so called "red-lines;" that establishes a path to peaceful resolution; and that reduces the risk that the United States could be drawn into another major conflict.

There are many other challenges and opportunities in the region.

I look forward to hearing from our witnesses regarding these issues and how adequately the budget request for fiscal year 2005 and beyond meets their operational, readiness, and quality of life requirements. Thank you.

Chairman WARNER. Thank you very much, Senator Levin.

The committee will accept in its entirety for the record the witnesses very fine statements, which have been provided to each member. Before we start, given that this region of the world is carefully represented here in the Senate by our distinguished colleague Senator Akaka, would you like to welcome these two commanders?

Senator AKAKA. Thank you very much, Mr. Chairman. I certainly want to welcome these two commanders with much aloha coming from Hawaii. Mr. Chairman, I must tell you that I attended the change of command and it was an outstanding day weatherwise as well. We had lots of rain and in Hawaii rain is a blessing. Just before we started, the rain stopped, so that was a blessing. Without a flaw, it went through and Admiral Fallon was great in his delivery in his acceptance. His family was there, and everybody was so happy at that occasion. It is a great facility there. He is a commander that can in one sweep, see Pearl Harbor and Diamond Head. But his coming to Pacific Command (PACOM) brings a different vision and new life to the Pacific, and we are delighted to have him there.

It is always good to see General LaPorte from Korea and what he is doing there. I look forward to their report on their commands.

Chairman WARNER. I thank you very much, Senator. Together with your distinguished colleague Senator Inouye, both of you do a very admirable job, not only representing Hawaii, but looking out for the men and women in that command.

Admiral, you are on deck. Let her go.

STATEMENT OF ADM WILLIAM J. FALLON, USN, COMMANDER, UNITED STATES PACIFIC COMMAND

Admiral FALLON. Thank you, sir. Mr. Chairman, Senator Levin, distinguished members of the committee: On behalf of the men and women of the PACOM, I want to thank you for this opportunity to come back and testify before you to provide an assessment of secu-

rity in the Pacific, at least from the perspective of 10 days on the job, and to testify on our force posture.

Since my confirmation, I have been working hard to try to deepen my understanding of the challenges that lie before us in the Asia Pacific region. I have made it a priority to assess the readiness of our forces to deal with these challenges. The Asia Pacific region is characterized by dynamic economies, maturing democracies, and rapidly modernizing militaries. The risk factors, such as the potential for conflict on the Korean peninsula, the chance for miscalculation across the Taiwan Strait or in Kashmir, or a number of transnational threats such as terrorism, highlight the strategic importance and complexity of this region.

To address these challenges, our Nation relies on flexible, credible forces forward deployed, ready for immediate employment. While the current posture of the Pacific Command is robust, the evolving environment necessitates that we transform our forces and put in place new ways to command, equip, and station them.

Maintaining and strengthening our alliances and friendships in the region is a fundamental prerequisite to success in expanding peace and stability. I have made this a personal priority, to get out and meet these people face to face, as many as possible, within the region, so that we can work hard to establish baseline understanding.

Based on my initial assessment of the PACOM and our regional concerns, I have identified five priorities on which I would like to focus our efforts in the immediate future: First, prosecuting and winning the war on terrorism; second, maturing our joint and combined warfighting capability and readiness; third, ensuring the credibility of our operational plans; fourth, advancing Asian Pacific security cooperation; and fifth, posturing our forces for agile and responsive employment.

Mr. Chairman, members of the committee, on behalf of the soldiers, sailors, airmen, and marines of the PACOM, I want to thank you very much for your support. Our service men and women are proud to represent our Nation in the Asian Pacific theater, and I will be happy to entertain your questions. Thank you very much.

[The prepared statement of Admiral Fallon follows:]

PREPARED STATEMENT BY ADM WILLIAM J. FALLON, USN

INTRODUCTION

Mr. Chairman and members of the committee: On behalf of the men and women of the United States Pacific Command (PACOM), I thank you for this opportunity to testify on the posture of our command, and provide an assessment of security in the Asia-Pacific region.

Over the past year, we in PACOM have seen continued fundamental, dynamic, and rapid change in Asia and the Pacific region. Clearly, the global community's "center of gravity" is shifting toward this area, magnifying the impact of any number of changes. Risk of crisis on the Korean peninsula, miscalculation over the Taiwan Strait or in Kashmir, and the threat from global terrorism provide a cautionary backdrop to positive developments in the region.

With the shift in center of gravity come important ramifications for the United States and PACOM, necessitating a critical reassessment of our posture. We are in a dynamic security environment, which must be met in new ways of commanding, equipping, employing, and stationing our forces. Fundamentally, long term peace and stability hinge on continued transformation of our military force posture, enduring relationships with our regional neighbors, and relevant, robust combat capability forward to ensure adequate dissuasion and deterrence of potential aggressors.

Considering the dynamic nature of our region, agile forces ready for immediate employment forward in the theater remain paramount. Speed of response is critical. Whether planning for worst case, major operations, or small-scale contingencies, quickness and flexibility are key to best ensure our national interests are protected. Accordingly, we develop plans, conduct exercises, and position combat power in ways that emphasize those important force qualities.

Strong, constructive relationships with our regional neighbors are of great importance during this period of dynamic change. Such relationships provide a baseline understanding and foster common approaches to regional challenges. Additionally, these relationships provide avenues of access and would facilitate forward movement of U.S. forces should the need arise. These relationships are strengthened through a robust Theater Security Cooperation Plan (TSCP).

Our dissuasion and deterrence efforts demonstrate a firm U.S. commitment to Asia and the Pacific. In light of rapid regional military modernization and risk posed by some nations in the theater, our forces remain fully trained, equipped, and ready to meet any challenge. In sum, U.S. PACOM warfighting posture remains potent and unmatched, on call to support the President's National Security Strategy.

To optimize our efforts, we remain focused on five command priorities: prosecuting and winning the war on terror, maturing our joint and combined warfighting capability, ensuring the credibility of our operational plans, advancing Asia-Pacific security cooperation, posturing forces for agile and responsive employment. This report on our defense posture is organized around those five priorities.

Winning the War on Terrorism

Winning the war on terrorism continues to be our highest priority at USPACOM. While addressing terrorist threats in the Pacific area of responsibility (AOR), we remain a primary force provider to Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF). Nations throughout the region are cooperating and building capability to counter terrorist threats and our collective successes have been in part enabled by PACOM intelligence support, increased interagency coordination, and collaboration with key Pacific Theater partners.

Defeating terrorism requires both near term and long term components. In the near term, we must react to immediate threats against our citizens, friends, property, and vital infrastructure—in short, we must stop the violence. This near-term effort includes implementing defensive measures, defeating attacks, disrupting the enemy's plans, and directing efforts, if necessary, to capture or kill terrorists in the Pacific theater. Clearly, we don't see military action as the only instrument of national power in this fight—intelligence sharing and law enforcement lead much of this effort. These near term efforts are an essential but partial solution, as the war on terrorism, like the fight against other transnational threats, cannot be won by attrition alone.

Our long term effort is focused on strengthening the region's democratic institutions' economic, social, and physical security. The TSCP, in support of the efforts of allies and friends in the region, can facilitate a tipping point in the war on terrorism as sound governance and citizens who value their institutions more than they fear the terrorists prevail.

Southeast Asia is a crucial front in the war on terror as regional and local terrorist groups, some tied to the al Qaeda network, continue to pose dangerous threats to the U.S. and our friends. Analysis reveals a growing level of cooperation among Southeast Asian terrorist groups.

The Government of the Philippines (GOP), bolstered by U.S. training and support, achieved success in 2004 against the terrorist Abu Sayyaf Group (ASG); however, the Jemaah Islamiyah (JI) appears to pose a greater threat to U.S. and allied interests in the region. JI became more active in the Philippines in 2004 and continued to train with the Moro Islamic Liberation Front (MILF) and supported ASG and MILF attack operations. While the GOP efforts likely disrupted attacks, the JI and associated groups have shown resilience and continue training future Southeast Asian terrorists. PACOM forces, through OEF-Philippines (OEF–P) continue to provide training, advice, and assistance to the Armed Forces of the Philippines to improve their capability and capacity to combat terrorism.

The JI followed its October 2002 bombing in Bali, Indonesia and August 2003 attack on the JW Marriott hotel in Jakarta, Indonesia with an attack on the Australian Embassy in Jakarta on September 9, 2004. In addition to continued activities in Indonesia, many key JI leaders are now in custody in Indonesia and Malaysia, including the JI spiritual leader Abu Bakar Bashir. PACOM continues to work closely with the U.S. State Department, the Federal Bureau of Investigations (FBI), and other U.S. Government agencies to support Indonesia in their effort to combat terrorism.

Joint Interagency Coordination Group for Counter-Terrorism (JIACG–CT) is the PACOM staff entity responsible for synchronizing Department of Defense (DOD) CT activities and other government agency CT efforts within the PACOM AOR. Last year, the JIACG developed the PACOM Campaign Plan for Combating Terrorism which aligned Department of State goals and U.S. Embassy Mission Performance Plans with DOD near-term and long-term efforts. These include stabilizing and improving the social-political environment, building regional CT capacity, identification and elimination of terrorists, and strengthening democratic institutions of governance.

We recognize a confluence of factors that contribute to terrorism in the Asia-Pacific region, including radicalism/extremism, illegal banking and finance, illegal narcotics, piracy, weapons proliferation, illegal migration, and other international crimes. The JIACG–CT mission was therefore broadened to include coordination of our counter-drug and counter-proliferation efforts. JIACG–CT is the lead staff element in PACOM's fight against transnational threats.

The Joint Interagency Task Force (JIATF) West is responsible for drug related transnational crime across the AOR and recently relocated to Hawaii from California. We are already seeing the benefit of the JIATF West reorganization as this staff is well positioned to play an ever-increasing role in the war on terrorism. Their contribution to the counterdrug effort and broader theater security cooperation initiatives has been significant and provides access in countries such as Vietnam, where traditional military engagement has been severely limited. JIATF West is coordinating military-to-military training, information sharing, law enforcement training and infrastructure development projects in theater.

A highlight of JIATF West's program is the prototype Interagency Fusion Center (IFC) in Chiang Mai, Thailand that is now operational. Thai law enforcement and military counter-drug personnel are co-located at this center for the purpose of sharing information and coordinating counter-drug law enforcement actions. Partner nation IFCs in the Philippines and Indonesia will be operational later this year. JIATF West is also participating in increasing international maritime security awareness in the Straits of Malacca and its approaches.

Special Operations Command, Pacific (SOCPAC) provides a wide range of capabilities to our security posture including building capacity in host nation counter-terrorism forces, conducting many of our war on terrorism activities, and supporting theater contingency operations. SOCPAC works closely with JIACG–CT and JIATF West to battle the nexus of terrorism, proliferation, and transnational crime.

Maturing our Joint and Combined Warfighting Capability

Continued improvement of PACOM readiness and joint warfighting capability is critical to assuring friends and allies, dissuading and deterring threats against U.S. interests, and defeating an adversary if deterrence fails. A key component of this effort includes providing the resources and training needed to maintain ready forces.

In addition to providing deterrence through forward presence in our AOR, PACOM supported OEF and OIF in the U.S. Central Command (USCENTCOM). Over 53,000 PACOM Active and Reserve Duty personnel have or are deployed in support of operations in Afghanistan, Iraq, and South and Southeast Asia.

Pacific Fleet units deploying to OEF and OIF last year included three Expeditionary Strike Groups (ESG) with associated Marine Expeditionary Units (MEU) and the *Kitty Hawk, John C Stennis,* and *Abraham Lincoln* Carrier Strike Groups (CSGs), which, along with other deploying forces, also supported operations and exercises throughout the Pacific theater. This year we commenced Expanded Maritime Interception Operations in the Southeast Asia in support of the war on terrorism.

Marine Forces Pacific are heavily engaged in prosecuting the war on terrorism. The First Marine Expeditionary Force (MEF I) from Camp Pendleton formed the command element for the Multi-National Division West (MND–W) in Iraq, supported by the First Marine Division and the Third Marine Air Wing. Of the 15 infantry battalions assigned from the First and Third Marine Expeditionary Forces, 14 conducted ground combat operations in Iraq or Afghanistan. All four PACOM MEUs deployed to the CENTCOM AOR during 2004. Pacific based Marines also supported Expanded Maritime Interception Operations (EMIO) in the PACOM AOR.

Pacific Air Forces (PACAF) has approximately 1,000 personnel deployed throughout Southwest Asia supporting Aerospace Expeditionary Forces for OEF and OIF. A tactical airlift air expeditionary squadron from Alaska has been deployed to Uzbekistan for the past 5 months. PACAF has also supported OEF–P operations with one air mobility aircraft for the past 6 months.

Army Forces in the Pacific—Active, Reserve, and Guard—are also making important contributions in the USCENTCOM AOR. An airborne task force from Alaska and an aviation maintenance unit from the Hawaii Army National Guard have been

in Afghanistan for the past 6 months. The 1st Brigade of the 25th Infantry Division, the Army's second Stryker Brigade Combat Team (SBCT), remains in Iraq. Support to combat operations in OIF and OEF continues with deployment of the Alaska-based 172d Infantry SBCT and the 29th Brigade Combat Team (BCT), a composite of Army National Guard (ARNG) and U.S. Army Reserve soldiers from across the Pacific. Additionally, the Guam ARNG is providing the infantry security company for the Djibouti-based combined joint task force (CJTF) in the Horn of Africa (HOA).

Tsunami Relief

The rapid, successful response of U.S. PACOM forces to South and Southeast Asia following the 26 December 2004 tsunami clearly demonstrates the importance of forward-deployed, immediately employable forces. Led by III MEF and supported by the *Abraham Lincoln* CSG and the *Bonhomme Richard* ESG (15th MEU embarked), maritime patrol aircraft; naval mobile construction detachments, explosive ordnance disposal units, maritime preposition ships, military sealift command logistics ships, and critical strategic and tactical airlift support from PACAF, PACOM provided immediate life saving humanitarian assistance and disaster relief.

PACOM established a Combined Support Force (CSF 536) to help coordinate host and supporting nations, and U.S. Government, international, and nongovernmental organizations (NGOs). More than 100 nongovernmental organizations and agencies worked side-by-side with military personnel from 20 countries. At its peak, CSF 536 consisted of over 15,000 service men and women from all branches of our military. Thousands of air and sealift missions delivered almost 25 million pounds of relief supplies and equipment, 500,000 gallons of water, and relieved the suffering of thousands. The hospital ship, U.S.N.S. *Mercy,* with an innovative mix of Active-Duty and NGO medical staff continues that humanitarian effort.

Speed of response was fundamental to our humanitarian assistance and disaster relief and highlighted the importance of a global force posture equipped to respond quickly and with great flexibility. In addition to readily employable forces, the successful U.S. relief efforts was greatly enhanced by solid relationships with regional neighbors developed over years of PACOM security cooperation activity. The scope and breadth of these operations displayed U.S. power projection and the compassion and generosity of the American people.

Homeland Defense

U.S. Pacific Command's Homeland Defense (HD) plan complements and is integrated with national efforts in the war on terrorism, combating weapons of mass destruction (WMD), and Homeland Security. We work closely with U.S. Northern Command (NORTHCOM) to establish procedures and delineate responsibilities between the two commands. PACOM military and intelligence activities in the region contribute to the Nation's active, layered defense. The Commander U.S. Army Pacific is also the commander of Joint Task Force-Homeland Defense (JTF–HD), responsible for integration of all HD issues requiring U.S. military force employment within the PACOM HD Joint Operations Area (JOA). Joint Rear Area Coordinators (JRACs) in Japan, and Korea as well as Task Force Hawaii and Task Force Guam (subcomponents of JTF–HD) provide the command and control construct to synchronize our DOD antiterrorism/force protection (AT/FP) efforts for military installations and property with Federal, State, and local agencies and with host nations. The Combating Terrorism Readiness Initiatives Fund (CbT RIF) supports projects that will significantly enhance the physical security and safety of our military personnel, DOD civilians and families throughout the PACOM AOR.

Missile Defense

The threat posed by ballistic missiles in the PACOM AOR is growing. Ashore and afloat, our capability to protect our forces with an effective, integrated, and tiered system against ballistic missiles remains a key capability for the future and is a top priority for development. A sea-based, midcourse as well as terminal ballistic missile defense capability would improve our rapid response to credible missile threats throughout the AOR. Our production inventory of PAC–3s, Guided Enhanced Missiles (GEMs), and SM–3 missiles must pace the increasing threat. Our ability to defend against emerging threats in the AOR and ensure security for the homeland would be enhanced by stationing an X Band-Transportable Radar (FBX–T) in a forward location.

Undersea Superiority

PACOM is faced with a significant and growing undersea warfare challenge. Some nations are modernizing and rapidly procuring advanced submarines which can affect U.S. Joint Forces' access, especially in the littorals.

To improve Anti-Submarine Warfare (ASW) capability, incorporation of advanced technology into sensors and command, control, and communications systems is critical. We support continued development of the Littoral Combat Ship (LCS) and an advanced deployable sonar system which would greatly improve detection of submarine threats. The *Virginia* class SSN brings long endurance, advanced submarine detection and real-time intelligence, surveillance, and reconnaissance (ISR) capability. The P–3 aircraft, which will be replaced by the Multi-Mission Aircraft (MMA), provides responsive long range ASW and ISR capability. A robust and integrated ASW architecture, more capable forces employing distributed sensors, and rapid insertion of technology are essential to counter the proliferation of submarines in the Pacific.

Penetrating and persistent intelligence collection, exploitation, and analysis is critical to joint warfighting. We support the efforts of the Defense Intelligence Agency (DIA), National Geospatial Intelligence Agency (NGA), National Security Agency (NSA), and the National Reconnaissance Office (NRO) in identifying new platforms and technologies to help us achieve penetrating and persistent collection against our most pressing areas of concern. Integration of national agency support is being aligned with improvements in sensitive reconnaissance operations and other theater tactical collection efforts to enhance our return on investment. Additional effort is required to support filling existing shortfalls in high-demand, low-density cryptologic linguist requirements.

Logistics and Mobility

We continue to improve our ability to adapt plans and rapidly move forces and equipment. At the same time, we must efficiently sustain these forces as they move forward. The PACOM En Route Infrastructure Steering Committee (PERISC) is currently focused on site surveys to support cooperative security locations (CSL) in our AOR. We await the Office of the Secretary of Defense (OSD) Mobility Capability Study, due out in March 2005. PACOM will study the results of this effort and address any new en route infrastructure requirements/shortfalls that affect our force flow and sustainment.

The PACOM enroute airlift system includes nodes at Elmendorf Air Force Base (AFB) Alaska, Hickam AFB Hawaii, Andersen AFB Guam, and Japan's Iwakuni MCAS, Kadena AB, Misawa AB, and Yokota AB. Over the last year, fuel storage, hydrant systems, and airfield ramp and runway projects valued at over $77 million were completed at these locations to support our forces. U.S. Forces Korea (USFK), in concert with U.S. Transportation Command, conducted air and seaport visits to 25 locations to assess current capabilities of key transportation nodes for dispersing force flow and improving reception staging onward movement and integration (RSO&I). We also identified projects at Elemendorf AFB, Alaska and Hickam AFB, Hawaii to support the assignment of C–17 aircraft at both locations. These and other investments throughout the AOR will ensure we have the required infrastructure.

Preferred Munitions

Support of OIF and OEF resulted in reduced availability of preferred munitions and has forced us to rely on older stocks. A robust inventory of precision weapons including GPS-aided and laser-guided bombs such as the Joint Direct Attack Munition (JDAM), Wind Correct Munitions Dispensers (WCMD) and GBU–10/12 prestaged ashore, supplemented by weapons from afloat or deployable stockpiles provide PACOM with very useful capabilities. Guided Multiple Launch Rocket System (GMLRS), guided bombs with penetrator warheads, and Joint Air to Surface Standoff Munition (JASSM) offer employment options that would potentially enhance operational execution of our contingency plans. Positioning these weapons forward in theater along with afloat prepositioned stocks will reduce lift requirements in the early stages of a conflict when these weapons are most critical.

The Resultant Fury maritime interdiction demonstration, in November 2004, leveraged emerging capabilities and weaponry, including air power command and control, advanced targeting pods (ATP), datalinks, and affordable moving surface target engagement (AMSTE) J-series munitions. The ability of airborne platforms to strike moving targets, on land or sea, in all weather conditions, would be enhanced through the rapid and affordable AMSTE upgrade of existing weapons.

Airlift

PACOM C–17 units will include Active, Guard, and Reserve Forces to provide regional strategic airlift capability in the Pacific. Plans are on track to base eight C–17s at both Hickam AFB/Elmendorf AFB in fiscal year 2006/fiscal year 2007 respectively. Complemented by the upgrade of our Yokota AB C–130 fleet to H-models and tailored improvements to ramp, runway and fuels infrastructure at regional U.S.

airbases, our Pacific Air Forces provide a responsive and versatile regional lift capability to support a range of operations.

High Speed Vessels

PACOM and our service components are evaluating and experimenting with four high-speed vessels (HSVs). HSVs provided sealift in support of the tsunami disaster relief effort and will be further tested during joint exercises RSO&I and Talisman Saber. Significant cost savings have been realized through efficient transportation of Marine forces during these evolutions. Fully loaded, an HSV can dock at most ports in the USPACOM AOR. They have served as valuable platforms for intra-theater lift, providing a cost effective alternative and highly flexible augment to scarce intratheater airlift. PACOM fully supports continued leasing of HSVs as force projection and lift platforms and for continued ACTD testing.

Tanker Aircraft

Our National Security Strategy cannot be executed without air-refueling tankers. The average age of the entire tanker fleet is 43 years and some are almost 50 years old. The cost of keeping these aging aircraft mission capable is increasing. In the PACOM, air-refueling tankers are critical to execution of theater war plans as early deployers in support of the Pacific Tanker Air Bridge.

Ensuring our Operational Plans are Credible

As a combatant command, we must develop, test, and maintain credible, supportable operational plans. We do that through comprehensive mission analysis, disciplined processes and attention to detail at the execution level. We must regularly challenge the assumptions upon which the plans are based. This is a continuous process that takes place during mission analysis and periodic validation, through wargaming, modeling, and simulation. The most stringent assessments occur as we exercise and train our forces. Equally important is the need to test and experiment with new operational concepts that also support our diplomatic, economic, and public diplomacy initiatives.

Advancing Asia-Pacific Security Cooperation

The USPACOM Theater Security Cooperation Program is one of the primary means through which we extend U.S. influence, develop access, and promote competence among potential coalition partners. We also coordinate the TSCP with country teams in our embassies to ensure our efforts complement their mission performance plans. TSC activities help build competent partners among friends and allies to fight terrorism, and at the same time, establish an environment that contributes to our long-term war on terrorism campaign.

The dividends of a relevant, adaptive TSCP are clear—our treaty allies and friends have provided incomparable support to OEF, the war on terrorism, and OIF. We have new security partners. Mongolia, for example, has made significant contributions in Afghanistan and in the reconstruction of Iraq. Their support and the support of other nations is a positive sign that meaningful regional cooperation on our shared security interests will continue.

Japan

The U.S.-Japan alliance remains the most important pact in the Pacific and is as strong as ever. Nearly 38,000 U.S. Armed Forces personnel are stationed in Japan, along with an additional 14,000 forward-deployed U.S. naval personnel. Japan also provides over $4 billion in host nation support—the most generous of any U.S. ally. These forward-stationed and forward-deployed forces send a strong signal of U.S. commitment to maintaining peace and stability in the region.

The need for close and ongoing strategic dialogue with our allies has never been greater. Since becoming Prime Minister nearly 4 years ago, Prime Minister Koizumi has stressed the importance of our alliance and has exerted exceptional leadership in support of both regional and global security efforts.

The Government of Japan (GOJ) is supporting the war on terrorism, providing significant military and financial support to coalition operations against al Qaeda in Afghanistan and reconstruction operations in Iraq. We greatly appreciate the GOJ's support in the war on terrorism.

Although Japanese public support for the alliance remains high, some Japanese citizens would like to see a reduction in our presence. A range of base-related issues including noise, traffic, and environmental impacts require our continued attention.

The Defense Policy Review Initiative (DPRI) with GOJ is ongoing. This thorough effort will assess the security environment in the region and bilaterally determine the required roles, missions, capabilities and force structure. U.S.-GOJ DPRI negotiations will aim to strengthen the alliance, ensure the defense of Japan and main-

tain strategic, immediately employable forces, while addressing long-standing concerns of presence, safety and encroachment.

Japan is committed to developing its Ballistic Missile Defense (BMD) capability in response to the growing Democratic People's Republic of Korea (North Korea) (DPRK) missile threat. The Japan Defense Agency (JDA), defense budget for 2004 included 106.8 billion yen ($1 billion) to initiate research and development of a limited defense of the Kanto plain region involving sea-launched SM–3 and ground launched Patriot PAC–3 missiles. The GOJ Cabinet submitted and the Diet approved the 2005 JDA budget which includes an additional 106.8 billion yen for BMD, to be voted on in March. JDA has shown great interest in cooperative development with the U.S. of a more capable sea-launched missile, and the GOJ has revised its interpretation of their longstanding prohibition on weapons export to permit this co-development. JDA and DOD are exploring complementary systems that share information and make both systems more capable.

Republic of Korea

The U.S.-Republic of Korea (ROK) alliance remains strong and continues to contribute to peace on the Korean peninsula and the security of the region. The alliance's fundamental purpose is mutual defense, to deter and defend against the North Korean threat, and sustain mutual commitment to regional security and stability. The ROK and the U.S. are working together to transform and modernize the alliance into an even stronger, more capable partnership that will enable a long-term, enduring U.S. presence in Korea.

Our alliance remains focused on the most immediate security threat to the Korean people—North Korea. The DPRK maintains more than 70 percent of its forces within 100 kilometers of the Demilitarized Zone (DMZ), and the Kim regime persists in its "military first" policy, keeping its large Armed Forces fed, equipped, and trained, while average citizens face deprivation and starvation. Its missile inventory includes over 500 short-range SCUD missiles and medium-range No Dong missiles capable of delivering conventional or chemical payloads well beyond the peninsula. Ongoing research on a three-stage variant of the Taepo Dong missile may provide North Korea the means to target the continental United States. North Korean missile and missile technology exports pose a grave proliferation concern. North Korea's other illicit activities—including probable state-run narcotics and currency counterfeiting enterprises—also pose a broad threat to regional security.

After three rounds of six party talks, aimed at eliminating North Korea's nuclear weapons program, it is clear that diplomacy and coordinated multilateral efforts between the ROK, Japan, Russia, and China must continue to be backed by a strong ROK-U.S. defense partnership if we are to eliminate North Korea's nuclear programs. The ROK-U.S. alliance supports our Nations' efforts to resolve the North Korean nuclear issue through regional diplomacy.

The ROK-U.S. Security Policy Initiative (SPI), formerly the Future of the Alliance talks (FOTA), is addressing the mutual security needs of both nations to move the alliance towards a more enduring relationship while meeting U.S. requirements for transformation and increased flexibility. United States Forces Korea transformation increases security both on the peninsula and regionally, and supports the ROK goal of improving military self-reliance and force modernization. Transferring selected roles and missions to ROK forces and transforming U.S. forces into new modular capabilities are reshaping Korea's defense. The alignment and consolidation of USFK into two hubs optimally locates forces for combined defense missions, better positions U.S. forces for regional stability, greatly reduces the number of major installations, returns all installations in Seoul (except the Dragon Hill Lodge—about 20 acres), and decreases the number of U.S. personnel in Korea while increasing capabilities. This consolidation of U.S. forces provides us the opportunity to upgrade our servicemembers' quality-of-life (QOL) as we build the long-term infrastructure to maintain an enduring presence on the peninsula. The ROK government is supportive and committed to changing and strengthening the alliance.

Sustained bilateral capital investment is required to execute these improvements. The amended Land Partnership Plan (LPP), Yongsan Relocation Program (YRP), Host Nation Funded Construction Program, and military construction (MILCON) are four key infrastructure enablers to execute FOTA/SPI. The amended LPP and YRP were recently approved by the ROK parliament. Special Measures Agreement negotiations are ongoing to determine Korea's appropriate burdensharing contributions. When completed, FOTA initiatives will result in joint installations that provide better facilities, increase force protection, expand training space, reduce intrusive presence, eliminate inadequate quarters, and enhance QOL.

Regionally and globally, the ROK is cooperating with strong support for the global war on terrorism, making substantial contributions to reconstruction and humani-

tarian efforts in both Afghanistan and Iraq. The ROK contributes the third largest troop presence in Iraq, with over 3,500 troops in Irbil and an airlift group in Kuwait. The ROK consistently supports United Nation's peacekeeping, humanitarian assistance and disaster relief missions. Most recently, the ROK provided two amphibious ships, a C–130 and a liaison officer to support Operation Unified Assistance. The importance of improving bilateral interoperability and cooperation is made clear by the successful conduct of such operations.

Australia is one of our oldest allies, a key nation in the Pacific and a staunch partner in the war on terrorism. The Australians continue to provide strong support for OEF and OIF. Australia plays a leading role in regional security with operations in East Timor, the Regional Assistance Mission to the Solomon Islands and has engaged in counterterrorism efforts with the Philippines, Indonesia, Malaysia, and Singapore.

High quality, bilateral training between the Australian Defense Force and the U.S. Armed Forces has been a longstanding and fundamental tenet of our Alliance as demonstrated by the close integration of Australian and U.S. Armed Forces during operations in East Timor, Afghanistan, the Persian Gulf, Iraq, and tsunami relief operations. The establishment of a Joint Combined Training Centre (JCTC) will take bilateral training to a new level that will ensure the Australian and U.S. Armed Forces remain thoroughly prepared to address a modern and dynamic threat environment.

The Republic of the Philippines designated a major non-NATO ally in October 2003, our bilateral relationship promotes mutually beneficial training and increased counterterrorism capacity. The centerpiece of our engagement is Philippine Defense Reform (PDR), a broad-based, multi-year cooperative defense reform effort designed to address systemic organizational deficiencies, correct root causes of strategic and operational shortcomings and achieve long term, sustainable institutional improvements in management, leadership and employment of the Armed Forces of the Philippines (AFP). GOP leadership continues to voice strong commitment to PDR and has shown encouraging progress its implementation.

Thailand is a major non-NATO ally that maintains a robust military relationship with the U.S. Thailand has led military peace observers in Aceh, Indonesia, and completed engineering deployments in Afghanistan and Iraq. Thailand routinely supports our access and training requirements and plays generous host to the USPACOM's premier multilateral exercise, Cobra Gold. This annual exercise is a centerpiece for building regional competencies to respond to a wide range of transnational security threats and humanitarian relief contingencies. Thailand has been particularly open and cooperative in the war on terrorism and counternarcotics efforts, and recently hosted regional tsunami relief efforts.

Singapore is a capable regional partner nation in promoting Asia-Pacific security. Its leadership on security issues, particularly in the areas of maritime security and combating terrorism, combined with its support of a U.S. regional strategy, make this relationship one of growing importance in the Pacific theater. We look forward to concluding a Strategic Framework Agreement providing structure and organization to our bilateral efforts with sufficient flexibility to mature along with our relationship. Together, we are exploring opportunities for expanded access to Singaporean facilities while increasing our information and technology exchange.

Malaysia

Our security relations with the Malaysian Armed Forces (MAF) are cooperative with shared interests in the areas of maritime security and counterterrorism. As current chair of the Organization of the Islamic Conference and the Non-Aligned Movement, Malaysia's influence extends beyond Southeast Asia. Malaysia has become a regional focal point for best practices in combating terrorism through its Regional Counter Terrorism Training Center and has been a leader in coordinating joint naval patrols of the Straits of Malacca with other regional stakeholders.

India's emergence as a rising power is important to the region and the world. Recent dialogue between India and Pakistan and the resulting easing of tensions are very positive signs. This year, USPACOM forces have conducted a number of successful events with the Indian military including complex Naval and Air Force exercises, Army and Special Operations tactical training and peacekeeping, improving the combat effectiveness of U.S. forces.

Our relationship with the Indian Integrated Defense Staff and the Indian Armed Services continues to grow. Our programs are designed to increase our proficiency and interoperability with Indian forces. U.S. and Indian security interests continue to converge as our military cooperation leads to a stronger strategic partnership.

Indonesia's recent presidential and parliamentary elections were an encouraging exercise in democracy. As the world's most populous Muslim nation located on one

of the world's most strategic trade routes, we view the long-term future of the Indonesian state as critically important to security in the Pacific.

Over the course of the past year we have resumed yearly PACOM-Indonesian Armed Forces (TNI) bilateral defense discussions and are engaging TNI on a range of security cooperation activities within the bounds of legislative and policy restrictions. We are encouraged by the successful conduct of the election and TNI's political neutrality as well as the recent Secretary of State determination that the TNI have cooperated with the FBI Timika investigation. We are optimistic about the prospects for moving the mil-to-mil relationship forward.

Indonesia continues to be a place where terrorists seek to operate. The Indonesian government has effectively responded to acts of terrorism on its soil, such as the bombing of the Australian Embassy on 9 September 2004, but it continues to lack the capacity for preemptive action. Within current restrictions, we have maximized our security cooperation and security assistance programs—particularly under the counterterrorism fellowship program—to address these issues. Maritime security in the region and the presence of terrorism and other transnational threats, continue to be concerns.

President Yudhoyono is a friend of the United States military with a track record of reform. His new administration has recently indicated a preference to partner with the U.S. in modernizing its military training and equipment, however, potential advances in this area continue to be limited by legislative and policy restrictions. We cannot afford to cede influence to other regional powers, such as China, with this important country.

China

China's growing economy, increasing demand for energy, and desire to assume more prominence in international and regional affairs will all play a key role in defining Asia's future security environment.

The U.S. Government opposes any attempt to unilaterally change the status quo in the Taiwan Strait. Our relationship is guided by the Taiwan Relations Act (TRA) of 1979 and founded on the Three Joint Communiqués (1972, 1979, 1982) and the One China Policy. Those policies have helped maintain peace and stability for the past quarter century. DOD has two obligations under the TRA: Assist Taiwan in maintaining its self-defense capability and retain the capacity to resist any use of force against Taiwan. We are working to prevent miscalculation resulting in conflict in the Taiwan Strait.

We maintain a modest but constructive military-to-military relationship with China. Guided by Public Law 106–65, also known as the National Defense Authorization Act of 2000, this relationship is limited to non-war-fighting venues such as high-level visits, professional military education exchanges, and port visits.

China's military modernization programs warrant our continued attention. We are concerned with the widening gap between China's military capabilities and Taiwan's ability to defend itself against this potential threat. Until China renounces using force to resolve the Taiwan issue, we will maintain sufficient military capability in the region to successfully meet our obligations under the TRA.

Taiwan

Our relationship with Taiwan is also guided by the TRA. Enhancing Taiwan's ability to defend itself remains the focus of our efforts, and is given added emphasis by the Chinese military buildup across the Strait. Our relationship supports development of a modern and joint military institution that promotes stability, democracy, and prosperity for Taiwan.

Vietnam

Our military-to-military relationship with Vietnam is progressing on a modest but positive vector. The first-ever bilateral defense discussion in September 2004 provided a venue for mil-to-mil dialogue on security cooperation activities of mutual interest. Prisoner of war/missing in action (POW/MIA) recovery operations remain our most robust PACOM program in Vietnam. We look forward to increased cooperation in counterterrorism and counternarcotics in the future. Vietnam has accepted an offer to co-host a PACOM multilateral conference on military medicine in May 2005, an indicator of increased Vietnamese participation in future activities aimed at promoting mutual understanding and cooperation.

Nepal

U.S. PACOM's security assistance program contributes to maintaining and improving the Royal Nepalese Army's (RNA) capability to prevent a Maoist insurgent victory. Foreign Military Financing (FMF) and Joint Combined Exercise Training (JCET) support efforts to deny safe-haven for terrorists and insurgents in Nepal.

Despite the security threat inside Nepal, Royal Nepalese Army soldiers continue to deploy in support of United Nations (U.N.) Peacekeeping Operations, contributing to international stability.

Mongolia

Our relationship with the Mongolian Armed Forces is stronger than ever and they are eager to contribute even more to supporting regional and global security efforts. Through participation in numerous peacekeeping operations, Mongolia continues to develop its expertise in this arena. They've communicated enormous interest in establishing a Peacekeeping Training Center as part of their Five Hills Training Facility and Pacific Command supports this initiative. PACOM continues to provide training for both Mongolia's officer and enlisted corps and the professionalism of their forces reflects their ambitious goals and high standards.

Sri Lanka

Progress over the past year in the peace process between the Government of Sri Lanka (GSL) and the Liberation Tigers of Tamil Eelam (LTTE) has been limited. PACOM's security cooperation program with the Sri Lankan armed forces helps deter renewed violence by improving its preparedness as well as demonstrating to the LTTE that the GSL has U.S. support. In addition, PACOM mil-mil activities are aimed at developing institutional values that ensure civilian control of the military, military commitment to human rights and adherence to international human rights standards and the rules of warfare.

Bangladesh

PACOM seeks to reinforce our Nations' shared values of democracy and human rights with the Bangladesh armed forces through security cooperation and training. PACOM objectives are to assist Bangladesh develop the border control, maritime security, and counter-terror skills necessary to align its security capabilities. We encourage Bangladesh's continued role in UN Peacekeeping Operations as a means of ensuring international stability.

New Zealand has been a strong supporter of the war on terrorism, including operations in Afghanistan. New Zealand actively supports multilateral forums including the Asia Pacific Economic Cooperation (APEC), Association of South East Asia Nations (ASEAN), Pacific Islands Forum (PIF), and the World Trade Organization (WTO). Military to military relations remain constrained by the Government of New Zealand's 1986 ban of nuclear powered ships or weapons in its waters or territory.

Compact States

Citizens of the three Compact states—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau—serve with distinction, in the U.S. Armed Forces in OEF and OIF. Under the Compact of Free Association, the U.S. is responsible for the defense of the three "freely associated" nations. PACOM executes that responsibility through our Homeland Defense efforts.

Asia-Pacific Center For Security Studies

The Asia-Pacific Center For Security Studies (APCSS) plays an important role in strengthening U.S. national security by harmonizing views on the nature of the common security challenges in the region; combating ideological support for terrorism; and educating our allies, partners, and friends on the role of the defense-military establishment in civil society and, in particular, civilian control of the military. The APCSS operates as a means to explain USG defense and foreign security policy in the region and to obtain views and feedback on U.S. policies from the region's allies and partners on U.S. policies.

Center of Excellence (COE) in Disaster Management and Humanitarian Assistance is a PACOM Direct Reporting Unit established by Congress in 1994, which manages capacity building programs in peacekeeping, stability operations, HIV/AIDS mitigation, disaster response and consequence management. These activities, reinforce relationships and develop confidence througout the AOR. COE's current work with U.N./Department of Peacekeeping Operations (DPKO) to develop standardized training curricula for peacekeepers and civilian personnel promotes effectiveness and enhanced interoperability across the region. COE played a key role in the recent tsunami relief effort.

Foreign Military Financing provides pivotal support to developing countries involved in combating terrorism and other transnational threats. A robust FMF program, appropriately apportioned to key countries, is important in our efforts to build relationships and achieve our long-term security objectives of defeating terrorism and strengthening democratic institutions.

International Military Education and Training (IMET) is an effective, low-cost component of the security assistance effort. The program provides U.S. access to and influence with foreign governments. Furthermore, it exposes future leaders to U.S. values and commitment to the rule of law, the role of a professional military in a democratic society and promotes human rights. Combined with training offered through the foreign military sales process, IMET has supported the promotion of U.S. military education and training as the recognized standard worldwide.

Acquisition Cross-Servicing Agreements (ACSA) have enhanced interoperability, readiness, and provided a cost effective mechanism for mutual logistics support for U.S. forces and Allied Forces supporting the war on terrorism. USPACOM Forces that participated in fiscal year 2004 Bilateral/Multinational Exercises (Cobra Gold and Balikatan) were able to greatly reduce their logistics footprint by using ACSA.

Japan, Mongolia, Philippines, South Korea, and Thailand all benefited from ACSA and have deployed outside the AOR to support OEF and OIF. PACOM has a total of 10 ACSAs in place. Sixteen additional countries within the PACOM AOR are ACSA-eligible. We anticipate concluding negotiations with 4 of the 16 ACSA-eligible countries in the very near future.

Posturing Forces for Agile and Responsive Employment

Our transformation efforts continue to be directed by our National Security Strategy. We have implemented meaningful ways to "operationalize" that strategy. Our allies, partners, and friends have contributed greatly to these efforts and are supportive of them. Importantly, they see the need for change and are transforming their forces in substantive, helpful ways as well.

Not only is transformation important on its most basic level—providing us more effective capability and capacity—it also is inherently important to our dissuasion and deterrence efforts. Our competitors must recognize without doubt that the U.S. military is peerless and continues to evolve beyond their scope of combat power. However, we do not engage in change for the sake of change. At every step, we retain a keen eye for risk assessment and adapt our plans and forces accordingly.

We seek an agile, flexible force, forward deployed, ready for immediate employment. Flexibility offers a means of dealing with uncertainty. Forward deployed forces, ready for immediate employment send a strong and clear message to the regional community—the United States views the Asia-Pacific region with great interest and our commitment to it remains undiminished.

On the Korean peninsula, we are reducing and consolidating our force footprint into two hubs south of the Han River, transferring missions to ROK forces, and modernizing combined combat forces' capabilities. The ROK government shares these important goals. We envision a U.S. force posture with increased strategic relevance, flexible, responsive to potential accommodation on the peninsula, and embraced by our Korean allies.

In East Asia and Japan, we seek to complement our plans on the Korean peninsula in a manner that results in undiminished combat power forward, while addressing longstanding irritants and demonstrating U.S. commitment to our allies, partners, and friends. Our posture must be enduring and rapidly employable in nature.

Of principal concern, we look to appropriately adjust our footprint on Okinawa, consolidate Navy and Marine Air Forces, and establish a transformational Army headquarters. Negotiations with Japan through the Defense Policy Review Initiative are ongoing. We have an exceptionally positive working relationship with the Japanese and expect an outcome that suits both their national, sovereign interests while maintaining a robust alliance and enduring U.S. commitment to peace, stability, and security in the region.

On Guam, we continue efforts to enhance our strike fighter, bomber, and intelligence/Surveillance/Reconnaissance forces located there on either a permanent or rotational basis. Three fast attack submarines are currently stationed in Guam, and we plan for rotational SSGN forces once this platform is deployed. Basing such forces in Guam improves our capability to deter and rapidly respond.

In South and Southeast Asia, we are continuing efforts to increase our access and theater security cooperation opportunities through the development of Cooperative Security Locations (CSL) and Forward Operating Sites (FOS). Both CSLs and FOSs reflect our emphasis on "places, not bases." Such locations are characterized by minimal infrastructure and presence.

We also seek to enhance our training opportunities in the region. Together with Australia, we are developing the JCTC which provides large areas for demanding, joint and combined training. JCTC also provides superb opportunities to electronically link the JCTC with the future Pacific Warfighting Center in Hawaii and the Joint National Training Capability in the continental United States. A Proof of Con-

cept is scheduled for Talisman Saber 07, a combined Command Post Exchange for U.S. and Australian forces.

We continue our efforts to transform forces in Hawaii and Alaska. Alaska provides the closest access to Northeast Asia and is key to regional transformation plans. In Hawaii, we are co-locating Stryker and C–17s to provide rapidly deployable power on short notice, anywhere throughout the theater. The 2d BCT transforms from light infantry design to become the Army's fifth SBCT in Hawaii. In Alaska, we are also co-locating Strkyer with C–17s thereby developing another rapidly deployable, capable ground force for the Asia Pacific region. In addition to this mobile force, we intend to station in Alaska an Airborne Brigade constructed in the Army's modular model.

Our Standing Joint Force Headquarters (SJFHQ) and plans for an Air Warfighting Headquarters (AWFHQ) in Hawaii contribute directly to one tenet of Pacific force transformation—joint command structures built on habitual relationships. This concept is key. When crisis arises, joint command and control is optimized when organizations have planned, worked, and exercised together. With both SJFHQ and AWFHQ, PACOM will have in place important structures that can rapidly assume responsibility to meet any number of challenges in an agile, scaleable manner.

Missile defense will play an increasingly important role in protecting not only the U.S. homeland, but also our forward deployed forces and allies. Some in our region continue to increase both the numbers and capability of theater short, intermediate, and cruise missile inventories. We view this development with concern and seek appropriate capability to offset this risk.

Refocusing Theater Intelligence

Theater intelligence organizations must undergo a much-needed transformation. Past intelligence structures and processes are inadequate to meet emerging requirements. We must retool our intelligence structures, break down traditional stovepipes, and synchronize intelligence operations across all commands, agencies, and echelons. To date, we have re-aligned and streamlined the theater Joint Intelligence Center, integrated DIA and National Geospatial Intelligence Agency capabilities within the theater, and synchronized theater ISR management. We are in the process of achieving considerable efficiencies in our IT processes and resources through the establishment of a Regional Service Center on Oahu.

Carrier Strike Groups remain critical to ensuring effective dissuasion, capable deterrence, and rapid contingency response in the Asia-Pacific region. We continue to examine options to determine the optimum basing posture for these very capable forces.

With deployment of the F/A–22 Raptor, we will upgrade our capability to counter growing anti-access threats in the Pacific. Initially through the relocation of newer F–15Cs to Kadena AB and with the upgrade of our HIANG F–15As to the F–15C standard of our Active-Duty fleet, the recapitalization of our PACOM fighter aircraft will assure U.S. air dominance in the region for years to come.

The conversion of four *Trident* class submarines (SSGNs) to cruise missile/Special Operations Force (SOF) platforms has particular utility in the Pacific, where our most demanding potential warfights and the continuing threat of terrorism converge.

HSVs are becoming increasingly important to projecting capability across the region quickly. Our transformation plans incorporate the flexibility and capacity of HSVs to move troops, combat equipment, and vertical lift around the theater to conduct important training, demonstrate presence, and respond to contingencies. We will continue to develop this capability.

Last year, PACOM stood up and exercised its first SJFHQ. In its current configuration, the SJFHQ rapidly augments a Joint Task Force command element to accelerate its readiness for action. This organization will be trained on cutting edge planning and communication processes, tools and equipment in order to rapidly deploy and immediately facilitate command and control.

Transformation remains key to protecting our national security interests in an evolving security environment. The new threat context demands we adapt to meet the challenges of the 21st century.

Improving Quality of Service for our Men and Women

Inseparable from combat readiness, Quality-of-Service (QoS) is a function of the Quality-of-Work and Quality-of-Life. QoS includes providing high quality operating facilities, the tools, and equipment necessary for our personnel to achieve their goals and carry out their missions efficiently and and effectively. The National Defense Authorization Act for Fiscal Year 2005 demonstrates the commitment of Congress

to meet the needs of our deserving service members and their families. Through your focus on retention, operational tempo, housing, compensation, and school improvements, QoS in PACOM is good and improving.

Reserve Component

America can be proud of our Reserve and Guard members. These men and women are making important contributions in key roles such as force protection, planning, logistics, and myriad other critical areas in support of contingency operations in the Pacific. Today there are more than 3,900 PACOM Reserve component men and women from all Services and deployed in support of theater and global contingencies including OIF and OEF.

Military Housing

Military Housing Privatization Initiatives (MHPI) are dramatically improving military family housing in the PACOM AOR. Our Service components have projects on the west coast, Alaska, and Hawaii that were funded under this program authority. In the past 2 fiscal years all of the Service components initiated MHPI projects in Hawaii that will eventually repair or replace approximately 11,200 homes. This year, we will privatize nearly 3,000 homes in the San Diego area. Our experience shows that MHPIs combined with traditional military construction programs allow us to meet the housing needs of our soldiers, sailors, airmen, and marines. In the Pacific Theater, about 65 percent of approved MHPI projects are underway or completed. In addition to improving housing for our troops, the new construction and maintenance contracts are stimulating local economies. MHPIs are a win-win for the military and our communities.

Schools are a top quality of life concern. In fiscal year 2006, the Department of Defense Education Activities (DODEA) is requesting $39 million to construct a Guam elementary/middle school. In Korea, DODEA also projects the need for $8 million for an addition to the Taegu elementary/high school. These projects in Guam and Korea complement our force posture initiatives there.

Joint POW/MIA Accounting Command

Joint POW/MIA Accounting Command (JPAC) is responsible for the full accounting and identification of the remains of personnel missing as a result of hostile acts, worldwide. During 2004, JPAC successfully conducted 10 Joint Field Activities (JFAs) in Southeast Asia (SEA), 5 in the DPRK and 10 missions outside SEA. Our teams recovered what are believed to be the remains of Americans who lost their lives during the Korean War in the area of the Chosin Reservoir. Five JFAs are scheduled in DPRK for 2005. The first of these operations begins on 2 April 2005 and our teams will have a continued presence in North Korea through 18 October 2005. JPAC was also a key contributor to Operation Unified Assistance, sending three teams with critical forensic skills to support the tsunami relief effort.

SUMMARY STATEMENT

The extraordinarily dedicated men and women of U.S. Pacific Command—serving in and out of uniform—understand their responsibilities. Our combined efforts continue to promote peace and prosperity in the Asia-Pacific region. The tsunami disaster in South and Southeast Asia that occurred at the end of 2004, reminds all of us of the importance of readiness and the value of immediately employable forces. We are fully committed to providing help to friends in need. So too, do we remain fully committed—in every conceivable way—to winning in combat if called upon to employ force.

The American people and Congress have provided staunch support and we sincerely appreciate your advocacy and assistance. I am proud and honored to represent the men and women of U.S. Pacific Command who are dedicated to serving our national interests at home and abroad. On their behalf, thank you for your support, and thank you for this opportunity to testify on our defense posture.

Chairman WARNER. Thank you very much.

General LaPorte.

STATEMENT OF GEN LEON J. LAPORTE, USA, COMMANDER, UNITED NATIONS COMMAND AND COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND, AND COMMANDER, UNITED STATES FORCES KOREA

General LAPORTE. Mr. Chairman, Senator Levin, distinguished members of the committee: I am honored to appear here today. Moreover, it is my distinct privilege to represent the soldiers, sailors, airmen, marines, and Department of Defense (DOD) civilians who serve in the Republic of Korea (ROK). On behalf of these outstanding men and women, thank you for your sustained commitment toward enhancing the warfighting capabilities of our Nation's Armed Forces and improving the quality-of-life of our servicemembers and their families.

Your support allows us to protect the security of the ROK while promoting stability in Northeast Asia. I appreciate this opportunity to report on the state of the command and the status of our transformation initiatives. I would like to submit my 2005 posture statement for the record.

Chairman WARNER. Accepted in its entirety.

General LAPORTE. Much has changed in more than a half century of the ROK-U.S. Alliance, change quickened by the events of September 11, 2001, and the emergence of a new and far more volatile security environment. These changes have resulted in increased security responsibilities for the United States and increased interdependence with our allies and coalition partners throughout the world. A new generation of South Koreans, cognizant of their national achievements and taking on an increasingly active role in regional and world affairs, are eager to achieve a more constructive relationship with their neighbors in North Korea.

At the same time, while still dependent on international aid for economic survival, North Korea has continued to defy international conventions through its declared possession of nuclear weapons, presenting a significant threat to both the region and the world.

While the dynamics of the security environment have changed and our security relationships continue to mature, our ROK-U.S. Alliance remains steadfastly committed to its fundamental purpose, that is to deter against and, if necessary, defeat North Korean aggression, while sustaining a mutual commitment to regional stability.

Together, we continue to oppose North Korea's efforts to divide the alliance and to destabilize the Northeast Asia region. To assure we have the right capabilities on the peninsula postured to deter and, if necessary, defeat future North Korean aggression, the Combined Forces Command has commenced its transformation strategy to enhance, shape, and align. This transformation initiative optimizes the complementary capabilities and combat power of each of our nations, while designing an enduring basing and stationing footprint for United States forces in Korea.

The most visible of these changes is the capabilities enhancements to our combined forces modernization program that includes more than 340 United States and ROK enhancements to greatly strengthen our combined deterrence and warfighting capabilities. Enhancements such as fielding the PAC–3 Patriot missile system

and stationing a Patriot brigade headquarters, Patriot battalion headquarters, and two additional Patriot batteries have greatly enhanced our theater missile defense posture.

The upgrade of our Apache helicopters to AH–64 Delta Longbows increased the combat capabilities of that weapons system by 400 percent. The FA–18E/F Super Hornets, either carrier or land-based, provide precision strike capabilities in all weather, day and night. The introduction of high-speed vessels and additional C–17 Globemaster heavy airlift facilitates rapid reinforcement of regionally focused United States forces, such as the Marine Expeditionary Forces (MEFs) and the Stryker Brigade Combat Teams (BCTs).

Additionally, our investments in equipment prepositioning provides for rapid reinforcement with tailored capability sets. Increasing our stocks of precision guided munitions for both our land and air-based weapons delivery systems greatly enhances our ability to precisely strike targets around the clock in all weather conditions.

The ROK is also enhancing its military capabilities with the recent procurement of a second multi-launch rocket system battalion, Army tactical advanced conventional munitions systems, K–1A1 tanks, K–9 self-propelled howitzers, a modernized tactical fighter force, and the introduction of an evolving blue water Navy destroyer program.

This year the South Koreans will receive the first of 40 F–15K multi-role fighters, a highly-capable version of the F–15E Strike Eagle. Future force enhancements will include Aegis destroyers and airborne warning and control system aircraft for the Korean forces.

We have begun to shape the combined forces by transferring selected military missions from U.S. forces to ROK forces. These changes acknowledge the growing capabilities of the ROK military and its growing role in its own defense, while maintaining a firm U.S. commitment to peninsula security and regional stability.

Concurrent to this, the United States and the Republic of Korea governments agreed to the reduction of 12,500 military personnel from the United States Forces Korea (USFK) over a 5-year period. This force reduction is being accomplished in three phases. The first phase reduced 4,200 personnel in 2004, including the U.S. Second Infantry Division's Second Brigade Combat Team, which deployed from south of the Demilitarized Zone (DMZ) into combat in Iraq last August. During the second phase of the plan, we will reduce 3,800 personnel in 2005 and another 2,000 in 2006. Finally, we will reduce 2,500 personnel between 2007 and 2008.

This reduction plan principally affects the Eighth United States Army, which will reduce its forces as it simultaneously restructures many of its units as part of the Department of the Army's total transformation effort. Army-wide, the United States is tailoring its command and control echelons from four headquarters type elements, brigade, division, corps, and field army, to three types of headquarters. The Seventh Air Force will begin to reduce between the 2006 and 2007 time frame, completing its total redeployment of approximately 1,000 personnel by 2008.

Aligning the majority of the United States forces in Korea into two enduring hubs is the final component of our transformation plan. This effort consists first of the consolidation of forces and

then their eventual relocation to the south, away from the Seoul metropolitan area, thereby creating a less intrusive footprint and increasing the operational mission flexibility of our on-peninsula stationed forces.

Last year we concluded negotiations with the Republic of Korea to relocate U.S. forces north of the Han River and at Yongsan to Camp Humphreys, near the city of Pyeongtaek. One aspect of the agreement is the relocation of Yongsan garrison out of Seoul by December 2008. Initiated at the request and at the expense of the Republic of Korea government, Yongsan relocation will enhance the operational readiness of the alliance, improve facilities and quality of life of United States forces, and return valuable land to the Korean people.

A second aspect of these agreements is the consolidation and realignment of the United States forces Second Infantry Division south of the Han River. As planned, the Second Infantry Division realignment is occurring in two phases. The first phase consolidates the Second Infantry Division into existing installations while new facilities are prepared at Camp Humphreys for their relocation beginning in 2008. This consolidation effort is already under way and is progressing as planned.

Once construction at Camp Humphreys is complete, actions to relocate Second Infantry Division units into new facilities will begin. Sustained funding of the United States military construction projects in Korea in the Future Years Defense Plan, coupled with sufficient host nation burdensharing construction funds by the Republic of Korea, is necessary for this plan to be executed.

Improving community relations and quality-of-life remain a high priority of our command. The Good Neighbor Program, implemented at all levels of command, continues to promote community relations with our Korean hosts.

USFK has just completed our safest year on record. Across the command, we achieved significant reductions in accidental deaths and injuries, as well as reducing operational ground and aviation accidents. We attribute our tremendous success in safety to a multi-faceted approach that emphasizes leadership involvement at every level, integrates risk management and safety training into every event, and continually reinforces operational and safety awareness.

Northeast Asia continues to grow in importance to the United States and to our worldwide security partners. The presence of United States forces in Korea demonstrates our commitment to shared common interests; regional peace and stability; free trade; and the propagation of democratic principles. The Republic of Korea continues to be one of our most valuable allies and partners. The United Nations Command, Combined Forces Command, and the USFK are trained and ready. We remain confident in our ability to deter North Korean aggression and, if necessary, capable of defeating aggression against the ROK.

I thank you for the opportunity to appear before the committee and I look forward to your questions.

[The prepared statement of General LaPorte follows:]

PREPARED STATEMENT BY GEN LEON J. LAPORTE, USA

Mr. Chairman, and distinguished members of the committee, I am honored to appear before you today. Moreover, it is a privilege to represent the soldiers, sailors, airmen, marines, and Department of Defense (DOD) civilians who serve in the Republic of Korea (ROK). On behalf of these outstanding men and women, thank you for your sustained commitment towards enhancing the warfighting capabilities of our Nation's Armed Forces and improving the quality of life of our servicemembers and their families. Your support allows us to protect the security of the ROK while promoting stability in the region. I appreciate this opportunity to report on the state of the command and the status of our "Enhance, Shape and Align" initiatives, which are enabling our military transformation while strengthening the ROK-United States Alliance.

Much has changed in the more than half-century of the ROK-United States Alliance, change quickened by the events of September 11, 2001 and the emergence of a new and far more volatile security environment. These changes have resulted in increased security responsibilities for the United States, and increased interdependence with our allies and coalition partners throughout the world. A new generation of South Koreans, cognizant of their national achievements, and taking an increasingly active role in regional affairs, are eager to achieve more constructive relationships with their neighbors in the Democratic People's Republic of Korea (DPRK) (North Korea). At the same time, while still dependent on international aid for economic survival, North Korea has continued to defy international conventions through its declared possession of nuclear weapons, presenting a threat to the region and potentially the world.

While the dynamics of the security environment have changed and our security relationships continue to mature, the fundamental purpose of the ROK-United States Alliance remains unwavering: deter and defend against the North Korean threat; and sustain a mutual commitment to regional security and stability. Together, we continue to steadfastly oppose North Korea's efforts to divide the alliance and to threaten peaceful nations. Together, we are working to transform the ROK-United States Alliance into a stronger, far more capable alliance, while setting conditions for an enduring United States military presence in Korea. This military transformation will bolster the United Nations Command and the ROK-United States Combined Forces Command, as the guarantors of regional security and stability.

I. NORTHEAST ASIA SECURITY ENVIRONMENT

The U.S. has significant, long-term interests in Northeast Asia to include promoting economic cooperation, mitigating threats to regional stability, and fulfilling our commitments to allies and friends. United States trade in the region accounted for about one-fourth of our Nation's total international trade in goods for the first 10 months of 2004, exceeding the share of goods traded with the European Union and second only to our trade with the countries of the North American Free Trade Agreement (NAFTA). Bilateral U.S.-ROK trade exceeded $59 billion through the first 10 months of 2004, while United States-Japan trade exceeded $152 billion over the same time period. In addition, the United States' direct investment in Northeast Asia totaled $109 billion at the end of 2003. With trade and investment in the region likely to expand in the future, the health of economies in this region are essential to the vitality of the global markets upon which the prosperity of the U.S. also depends.

While economic cooperation and interdependence within Northeast Asia represent a positive trend toward encouraging stable relations, our military presence remains essential in a region that includes five of the world's six largest militaries, three of the world's major nuclear powers, and one self-declared nuclear state—North Korea. Historical enmity amongst nations, coupled with the continuing upward trend in regional military expenditures, present the potential for large-scale military competition and corresponding instability. Over the last decade, while average global defense spending has declined, defense spending in Northeast Asia has increased by 24 percent.

The longstanding presence of U.S. forces and the strength of our strategic partnerships provide the foundation for stability and the catalyst for continued cooperation and prosperity in the region. Forward-deployed U.S. forces demonstrate our resolve to strengthen and expand alliances, counter the proliferation of weapons of mass destruction (WMD), work with partners and friends to defuse regional conflicts, and stand with our partners to oppose threats to freedom wherever they arise. United States forces based in South Korea, along with the military forces from the

ROK and other regional partners, continue to deter an increasingly manipulative and provocative North Korea while promoting long-term regional stability.

II. NORTH KOREAN CHALLENGES TO REGIONAL AND GLOBAL SECURITY

North Korea poses a variety of threats to regional and global stability. North Korea maintains large conventional and special operations forces, sustains an active chemical and nuclear weapons development program, and is also a major proliferator of missiles and related technologies. In addition, the regime relies on illicit activities, such as drug trafficking and counterfeiting to generate hard currency while demonstrating little regard for international conventions or agreements. The regime's recent official statement concerning its possession of nuclear weapons and unilateral suspension of six-party talks, continued proliferation of missiles, and repeated threats of large-scale war as a means of extorting concessions from the international community are an ever-present threat to the security of the ROK and stability in the region. While reunification of the peninsula under North Korean control remains the primary stated purpose of North Korean regime, Kim Jong Il's immediate overriding concern is to remain firmly in control of his country. At the center of all aspects of North Korean society, Kim occupies all key leadership positions and retains control through a highly effective state security apparatus and a core cadre of elites well-rewarded for their loyalty. At present, with Kim Jong Il firmly in control of all political, military and governmental entities, there is little evidence to suggest that any significant threat to the regime exists from within.

North Korean Economy

Severe economic problems remain the most pressing threat to the viability of the Kim regime. Although the North's economic deterioration has slowed over the past few years, the leadership is still struggling with the cumulative impacts of a decade of economic decline. Despite limited experiments with free-market reform, total economic output has dropped nearly 50 percent since 1992 and factories operate at less than 25 percent capacity. The Nation's power and transportation infrastructure are in need of massive overhaul and agricultural output can only feed two-thirds of the population. Despite these difficulties, the regime's "Military First" Policy directs approximately one-third of the limited domestic output to the military, thus severely restricting resources required for the welfare of its people. While North Korea's social policies, mismanagement, underfunding, and corruption have all contributed to its economic decline; the regime's high rate of military spending remains the major impediment to long-term recovery. North Korea is dependent on significant aid from the international community; profits from regime directed illicit activities such as drug trafficking, smuggling and counterfeiting; as well as from the proliferation and international sale of missiles and conventional arms to raise hard currency.

North Korean Military

The world's most militarized nation in proportion to population, North Korea has the world's fourth largest armed force with over 1.1 million Active-Duty personnel, and more than 5 million Reserves. With more than 70 percent of its Active-Duty combat forces deployed south of the Pyongyang-Wonsan line, and approximately 250 long-range artillery systems within range of Seoul from their current locations, North Korea poses a significant and present danger to the security of the ROK. While qualitatively inferior, North Korea's air force and navy, with nearly 1,700 aircraft, and 800 ships and submarines, are also postured to launch operations against the ROK with little or no warning. While North Korean economic difficulties have impaired the readiness, modernization and sustainability of its conventional forces to some degree, North Korea has continued investment in its asymmetric capabilities that includes Special Operations Forces, ballistic missiles, and chemical, biological, and nuclear programs.

North Korean Asymmetric Threats: Special Forces, Missiles, and WMD

North Korea's asymmetric capabilities are substantial and represent a significant threat to the ROK and the region. North Korea's 122,000-man Special Operations Forces (SOF) are the world's largest and enjoy the highest military funding priority for the regime. Tough, well-trained, and profoundly loyal, these forces are engaged daily in strategic reconnaissance and illicit activities in support of the regime. During conflict, these forces will direct long-range missile and artillery strikes against key facilities, attack to disrupt command facilities of the ROK-U.S. Combined Forces Command (CFC), and seek to destroy the Alliance's ability to generate combat power and to reinforce from off-peninsula.

The North Korean ballistic missile inventory includes over 500 SCUD missiles that can deliver conventional or chemical munitions across the entire peninsula and

within the region. North Korea continues to produce and deploy medium-range No Dong missiles capable of striking cities and military bases throughout the region with these same payloads, including Japan. Press reports indicate North Korea is also preparing to field a new intermediate range ballistic missile. If true, this missile could be capable of reaching United States facilities in Okinawa, Guam, and possibly Alaska. The regime's continued development of a three-stage variant of the Taepo Dong missile, which could be operational within the next decade, could also provide North Korea the capability to directly target the continental United States, or provide the regime's clients with an intercontinental capability that could undermine the stability of other regions. As the world's leading supplier of missiles and related production technologies, North Korea contributes to the destabilization of the regions where it sells these commodities, including the Middle East, North Africa, and South Asia.

The size of North Korea's chemical stockpile probably is significant. At its peak, North Korea's production capability included the ability to produce bulk quantities of nerve, blister, choking, and blood agents. It is assessed to be capable of weaponizing such agents in a variety of delivery means that would include missiles, artillery, bombs, and possibly unconventional means. While unsubstantiated, Pyongyang is assessed to have an active biological weapons development program, with an interest in developing biological agents. We assess North Korea's missile, chemical, and biological weapons programs complement its conventional military capabilities to contribute to its security, providing deterrents to external intervention, as well as providing resources for clients interested in acquiring some of these capabilities.

On the nuclear front, North Korea's abandonment of the 1994 Agreed Framework and International Atomic Energy Safeguards Agreement, withdrawal from the Nuclear Non-Proliferation Treaty (NPT), restart of the Yongbyon nuclear reactor and declarations that it has reprocessed 8,000 spent nuclear fuel rods indicate intent to pursue additional nuclear weapon production. These issues, along with the regime's recent refusal to continue the six-party talks and its claim that North Korea possesses nuclear weapons, clearly indicate Kim Jong Il's desire to retain nuclear weapons for defense and political advantage. Although there is no direct evidence confirming North Korea's weaponization of nuclear materials, despite their own claim, the Kim regime clearly intends to continue to increase its "nuclear deterrent capability" unless it receives significant economic assistance, security guarantees, and political concessions from the international community. In this context, proliferation of North Korean advanced weapons and related technologies remains a significant concern to the United States and its allies.

Assessment of the North Korean Threats

Despite its apparent economic decline and political isolation, North Korea continues to pose a dangerous and complex threat to regional and global peace and security. The Kim regime maintains a delicate balance of threats to ensure its survival and to retain the world's attention. The regime supports a massive, offensively postured, conventional force that far exceeds its defensive requirements and maintains an expansive WMD program, both of which present a substantial threat to its neighbors. Despite increased international engagement, we see little to suggest the regime will abandon its "Military First" Policy, provocative diplomacy, nuclear challenges, missile proliferation and illegal activities for a more constructive approach to others in the international community. North Korea will continue to maintain its bellicose stance to the rest of the world, implementing limited policy and economic changes, while subjecting its people to continued repression. For now and into the foreseeable future, it will remain a major threat to global peace, stability and security in Northeast Asia and the world.

III. REPUBLIC OF KOREA-UNITED STATES ALLIANCE

In the face of these threats, the ROK-U.S. Alliance—a security partnership forged during the Korean War and exemplified today through the United Nations Command (UNC) and the Combined Forces Command—has for the past 50 years guaranteed the security of the ROK against the threat of North Korean aggression, while enhancing peace and stability in the region. While much in the global security arena has changed in the past half-century, the ROK-U.S. Alliance has remained stalwart in its mutual and enduring commitment to the security of the ROK and stability in the region. The ROK has been and remains a reliable ally to the United States, promoting peace and stability in the region and around the world.

Republic of Korea Today

Throughout more than 50 years of economic and security cooperation, the ROK has emerged as one of the leading economic powers and one of the preeminent democracies in the region. In 2004, the ROK became the world's tenth largest economy, achieving a gross national income of $606 billion; exceeded in the region only by Japan and China. With economic growth fueled by global exports of high technology and consumer goods, the ROK is a major economic partner for the U.S., ranking as our seventh-largest trading partner, sixth-largest export market, and an important investment location for American companies.

While the ROK has firmly secured its place as an independent force in the global economy, 2004 has not been without challenges. Declines in domestic consumption have slowed the growth of its economy over the past few years. High household debt, rising unemployment, increasing individual and corporate bankruptcy and disruptive labor strikes have combined to slow its economic growth. While most forecasts indicate recovery through 2005, the effort to recover the strength of its export economy, while improving employment at home will remain a top priority for the Roh administration. This recovery is essential to transforming the ROK into the transportation, financial, and information technology hub of Northeast Asia, and in improving the quality-of-life for all of its citizens. Politically, the ROK enjoys a vibrant democracy and is increasingly taking a role on the international stage. The presidential elections in 2002 marked the eighth transition of a new government, and ushered in a new level of participation among its citizens. While older, more conservative South Koreans continue to support a strong United States military presence on the peninsula and a pragmatic approach to North Korea; the younger generation now seeks a more independent role in world affairs, and in their relationship with North Korea. This generation advocates domestic and foreign policies based on national interests. Impassioned debates and public demonstrations, regarding the ROK's dispatch of troops to Iraq and resolution of the North Korean nuclear issue, exhibit the strength of their views and the dynamics of domestic South Korean policy. These events clearly demonstrate the health of the ROK democracy, and its ability to manage change through peaceful constitutional processes.

Generational perspectives also impact the ROK government's view of the threat posed by North Korea, which at times also impacts the South Korean perception on the importance of our longstanding alliance. While older South Koreans with memories of the Korean War continue to view North Korea's regime and military with concern, many younger South Koreans see the threat posed by North Korea as more benign, and are doubtful North Korea would ever use its military or asymmetric capabilities against the ROK. While these differences have contributed to the rise of diverging views within South Korea on how best to deal with North Korea, most South Koreans share the same view on two important issues: first, a nuclear armed North Korea is an intolerable threat to stability in the region; and second, a catastrophic failure within North Korea would destabilize the entire region and have extremely adverse consequences for South Korea. To avoid these consequences and to accommodate domestic views, the ROK government has adopted a long-term engagement approach toward inter-Korean relations.

Since assuming the presidency, the Roh administration's "Policy for Peace and Prosperity" has guided South Korea's approach to inter-Korean relations. This policy formally opposes North Korea's pursuit of nuclear weapons while continuing efforts toward inter-Korean rapprochement through humanitarian assistance, family reunions, tourism and trade.

As a result of this policy, inter-Korean commerce has grown to more than $700 million per year; growth the South Korean Ministry of Unification plans to expand through increased access to North Korea's Mount Kumgang tourist resort, investment in the Kaesong Industrial Complex, and expansion of the inter-Korea transportation corridors. Through this policy, Seoul hopes to promote gradual economic integration and reconciliation, providing the catalyst for a formal peace agreement to replace the Korean Armistice Agreement. While this is the intent, full implementation of this policy is predicated on resolving the North Korean nuclear issue on favorable terms for the region.

As for its national security aims, the Roh administration published its first ever national security strategy in May 2004 outlining its plan for the peaceful unification of Korea and for common prosperity in Northeast Asia. In this plan, the administration restates its opposition to North Korea's pursuit of nuclear weapons, while stat-

ing its "plans to first resolve the North Korean nuclear issue through dialogue based on a firm national defense posture."[1]

This strategy also outlines the Roh Administration's plan for a more self-reliant defense posture, advocating the continued transformation of the ROK-U.S. alliance, the promotion of security cooperation with other nations, and the enhancement of its own capabilities to assume greater responsibility for the defense of ROK. This "Cooperative Self-Defense Pursuit Plan" accommodates the reduction of United States military forces in Korea, the relocation of U.S. forces to the South of Seoul, and the transfer of a number of military missions from U.S. forces to ROK forces as the first of many steps toward a more cooperative and self-reliant defense posture.

To accommodate these changes, the Ministry of National Defense has requested a budget of $92 billion over the next 4 years, requiring an increase in defense funding from 2.8 percent of gross domestic product (GDP) to 3.2 percent by 2008. In December 2004, the National Assembly provided $19.83 billion for defense—a 9.9 percent increase over the 2004 budget.[2] While this defense budget increase shows growth, additional funding will be required to reach a sustained funding rate of no less than 3.2 percent of GDP, to enable the ROK to achieve its stated national defense objectives.

South Korea's efforts toward a greater self-reliance and improved capability are consistent with the United States' aims of encouraging our allies to assume greater roles in regional security. Peaceful resolution of the North Korean nuclear issue, enhanced ROK military forces, and greater regional cooperation—key elements of ROK national security strategy—are congruent with United States' policies, and the United States forces Korea fully supports the realization of such initiatives.

Growth in the ROK-United States Alliance

During the 34th Security Consultative Meeting in December 2002, the United States Secretary of Defense and the ROK Minister of National Defense established the Future of the Alliance Policy Initiative (FOTA), a 2-year dialogue designed to develop options for modernizing and strengthening the alliance. Under FOTA, many positive alliance-strengthening initiatives were agreed upon, including efforts to enhance combined capabilities, transfer military missions, and realign United States forces in Korea. These ongoing initiatives have appreciably strengthened the alliance while adapting it to changes in the global security environment.

Following the conclusion of the FOTA dialogue in late 2004, the ROK-U.S. Security Policy Initiative (SPI) was established as a high-level consultative forum to address the broader, long-term issues of the alliance, and to monitor the successful implementation of the initiatives that were begun during FOTA. A key agenda item for this year's SPI talks is the "Joint Study on the Vision of the ROK-U.S. Alliance." The "Joint Study" is a bilateral, interagency project that will develop the vision of a broad, comprehensive alliance based upon guiding principles that underpin our two nations. This vision will look beyond potential threats from North Korea, and produce a robust view of what the alliance stands for, showcasing the alliance as the embodiment of our common values, including democracy, open markets, nonproliferation, counter-terrorism, human rights, rule of law, civilian control of the military, and freedom of worship.[3]

ROK's Support of Global and Regional Security

Consistent with this spirit of mutual cooperation, the ROK continues to assist United States' efforts to promote global and regional security through active support to the global war on terrorism, support for operations in Iraq and Afghanistan, and increasing participation in United Nations' (U.N.) peacekeeping, humanitarian assistance, and disaster relief missions.

A stalwart contributor to the global war on terrorism, the Republic of Korea has provided contingents to support stability operations in Afghanistan and Iraq since 2003, and donated millions of dollars for reconstruction projects. Over the past 3 years, the ROK has pledged over $260 million in aid for reconstruction and provided over 4,000 troops to support operations in Afghanistan and Iraq.

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[1] Republic of Korea National Security Council, Peace, Prosperity and National Security: National Security Strategy of the ROK (Seoul, Cheongwadae, 1 May 2004), 21. In November 2004, President Roh stated that "there is no other means than dialogue [to resolve the North Korean nuclear issue]." Roh Moo-hyun, "Speech by President Roh Moohyun at a Luncheon Hosted by the World Affairs Council of the United States," (13 November 2004).

[2] ROK's 2005 Defense Budget was approved at 20.8 trillion won or about $19.83 billion calculated at an exchange rate of $1 to 1,050 won.

[3] Richard P. Lawless and Ahn Kwang Chan, "Joint Study on the Vision of the ROK-U.S. Alliance Terms of Reference," 21 August 2004.

Last year, the ROK National Assembly authorized the military deployment of South Korea's Zaytun[4] Unit to assist with stability and reconstruction efforts in Iraq. In August 2004, the ROK deployed this unit to Iraq, where it joined the ranks of its previously deployed advance contingent of medics and engineers at Irbil in Northern Iraq. On October 1, the Zaytun Unit assumed operational command for the Raskin District from the Multi-National Corps in Iraq. Ten days later, the United States Secretary of Defense visited the ROK troops in Irbil, a symbolic gesture that recognized South Korea for its generous contributions in support of Operation Iraqi Freedom (OIF). In November, Seoul dispatched an additional 800 troops, increasing the Zaytun Unit's strength to 3,600 personnel, becoming the third-largest force provider after Great Britain. In December 2004, the ROK National Assembly approved a 1-year extension of the Zaytun Unit in Iraq, testimony to the ROK's active support to the global war on terrorism, its commitment to the democratization of Iraq, and its commitment to the ROK-U.S. Alliance.

At the same time, the ROK continued its third year of troop and financial support to operations in Afghanistan. Throughout 2004, the ROK provided a 58-member medical unit—originally deployed to Kyrgyzstan as part of a level-II mobile army surgical hospital—and a 147-man engineer construction unit. ROK contributions to Afghanistan, valued at more than $155 million, included transportation support, radios for two newly formed Afghan National Army battalions, and in-kind military contributions to stability and reconstruction. Additionally, in the 2002 to 2004 period, the ROK provided $45 million in reconstruction funds focused on Afghan vocational-technical education and medical assistance, $150,000 for Interim Afghan Administration expenses, and $12 million for regional humanitarian aid to Afghanistan's neighbors.

Most recently, in response to the December 2004 tsunamis in South and Southeast Asia, the ROK government joined the international community's assistance efforts by pledging $50 million for relief and reconstruction, and by deploying military logistics support assets.

ROK's Support to United States forces Korea

A dependable ally and friend in the global war on terrorism and in response to international crises, the ROK government continues to support the ROK-U.S. Alliance through the Special Measures Agreement. In accordance with the terms of the 2002–2004 ROK-U.S. Special Measures Agreement, the government of the ROK provided support equivalent to approximately 41 percent of the nonpersonnel stationing costs of United States forces Korea (USFK) last year. Last year's indirect cost sharing contribution was valued at approximately $540 million and direct cost sharing was $622 million for a total burdensharing contribution of $1.162 billion. Special Measures Agreement negotiations for a renewed agreement are ongoing.

IV. UNITED NATIONS COMMAND AND COMBINED FORCES COMMAND

The ROK-U.S. Alliance, the United Nations Command, and the Combined Forces Command provide the foundation for the security of the Korean peninsula, and peace and stability in the region. Together, the forces of these two commands provide a potent, integrated team with dominant military capabilities to deter any provocation and deter escalation that could destabilize the region.

As the longest standing peace enforcement coalition in the history of the United Nations, the UNC represents the international community's enduring commitment to the security and stability of the Korean peninsula. With 15 current member nations, the UNC actively supervises compliance with the terms of the Korean Armistice Agreement, fulfilling the members' mutual pledge to "fully and faithfully carry out the terms" of the Armistice, and if there is a renewal of North Korean armed attack, to provide a unified and prompt response to preserve the security of the ROK.

With exclusive authority for the maintenance of the Armistice, the UNC holds meetings with the North Korean People's Army, inspects United Nations units along the Demilitarized Zone (DMZ) and conducts investigations into alleged violations to prevent minor incidents from escalating into destabilizing crises.

With the 2004 opening of two inter-Korean transportation corridors crossing the DMZ, the UNC's responsibilities for approving and overseeing movement through the DMZ have increased substantially, requiring an internal realignment of the command.

The CFC is the warfighting command supporting the ROK-U.S. Alliance. An outgrowth of the Mutual Defense Treaty between the ROK and the U.S., the CFC pro-

[4] Zaytun is Arabic for olive branch, which is a symbol representing peace.

vides the cornerstone of deterrence against North Korean aggression, and if deterrence fails is ready to win decisively. Vigilant, well trained, and ready to fight tonight and win, the CFC is the most powerful combined warfighting coalition in the world today. An integrated team of nearly 680,000 Active-Duty personnel and 3 million reservists from the ROK, combined with 32,500 forward deployed United States military personnel on the Korean peninsula, the CFC can be rapidly augmented or reinforced, when required, by regional and strategic capabilities, and is further advantaged by extensive reachback to United States capabilities resident in the Pacific Command (PACOM) and the continental United States.

Historically, one of the key metrics of combat capability on the Korean peninsula has been the number of troops on the ground and the size of our combined formations. Today, it is the quality of the complementary capabilities and combat power that each nation now contributes that provides the decisive and overriding advantage to the Alliance. Over the past several years, there have been significant improvements in the quality and interoperability of Republic of Korea and United States forces supporting the CFC, resulting in greatly enhanced capabilities for strategic deployment, command and control, precision strike, focused logistics and joint and combined operations. These capabilities have allowed the CFC to transition to a full dominance, effects-based operational approach to strategic deterrence and warfighting, greatly enhancing our capabilities to deter and, if required, rapidly defeat a North Korean attack.

Command Priorities

The UNC, CFC, and USFK will continue to adapt to the changing security environment by leveraging advanced warfighting technologies and far more capable ROK and U.S. forces as we strengthen and transform the Alliance. Throughout this process of transformation, my command priorities will remain consistent with my previous testimonies: ensure that the commands are trained and ready to execute their assigned deterrence and warfighting responsibilities; transform the commands into more capable and flexible organizations; strengthen the ROK-U.S. Alliance; help set the conditions for peace and stability on the Korean peninsula and in the region; and make Korea an assignment of choice for all United States servicemembers.

Training and Readiness

Training and readiness remain my top priorities; and continue to be the hallmark of the ROK-U.S. CFC. Adherence to a warfighting ethos of prepared to "fight tonight" permeates every member and every level of our command. The robust annual CFC exercise programs ensure that we are trained and ready for contingencies. The theater-level exercises—Ulchi-Focus Lens; Reception, Staging, Onward Movement, and Integration; and Foal Eagle—collectively train over 400,000 ROK and U.S. Active and Reserve component personnel in the critical tasks essential to deterring, and if necessary, defeating North Korean aggression against the ROK. These command post and field training exercises use battle simulations technologies to train leaders in battle command, leveraging the significant United States theater-wide investment in Command, Control, Communications, Computers, and Intelligence (C^4I) systems. These combat enablers provide the means to collaboratively plan, execute, and assess effects from distributed locations; allowing the CFC to see, understand, and act to dominate the battlespace.

Ulchi-Focus Lens is a simulation-driven command post exercise focused on joint and combined effects-based operations, and sustaining command and control, logistics, and dominant maneuver skill sets. The objective of the Reception, Staging, Onward Movement, and Integration (RSO&I) exercise, is to improve our ability to rapidly reinforce and sustain operations in the Korean theater. Foal Eagle is a tactical-level joint and combined exercise that hones warfighting and interoperability skills. These exercises, supplemented by subordinate command training programs, ensure that the CFC remains ready to fight tonight and win decisively, thus deterring North Korean aggression.

Your continued support to our joint and combined training programs and theater exercises are critical to our readiness, as is your support to our capabilities enhancements. Key focus areas for modernization are: joint and combined command, control, communications, and computers (C^4); theater missile defense; intelligence, surveillance, and reconnaissance (ISR); pre positioned equipment and logistics; and counterfire and precision munitions. With your help, we have made meaningful progress in Joint and Combined C^4 integration. We have also improved the survivability of intra-theater communications networks, and established a state-of-the-art common operational picture and collaborative planning system that allows us to share information among commanders on the peninsula and within the region, and

back to the United States in real time. The next step is the accelerated development of automated data filter devices to expand the real time information exchange between U.S. and ROK forces. Your support for these improvements and your assistance in coupling our coalition warfighting C^4 systems to hardened I secure long-haul strategic communications networks on peninsula and throughout the region is essential to our continued progress in this important area.

The regional missile threat requires a robust theater missile defense system to protect critical Combined Forces Command capabilities and personnel. PAC–3 Patriot Missile System upgrades and improved munitions have enhanced our posture. Continued production of PAC–3 missiles in the near-term, followed by continued development of the Theater High Altitude Air Defense (THAAD), Airborne Laser and Aegis Ballistic Missile Defense (BMD) will provide the layered missile defense capability we require in the future. Your continued support to these and other service component programs remains essential to protecting our forces on peninsula, and to our ability to reinforce the peninsula in the event of a crisis.

Robust ISR capabilities are essential to provide sufficient warning of an impending crisis and to support rapid, decisive operations in the event of a North Korean attack or collapse. The Combined Forces Command's efforts to transform our combined intelligence capabilities are progressing, but require sustained and significant congressional and Combat Service Agency support if we are to achieve the full spectrum persistent surveillance we require to avoid surprise. Our intelligence transformation efforts are focused in three critical areas: improving our warning posture, modernizing legacy C^4I architectures and sensor suites, and improving our ability to discern intent.

As evident in the Intelligence Community's recent completion of our Intelligence Campaign Plan, there are a number of intelligence shortfalls in our national and theater coverage that require immediate attention. Chief among these are the need for persistent national and theater surveillance systems that provide continuous multi-discipline baselining of our threat. Central to this is the accelerated fielding and installation of state of the art Signal Intelligence (SIGINT), Imagery Intelligence (IMINT), and Measurement and Signal Intelligence (MASINT) sensors that are relevant to target sets. In addition to the fielding of a long-range unmanned aerial sensor, upgrades for the theater's aerial sensors, and modernization of our SIGINT and Tactical Exploitation of National Capabilities (TENCAP) architectures, the theater will benefit greatly from increased access to space systems supporting ISR operations. With these improvements to our collection capabilities, we must also sustain the expansion and modernization of our C^4I architectures to improve the theater's reachback to the PACOM, to provide bridging technology to our host nation's systems, and to enable the horizontal integration of the National to tactical intelligence enterprise that supports our theater.

The Under Secretary of Defense for Intelligence and the Joint Forces Command's Information Dominance Center Initiative and Project Morning Calm have demonstrated the technical approaches we require to improve our theater's intelligence architecture and to fuse live intelligence with operational data in a common domain to speed decision making. Continued support for this effort will allow us to expand the fielding of Information Dominance Center technology across our joint and combined components, and to extend a common architecture across the enterprise to enable rapid data sharing and collaboration in near real time. Support to these initiatives will provide us with the timely, accurate assessments we require to establish conditions that enable rapid dominance of the battlespace. Your continued support to modernizing intelligence, surveillance, and reconnaissance capabilities is required and an essential investment for the Alliance.

Logistically supporting USFK is a complex, multi-faceted undertaking. The proximity of the North Korean threat, coupled with the long distances from United States sustainment bases, requires a robust and responsive logistics system to support United States forces based in Korea. The capability enhancements currently programmed will significantly improve our core logistics functions through modern pre-positioned equipment, responsive strategic transportation, and modern logistics tracking systems. Pre-positioned equipment sets, which include critical weapons systems, preferred munitions, repair parts, and essential supplies, are critical to the rapid power projection to reinforce the Korean theater. Responsive strategic transportation—fast sealift ships and cargo aircraft—remains indispensable to rapidly reinforce the Korean theater and sustain United States forces. Expeditious fielding of the Air Force's C–17 fleet, the Army's Theater Support Vessel, and the Marine Corps' High Speed Vessel to the United States PACOM area of responsibility (AOR) remains a high priority to support United States forces based in Korea. Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint Logistics Command, Control, Communications, Computers, and

Information system. Lessons from OIF and Operation Enduring Freedom (OEF) have highlighted several areas where relatively small investments in asset tracking systems and theater distribution yield significant efficiencies and improves the overall effectiveness of our logistics systems. Your continued support for improved logisics and sustainment programs will ensure that United States forces have the right equipment and supplies at the right time.

Counterfire and precision strike are core capabilities for all of our contingency plans, allowing us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is critical to operational success in the Korean theater. Our priority ordnance requirements include: the Global Positioning Satellite (GPS)-guided Multiple Launch Rocket System with extended range capability, a ground-launched extended range, all weather capability to defeat hard and deeply buried targets (HDBTs); precision-guided munitions; air-to-ground missiles; and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities to buttress our deterrence.

Transforming the Commands

During the October 2004 36th Security Consultative Meeting, the United States Defense Secretary and ROK Defense Minister agreed on the importance of adapting the Alliance and transforming the Combined Forces Command to changes in the global security environment. The Secretary and Minister expressed their mutual commitment to coordinate the ROK's Cooperative Self-reliant Defense Plan with United States' transformation efforts, both of which are intended to continue to enhance, shape, and align the CFC to deter North Korea. Briefly stated, the objectives of the "Enhance, Shape, and Align" concept are to ensure that we: have the right capabilities on the peninsula to deter and, if necessary, defeat North Korean aggression; assign roles and missions to the appropriate units; and replace the post-Cold War basing plan with less intrusive hubs of enduring installations. The subsequent paragraphs describe how the "Enhance, Shape and Align" concept, supported by command priorities, has strengthened the ROK-U.S. Alliance and has contributed to the transformation of the UNC, CFC, and USFK.

United Nations Command

The United Nations Command is the exclusive authority for the maintenance of the Korean Armistice Agreement. For many years, ROK Army units, which operate under the authority of the UNC, have been responsible for the security of 99 percent of the southern half of the DMZ. During the November 2003 25th meeting of the ROK-U.S. Military Committee, our two nations agreed to transfer the remainder of the DMZ security mission to the ROK Army.[5] In October 2004, the responsibility for the protection of the Joint Security Area at Panmunjom shifted from the United States Army to ROK forces. The Military Committee agreed that the United States Army would continue to command the UNC Security Battalion-Joint Security Area (UNCSB–JSA) and provide a small nucleus of staff personnel, while the ROK Army replaced all United States Army personnel directly involved in security patrols, manning observation posts, and base operations support. This mission transfer, which was conducted flawlessly, is part of the comprehensive FOTA agreement that recognizes the increased capabilities of the ROK military.

While the United Nations Command is a 15-member nation, multi-national organization, the United States has historically provided the Command with a majority of its personnel, while other coalition members have primarily functioned in liaison and advisory roles. Our desire for the future is to expand the roles of member nations and integrate them more fully into the UNC headquarters staff; thereby, creating a truly multi-national staff focused on integrating the strengths of all 15-member nations into our contingency and operational planning and operations. The coalition's members have embraced this initiative favorably.

Last fall, the United Nations Command hosted its first contingency planners' conference with over 30 representatives from 9 coalition nations attending. This year, the UNC is seeking to expand coalition member participation in combined military exercises.

Additionally, the United Nations Command has approached coalition members to augment its staff to assist in the management of the two transportation corridors

[5] The Republic of Korea-United States Military Committee, established by the Combined Forces Command's Terms of Reference and Strategic Directives, includes the Senior United States Military Representative in Korea, the Chairman of the United States Joint Chiefs of Staff, the Chairman of the ROK Joint Chiefs of Staff, the Commander of Combined Forces Command and appropriate members of their respective staffs. The Military Committee holds annual meetings to review combined defense policy issues and act on directives from the ROK-United States Security Consultative Meeting.

crossing the DMZ. Over the past 18 months, the United Kingdom, France, and New Zealand have each provided an officer on a 6-month rotational basis for this important mission. The Defense Ministry of New Zealand has agreed to continue to provide an officer for this mission through early 2007. The UNC desires to further expand coalition representation on a full-time basis throughout the UNC staff.

The dedicated personnel of the UNC, backed by its 15-member nations and the CFC, continue to guarantee the security of the ROK, and contribute to improved regional security cooperation and confidence building.

Combined Forces Command and United States forces Korea

The Combined Forces Command continues to adapt to the changing security environment by leveraging a more capable ROK military force and advancing warfighting technologies. This transformation is taking place through three key initiatives: enhancing combined capabilities; shaping combined roles, missions and force structures; and aligning forces for the future. Close cooperation between the civilian and military leadership of the ROK and the United States ensures that these changes enhance readiness and combined deterrence.

Enhancing Combined Capabilities

The most visible of these changes are the capability enhancements that we are making through our combined forces' modernization programs, which include more than 340 United States and ROK enhancements to greatly strengthen our combined deterrence and warfighting capabilities. United States military enhancements include the upgrade of our Apache helicopters to AH–64D Longbows, increasing the combat capability of that weapon system by 400 percent. F/A–18E/F Super Hornets, either carrier- or land-based, provide precision strike capabilities in all weather, day or night. The introduction of High Speed Vessels (HSVs) and C–17's facilitates rapid reinforcement of regionally-focused United States forces, such as Marine Expeditionary Forces (MEF) or Stryker Brigade Combat Teams (BCTs) by sea and air. Additionally, our investment in pre-positioning provides for rapid reinforcement of tailored capability sets. The ROK is also enhancing its military capabilities with the addition of a second Multiple Launch Rocket System battalion, Army Tactical Advanced Conventional Munitions System (ATACMS) missiles, K–1A1 tanks, K–9 self-propelled howitzers, modernization of its fighter fleet, and the fielding of an evolutionary destroyer program. Future force enhancements will include the F–15K fighter jets, Aegis destroyers, and Airborne Warning and Control System aircraft.

As noted earlier, the ROK's national defense strategy extends far beyond equipment modernization. In his 2004 National Security Strategy, President Roh declared his intention to promote a "cooperative self-reliant defense posture," where "the ROK will assume a leading role in its national security." Toward this end, the Minister of National Defense announced the government's plan to restructure the ROK's armed forces, including the civilianization of the Ministry of National Defense headquarters and its Procurement Bureau, and the reduction of 40,000 troops through consolidation and outsourcing by 2008. Both restructuring initiatives reinforce our mutual confidence in our combined capability enhancements.[6] Our two nations' capitalization of complementary capabilities will continue to take advantage of each nation's strengths and resources.

Shaping Combined Roles, Missions, and Force Structures

As a result of our combined combat capability enhancements, the ROK-United States Military Committee agreed to transfer several Combined Forces Command missions from United States forces to ROK forces over a 3-year period. This effort began last year with the successful transfer of the rear area decontamination mission and the Joint Security Area security and support mission. Over the next 2 years, a number of other missions will be transferred from United States forces to ROK forces, allowing the CFC to better leverage each nation's specific strengths, thereby permitting the United States to better tailor its capabilities on the peninsula.

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[6] Civilianization of the Ministry of National Defense includes a plan to replace 5 of the 9 director-general posts that are currently occupied by general officers and 16 of 27 colonel-level directors with civilians by 2007. Additionally the ministry will replace 187 of 310 mid-level posts that are occupied by military field grade officers with civilians by 2009. The Procurement Bureau will be replaced in 2005 by a civilian-controlled government agency that will handle the military's arms procurement projects, which account for 33.2 percent of the annual defense budget. The troop reduction plan includes the elimination of 2,000 personnel each from the Air Force and Navy, 10,000 from the Army in 2004, another cut of 10,000 in 2005, and the remainder between 2006 and 2007.

Concurrent to this, the United States and ROK governments agreed to the reduction of 12,500 personnel from USFK over a 5-year period. This force reduction is being accomplished in three phases. The first phase reduced 5,000 personnel in 2004, including the U.S. Second Infantry Division's 2nd BCT, which deployed to Iraq in August. During the second phase of the plan, we will reduce 3,000 personnel in 2005 and another 2,000 in 2006; and finally, during the third phase, we will reduce 2,500 personnel between 2007 and 2008.

This reduction plan principally affects the Eighth United States Army, which will reduce its force by 40 percent as it simultaneously restructures many of its units as part of the Department of the Army's Total Force Transformation effort. Army-wide, the United States is tailoring its command and control echelons from four headquarters-type elements—brigade, division, corps, and field army—to three types of headquarters elements, while forming modular, self-sustaining brigade-level organizations. The Eighth United States Army's transformation efforts align with this, and will complete the transformation of its heavy BCT, while consolidating three helicopter brigades into a multi-function aviation brigade. This multi-function aviation brigade will include 2 Apache Longbow helicopter battalions, each with 24 helicopters, an assault battalion, and a general support battalion. Seventh Air Force, will also reduce, but by a much smaller scale. Seventh Air Force will begin to reduce between the 2006 and 2007 timeframe, completing its redeployments in 2008.

Aligning United States forces Korea

The capabilities enhancements and mission transfers mentioned previously, are key elements of USFK transformation. Consolidating the majority of United States forces in Korea into two "enduring hubs" is the final component of our transformation. This effort consists first of the consolidation of forces, and then their eventual relocation to the south away from the Seoul metropolitan area; thereby, creating a less intrusive footprint and increasing the operational mission flexibility of our on-peninsula stationed forces.

In October 2004, the ROK Minister of National Defense and Commander, USFK signed the Yongsan Relocation Plan Agreement, which was ratified by the ROK National Assembly in December. According to the terms of this agreement, the headquarters elements of the UNC, CFC, USFK will relocate to Camp Humphreys, near Pyeongtaek, in 2007, and all other units at Yongsan will finish relocating by December 2008.

The realignment of the United States Army's Second Infantry Division is part of this alignment plan which, when complete, will allow United States forces to assume a more efficient and less intrusive footprint within two hubs south of Seoul's Han River, significantly improving the quality of life for our servicemembers, while returning valuable land to the citizens of the ROK.

As planned, the Second Infantry Division realignment will occur in two phases. The first phase—an extension of the 2002 Land Partnership Plan Agreement—consolidates the Second Infantry Division into its existing installations while new facilities are prepared south of the Han River for completion and relocation of the units by 2008.[7] This consolidation effort is already underway and is progressing well. In the first quarter of 2005, six Second Infantry Division camps were closed and two United Nations Command camps were returned to the ROK. By December 2005, USFK will close eight more camps and return additional camps to the ROK. In total, 35 camps will be closed by 2008, or about 35,000 acres, which accounts for almost two-thirds of our current total land grant.

In addition to returning the majority of our dispersed camps, the ROK government has agreed to purchase 2,746 acres to provide the land needed to expand Camp Humphreys to accommodate our relocation. In 2004, the Ministry of National Defense procured the first 126 acres of new land grants for our use at Camp Humphreys. With the passage of a special compensation law by the National Assembly in December 2004, the Ministry of National Defense is now diligently working to procure all of the required land by the end of 2005, which is needed to expand both Camp Humphreys and Osan Air Base. To date, the ROK has allocated $494 million to fund land procurement, project designs and construction projects. While considerable, this amount represents only about 50 percent of the funds required by their government in 2005. This is an issue the United States and the ROK are working to resolve.

[7] The Republic of Korea ratified the 2002 Land Partnership Plan Agreement in 2003. This plan reduced the number of United States installations in Korea from 41 to 23. The Land Partnership Plan shares relocation costs between both governments—each nation bearing the costs of the relocations it requested.

Once construction at Camp Humphreys is complete, actions to relocate Second Infantry Division units into new facilities will begin. Sustained funding of United States military construction projects in Korea in the Future Years Defense Plan (FYDP), coupled with sufficient host nation-funded construction by the ROK, will be crucial if this plan is to remain on track.

Making Korea an Assignment of Choice

Recapitalizing the USFK infrastructure and establishing a stable stationing environment will enhance readiness, force protection, and overall quality of service. These key actions, along with equitable compensation for our servicemembers, are helping to make Korea "an assignment of choice" for United States servicemembers and their families, who are now willing to accept longer tours in Korea. These improvements allow us to continue to recruit and retain the talented, motivated people who assist the Command in accomplishing our mission in Korea. With your assistance, we can continue to build on these initiatives, and will sustain momentum on these recent successes.

Upgrading and Building New Infrastructure

The consolidation of USFK into two enduring hubs will provide a unique opportunity to upgrade our servicemembers' quality-of-life while establishing the long-term infrastructure that is required to maintain an enduring presence on the peninsula. While we move forward with our overall construction master plan—executable with sustained military construction funding under the FYDP and host nation-funded construction—we will also need to maintain our existing facilities. Your support of our Sustainment, Restoration, and Maintenance Program requirements, along with host-nation contributions, will allow us to complete our infrastructure renewal program to enhance our force protection posture and the quality of life for our personnel. The President's fiscal year 2006 budget request includes several military construction projects that are essential to our forces in Korea and critical to our overall theater master plan. These projects are summarized in Table 1.

TABLE 1. FISCAL YEAR 2006 KOREA MILITARY CONSTRUCTION PROJECTS

[In millions of dollars]

Project Description	Location	Program Authority
Army Projects		
Barracks Complex	Camp Humphreys	$28.0
Barracks Complex	Camp Humphreys	41.0
Barracks Complex	Camp Humphreys	46.0
Urban Assault Course	Yongpyong	1.5
Army Total		$116.5
Air Force Projects		
Enlisted Dormitory	Osan Air Base	$21.8
Enlisted Dormitory	Kunsan Air Base	44.1
Squadron Operations/Aircraft Maintenance Unit Facility	Osan Air Base	19.0
Consolidated Personnel Processing Center	Kunsan Air Base	6.8
Air Force Total		$91.7
DODDS Elementary/High School Addition	Taegu	$8.2
Total Program		$216.4

Our challenge to recapitalize the infrastructure is substantial and at present, woefully underfunded. Our facilities and infrastructure are old; over one-third of the buildings in the command are between 25 and 50 years old and another one-third are classified as temporary structures. Due to previously underfunded Sustainment, Restoration and Maintenance Programs, many buildings have deferred maintenance, contributing to their continuing deterioration. Over the last four years, funding for these programs has fallen far short of our requirements. Our annual sustainment funding has equaled less than 50 percent of the requirement, and our annual restoration and modernization funding has been nearly $80 million short of the requirement. In 2004, the Army was funded at 58 percent of sustainment requirements and at 37 percent of restoration and modernization requirements. Similarly, the Air Force was funded at 47 percent of sustainment requirements and at

only 5 percent of restoration and modernization requirements. A robust Sustainment, Restoration and Modernization Profile is absolutely essential if we are to maximize the appropriated military construction dollars we receive. New construction is only a temporary fix to our facilities problems. We must have the funds to sustain, restore, and modernize our facilities, or we will constantly find ourselves with a run-down, patched-up infrastructure.

Though there is more to be done, we have made progress. We have begun developing our principal hub in the southwest, which includes Camp Humphreys and Osan Air Base. Your support of the fiscal year 2005 Sewer System Upgrade Construction Project at Camp Humphreys will sustain the current population in addition to the expected 18,000 servicemembers and military dependents that will be consolidated into this enduring hub as part of USFK's transformation. This project is located on existing land granted for use by the USFK, and will comply with United States health and environmental protection standards.

Many of our unaccompanied and accompanied servicemembers continue to live in substandard housing, whether on base or in crowded urban areas outside our installations. Our alignment into two enduring hubs will allow us to focus on improving housing conditions at our enduring facilities, and we will use several different funding programs, including military construction, host nation funded construction and build-to-lease programs.

However, cuts in the Services' 2003 and 2004 military construction budgets have delayed our ability to reach the DOD's goal to house all unaccompanied service members in adequate installation housing by 2007. In 2004, two Army barracks upgrades were awarded for $5.1 million; however, the Army requires an additional $25.8 million to renovate eight Army barracks on our enduring installations. Additionally, I am requesting $115 million in military construction funds for 2006 to build three Army barracks complexes at Camp Humphreys. The Air Force is short over 1,500 adequate billeting spaces and plans to use military construction funds to build 6 dormitories at Kunsan and 3 dormitories at Osan Air Base. One hundred percent of our marines and sailors assigned to Camp Mu Juk—in our second enduring hub—reside in inadequate barracks. We are contracting two host-nation funded construction projects to solve this problem that should be completed by 2008. We also plan to improve the unaccompanied senior enlisted and officer quarters by contracting build-to-lease projects, including a 96-space building at both K–16 Air Base and Camp Carroll, and four 96-space buildings at Camp Humphreys.

Currently, 23 percent of our government family housing units do not meet DOD minimum living standards. The Air Force is using military construction funds to meet its family housing requirements by building 312 new family units at Osan Air Base by 2007. Continued support for family housing construction in Korea will ensure quality housing for our servicemembers' families, meeting or exceeding DOD or Service standards.

I want to assure you that we will continue to be good stewards of the appropriations that you give us, which will provide our servicemembers with required working and living facilities.

Ensuring Equitable Pay

In 2004, with the authorization for a cost of living allowance (COLA), we achieved our goal of ensuring equitable pay for our servicemembers in Korea. This allowance incentive significantly eliminated the pay disparity and offset the rising out-of-pocket costs of serving in Korea, and provides continued opportunity for the Services to reduce pay inequities. Additionally, the Army and Air Force implemented the Assignment Incentive Pay Program, authorizing a cash incentive for those personnel who voluntarily extend their tour of duty in Korea. As a result of this program, through which more than 9,500 servicemembers have voluntarily extended their tours, we have greatly reduced personnel turbulence on the total force, increased combat effectiveness, and netted more than $57 million in savings for the DOD.[8] On behalf of the men and women serving in USFK, I extend our sincerest appreciation and ask that you continue supporting DOD efforts to provide equitable pay for the soldiers, sailors, airmen, and marines serving in Korea.

Promoting Dignity and Respect

Promoting dignity and respect for all individuals are of the utmost importance to the United States and to the DOD, and a mandate we have embraced within USFK. I will highlight two areas in which USFK has taken the lead and provided a model for the DOD, which are specifically reviewing our programs for preventing sexual assault and combating human trafficking and prostitution.

[8] Average permanent Change of Station cost per person: officers $16,500 and enlisted $10,500.

Preventing Sexual Assault

USFK shares your concern about sexual assaults involving servicemembers. In 2004, the command formed the United States forces Korea Sexual Assault Working Group. Since its formation, this group has developed and implemented an educational program for training our leaders and servicemembers on awareness and prevention of sexual assault. This training stresses sexual assault risk factors and victim care. Concurrently, this group developed a USFK Sexual Assault Victim Advocate Training Course. Equally important in preventing sexual assault, we recently changed the legal drinking age throughout the USFK from 20 to 21 years old, instituted a sexual assault regulation, and published a sexual assault handbook and a Commander's Sexual Assault Victim Services Guide.

In USFK, leaders at all levels are charged with a personal responsibility for rigorously enforcing policies and ensuring that all known sexual assaults are immediately reported to appropriate legal authorities. Additionally, all reported sexual assault victims are treated with dignity and respect as they are immediately provided with a trained victim advocate who is a caring member of a Sexual Assault Response Team. Preventing sexual assault among members of the command is an important part of making Korea the assignment of choice. and we are working diligently to eliminate any occurrence of this crime within the USFK.

Combating Human Trafficking and Prostitution

In accordance with the Deputy Secretary of Defense's 30 January 2004 memorandum regarding Combating Trafficking in Persons in the DOD, USFK has adopted a zero tolerance approach to human trafficking and vigorously prosecutes any such illegal activity within the command. The command has developed a supporting four-pronged strategy that focuses on awareness, identification, and reduction of illegal activity, combined with continued interaction with the ROK government and its law enforcement agencies. Our desired end state, as we work with our host nation partners, is the elimination of prostitution and its links to human trafficking in the Korea entertainment districts that are adjacent to United States military installations in Korea.

Our first efforts have been to increase awareness of human trafficking and prostitution through regularly scheduled training. We identify known and suspected venues where businesses support human trafficking and prostitution, and place them off-limits to all United States servicemembers, DOD civilians, contract employees, and family members. Unit commanders continue to employ command presence to provide a visible official presence in the entertainment districts near U.S. military installations. The command's unflagging efforts have been significantly augmented by recent ROK legislation, which outlaws human trafficking and prostitution, and affixes severe punishment for violators.

We are not finished in our efforts; this is an ongoing concern and one that we take very seriously. We fully understand the corrosive effects of sexual assault and human trafficking, and are determined to eliminate these activities within the USFK.

Improving Safety

USFK has just completed its safest year on the Korean peninsula. Across the command, we have achieved significant reductions in accidental deaths and injuries, and ground and aviation accidents. Recently the Army Chief of Staff recognized Eighth United States Army for its success in significantly reducing accidents. I attribute our tremendous success in safety to a multi-pronged approach that emphasizes leader involvement at every level, integrates risk management and safety training into every event, and continually reinforces safety awareness. I am very proud of this safety record, which directly contributes to our warfighting readiness and quality-of-life.

Strengthening the Republic of Korea—United States Alliance

USFK efforts to strengthen the alliance begin at the grass-roots level with improving the South Korean people's understanding of the United States forces based in their country. USFK's "Good Neighbor Program" at every command level continue to emphasize the importance of reaching out to our South Korean hosts to foster a better understanding of our shared values and interests. To connect directly with the South Korean people, the command established an interactive Korean-language web site as a source of information on our forces in Korea. More than 2½ million visits since its inception reveal it as a valuable method of direct communication, independent of news media filters or bias. The addition of a discussion board, which allows visitors to post messages and comments upon issues of concern, provides needed insight into Korean public opinion. Our Korea Advisory Council, which

meets quarterly, remains a productive venue for open discussion between senior USFK leaders and some of the ROK's leading citizens, including religious leaders, academics, and government and business officials. The Korea Advisory Council, coupled with the interactive Korean language web site, ensure that our Korean hosts have the opportunity to present their views directly to senior leaders at every command level of U.S. forces based in Korea.

All commanders of USFK units have continued their individual Good Neighbor Programs that are centered on community outreach programs in their areas to improve mutual understanding with their local hosts. Throughout the past year, our service men and women, and their families have donated over $1 million and volunteered over 1 million service hours to children's schools and charities throughout Korea. Adopt-a-school programs with local Korean elementary schools, English-tutoring to South Korean youngsters, installation tours for local citizens, sponsorship of orphanages, restoration of children's parks and recreation sites, and joint band concerts have fostered a deep sense of cultural exchange and contribution to the communities in which our servicemembers and their families live.

These community outreach programs have been accompanied by a measurable reduction in the frequency and intensity of anti-American protest demonstrations in South Korean cities. Our efforts to improve mutual understanding cannot guarantee that the presence of U.S. forces in Korea will not be manipulated for domestic political purposes. However, we can see the progress that these community outreach programs are having in building individual friendships that strengthen South Korean citizens' understanding of the security and stability that the men and women of USFK help bring to the Korean peninsula and Northeast Asia.

Fostering Peace and Stability on the Korean Peninsula and in the Region

Northeast Asia continues to grow in importance for the United States and our partners. The presence of U.S. forces in Korea demonstrates our commitment to shared interests: regional peace and stability; free trade; and the spread of democratic principles. The ROK continues to be a valuable ally and partner in the region and around the globe. The United Nations Command, Combined Forces Command, and the USFK are trained and ready. We remain confident in our ability to deter, and, if necessary, defeat aggression against the ROK.

Transformation of USFK is well under way. Your continued investments in equipment and infrastructure are greatly improving our operational capabilities and the quality of life for United States servicemembers, DOD civilian employees, and family members. This total transformation effort to enhance, shape, and align greatly contributes to increased strategic relevance and flexibility for United States forces stationed in Korea. Our transformed forces and improved basing posture enable more rapid reinforcement to the Korean theater in the event of a crisis, and improve deterrence on the peninsula by providing strategically mobile overmatching power to dissuade potential threats to Alliance interests. Your continued support will ensure we achieve our transformation objectives by providing our forces with the resources needed to deter aggression and to foster peace and stability on the Korean peninsula and in the region.

You can be justifiably proud of all the soldiers, sailors, airmen, marines, and civilians in Korea who serve the American people. Their daily dedication and performance continue to earn the trust and support that you have placed in them.

Chairman WARNER. Thank you very much, General.

We will now proceed to our first round of questions. I would like to start with you, Admiral. I think it is extremely important for the American people and indeed the world to understand with some greater detail the rapid buildup today and projected into the future of the Chinese military forces; whether or not that force level, in your professional judgment, is what China needs for protection or whether China is looking toward a period in the future when those forces could be projected to extend the influence of China beyond any reasonable necessity for just a homeland defense posture?

Admiral FALLON. Mr. Chairman, thank you. It is very clear that the buildup of military force in China is proceeding quite rapidly. It was just announced in the last week their latest budget estimate, at least the public declaration, was I believe a 13 percent increase. I do not know how that translates directly into a real percentage but it is very substantial.

Chairman WARNER. But there is nothing comparable by any of the nations in the region out there.

Admiral FALLON. No, they are well ahead of spending in other places. From my study of this, it is pretty unprecedented for China to be doing this. The capabilities that they are acquiring are very significant in just about every area. Particularly I would highlight the acquisition of very robust maritime capability. I have been following this for some time. Several classes of new submarines.

Chairman WARNER. I might say, Admiral Clark, the current Chief of Naval Operations (CNO), and I have discussed this subject, as I am sure he has with you. He is gravely concerned about it.

Admiral FALLON. Not only are they acquiring things from other countries, like the Kilo submarines—I believe they have a contract for eight additional Kilos from the Russians—but they are also building several of their own indigenous classes, and at the same time acquiring strike capability in the form of aircraft, fighter bombers from the Russians, and they have very robust missile capabilities as well.

So it is disconcerting to see this buildup. It seems to be more than might be required for their defense. We are certainly watching it very closely. We are looking at how we match up against these capabilities and, although I feel that we have a very robust U.S. and allied capability in the area, it is certainly cause for concern to see this continued buildup.

Chairman WARNER. You used the phrase "our match-up." Let us also talk about the impact on Taiwan, with which this Nation has very strong relations under the Taiwan Act. I understand Japan is taking notice of this and has some concern. It has impacted their defense planning; am I correct in that?

Admiral FALLON. There was just a negotiation between our administration and Japanese officials a couple of weeks ago and I understand the context of that discussion was in part expressing concern about this buildup and how they might react to it. Senator, the Japanese reacted rather strongly to an incursion in their waters in the past year by a Chinese submarine. I do note that the Chinese made a public apology to the Japanese in response to that, but it is clear that it is not just the U.S. that is taking note of these actions out there.

In regard to Taiwan, it seems to me that, given our commitment to the defense of Taiwan, that we ought to and what I would like to do is encourage——

Chairman WARNER. I relate that pursuant to the Taiwan Relations Act, a very precise agreement.

Admiral FALLON. Yes, sir.

Chairman WARNER. Precise in the context that we recognize the one-China concept, but we also have an obligation to assist Taiwan in maintaining that force structure which they deem is required to provide their defense.

Admiral FALLON. Yes, sir. We have publicly pushed to maintain the status quo, but a big piece of that is to maintain the defense of Taiwan.

Chairman WARNER. Thank you.

General LaPorte, you gave a very detailed, and I think much needed report to this committee, on the situation with regard to the buildup of our force structure and that of the South Koreans. What can you tell us here in open testimony about the conventional buildup of the North Korean forces? They went out, rather in a braggadocious way, in talking about their possession of nuclear weapons. What have they said in regard to their conventional forces which are strategically in juxtaposition to our conventional forces and that of South Korea?

General LAPORTE. Senator, not much has changed since I appeared before the committee last year relative to the North Korean conventional forces. As the committee well knows, they have a standing military of over a million people, 70 percent of which is positioned south of Pyongyang, between Pyongyang and the DMZ.

They continue to train at seasonal norms. They are in the middle of their winter training cycle right now. We watch them very closely. The conventional forces are experiencing some reduction in large-scale training. Their pilots are flying about 12 to 15 hours a year, so it is a reduced flying level. So, there really has not been a lot of change, nor have there been any provocations with conventional forces along the DMZ, and very minimal provocations in the West Sea.

Chairman WARNER. Tell me. You mentioned, and I'm rather interested in that, their pilots flying 12 to 15 hours per year, is that calendar year?

General LAPORTE. Yes, sir.

Chairman WARNER. Why do you not juxtapose how our comparable aviators are flying, the number of hours that they are having?

General LAPORTE. Republic of Korea and the U.S. pilots stationed on the Korean peninsula fly about 15 hours a month, so it is a significant comparison between the training opportunities that the aviators are getting.

Chairman WARNER. Well now, why would North Korea have such a disparity? I have had some very modest experience, not as an aviator, but serving with aviators, and that proficiency—well, there is one right next to you—is so important in the aviator's daily professional activities. How can they rationalize so few hours and then place presumably a good deal of emphasis on their capabilities should a problem arise?

General LAPORTE. I think the only answer is that they are resource-constrained. Their economy is such that they have to husband their resources relative to fuel and repair parts. They have an aging fleet of aircraft, except for a small number of advanced aircraft. So the maintenance of these aircraft becomes problematic. Weather is also a factor during certain periods of the year in North Korea.

Chairman WARNER. Admiral, do you have any comment on that from your own professional status as a member of the aviation community?

Admiral FALLON. I think General LaPorte has it right. They obviously are resource-constrained. That would be clearly an inadequate amount of flying for us to even consider maintaining readiness. But it looks like it is to keep the blood moving through the

airplanes and just a nominal amount of flying, but in my opinion certainly not appropriate for any kind of readiness level.

Chairman WARNER. Another concern would be, should there be a problem, if they recognize their conventional forces are inadequate, that tends to incline the planners to the concept of utilizing the other strategic weapons. Am I not correct?

Admiral FALLON. It is certainly not something that we would be happy to contemplate.

Chairman WARNER. But is that not just a factor?

Admiral FALLON. Probably an option that they might have to consider if they do not have conventional means.

Chairman WARNER. Senator Levin.

Senator LEVIN. General, you shared with me some other information about the lack of readiness on the part of the North Korean army when we met in my office. I am wondering if you would describe that? It goes to the fuel shortages and costs in terms of artillery pieces moving.

General LAPORTE. I can generalize that here in open session or give you more finite information in the closed session if you desire.

Senator LEVIN. Can you give us a general comment on that?

General LAPORTE. What we have seen—and it has been a recurring trend in the last several years—is the reduction in large-scale maneuvering and training by the North Korean conventional military. We see very few exercises above what we would call brigade level. Division, corps, and army level training is done primarily in command post exercises, not large-scale maneuvers. A lot of dismounted training and a lot of what we call hot-bedding, where a unit that has perhaps 12 vehicles will only take 3 to 6 to the field and they will rotate the crews, rather than bringing all the vehicles to the training area.

Senator LEVIN. That is because of the fuel shortage or cost, we assume?

General LAPORTE. The assessment is that, again, constrained resources are driving them to take these types of training strategies.

Senator LEVIN. Have we seen anything unusual in their training exercises? Is it at a higher level, lower level, or about normal?

General LAPORTE. Senator, they are within the seasonal norms that we have seen historically.

Senator LEVIN. On the North Korean nuclear issue, they have declared now that they have processed fuel rods that have been frozen from 1994 to 2003, they have restarted their reactor, so that again they are producing plutonium. Can you give us the most recent unclassified assessment of their weapon possession, nuclear weapon possession?

General LAPORTE. Senator, we rely just as you do on the national Intelligence Community for their estimates concerning these. The estimates are one to two nuclear weapons. Presumably, if they have reprocessed the 8,000 spent fuel rods, they could have more.

Senator LEVIN. What about the reactor being restarted?

General LAPORTE. Theoretically, they could harvest plutonium every year from that reactor.

Senator LEVIN. That one to two weapon assessment which you refer to, which is the last public assessment, was what year?

General LAPORTE. That is the most recent.

Senator LEVIN. Was that 2 or 3 years ago?

General LAPORTE. Senator, I talked to the Intelligence Community yesterday and they stand by that assessment as of yesterday.

Senator LEVIN. Today, okay. I think we can find out for the record: When was the first time they made the assessment of one to two weapons? Was that not a few years ago, the Intelligence Community made that assessment? Has not the reactor started since then and has not the claim of reprocessing occurred since that assessment of one to two weapons was first made?

General LAPORTE. I would have to rely on the national Intelligence Community to answer those.

Senator LEVIN. Fair enough. We will check that out. We can check that one out.

In 1998 August, North Korea conducted a flight of Taepo Dong-1s, but apparently has refrained from testing any long-range missiles or rockets since then. However, they have recently stated that they do not consider themselves bound any longer by their self-declared moratorium on missile testing. I am wondering, number one, whether or not we have evidence—and if you can tell us in an unclassified form—that they have deployed long-range missiles? Do we have any evidence of that?

General LAPORTE. First of all, you are correct in that it was a self-imposed moratorium in terms of missile testing. So they are not bound other than by their own volition not to test future missiles. They have the capability to fire any of their missiles that fire off a transporter-erector-launcher (TEL) system, in a matter of hours.

In terms of Taepo Dong-1s or greater, they would have to fire them off fixed sites. Right now there is no evidence of that happening. The TELs are maintained in underground facilities, so they could simply roll them out and go through the pre-firing process and fire a missile.

Senator LEVIN. Relative to China, do we have a military-to-military relationship with China, Admiral? I guess I will look to you for this one.

Admiral FALLON. Senator, the military-to-military relationship, at least to the best of my knowledge, so far is really at a high level—military-to-military visits and a couple of ship visits in the recent past. There has not been, to the best of my knowledge, more extensive activity than that.

Actually, one other thing. I know there have been some exchanges in the educational field, war college type visits, but that is about it.

Senator LEVIN. I think you have described the relationship between, the military-to-military relationship, as constructive with China.

Admiral FALLON. Interesting. One of the challenges I have seen is to understand enough about the relationship to actually be more declarative. It is interesting you pick on that word because I specifically wrestled with that as I tried to tee up a way to put this.

I have high expectations that we can in fact have some kind of a dialogue in which we can come to a better understanding of the roles of the military and how constructive we see ours in the con-

text of national security. But to date, Senator, I do not think there has been too much activity.

Senator LEVIN. Relative to Indonesia, on military-to-military contacts, do you believe that we should resume those International Military Education and Training (IMET) programs with Indonesia now and, if so, what are the conditions that we should impose?

Admiral FALLON. Yes, sir, Senator, I do believe that the time is right. We have had the restrictions, which I know you are aware of, and the Secretary of State just declared that the requirements of Congress have been met and that the restriction will be lifted. We are right now trying to assess just how to go about resuming this activity and what we should recommend from PACOM as a priority in terms of activities in which to engage.

But I think it is the right thing to do and we will look forward to working with the Indonesian military in this regard.

Senator LEVIN. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin.

If I might just observe, the Law of the Sea negotiations with the Soviet Union in 1972 at the height of the Cold War proved to be very successful. I have often urged our government to look at that concept with China, such that we could avoid another incident like that very tragic shootdown of one of our aircraft years ago.

Is that something that you might personally consider?

Admiral FALLON. Mr. Chairman, I know that in the wake of the collision and the Chinese fighter and the EP–3 a couple of years ago there was an increased activity in discussions along these lines. I will have to take that for the record because I do not have the exact detail of where we are.

Chairman WARNER. Would you take that for the record. At our next meeting I would like to take that up in detail.

Admiral FALLON. Yes, sir.

[The information referred to follows:]

The Department of Defense has a forum for military-to-military cooperation with China that promotes a relationship capable of addressing the type of incidents that you mention. Specifically, the Military Maritime Consultative Agreement (MMCA) is designed to improve the common understanding of activities taken by U.S. and Chinese maritime and air forces through the development of standardized mechanisms and procedures. This forum was used with success during the EP–3E incident several years ago and has matured significantly since that time. In addition, the MMCA's purpose is to focus on operational and tactical level measures that contribute to the safety of all sailors and aircrew operating in close vicinity. A joint study report on efforts to enhance maritime navigational safety for surface vessels and aircraft of both sides was recently released.

Additionally, the U.S. is pursuing another initiative with China, a Special Policy Dialogue (SPD) to conduct discussions on how we might reach a consensus that will enhance the safety of our forces when they are near each other. The SPD was proposed by the Under Secretary of Defense for Policy during the Defense Consultative Talks (DCTs) in February 2004.

Further, we are committed to naval cooperation throughout the Pacific Area of Operations, as reflected in our participation in various forums, to include the Western Pacific Naval Symposium (WPNS). The WPNS, with 18 participating nations (including China) was established to promote maritime understanding and naval cooperation among the navies and nations within the Western Pacific region. U.S. Pacific Command will continue to seek opportunities that further promote safety, transparency, and cooperation with China.

Senator LEVIN. If the chairman would just yield on that point. The chairman is modest by omitting a very significant fact. If my

recollection is correct, our chairman is the one who actually signed that agreement with the Soviet Union. So he has some very personal knowledge about what those kind of agreements can contribute in terms of stability and confidence-building.

Chairman WARNER. And safety. Thank you. I thank my colleague. Now they have been adopted by other nations and the one with the Soviet Union has been superseded now with one with Russia.

Admiral FALLON. It was a really good framework during the Cold War.

Chairman WARNER. Senator Talent.

Senator TALENT. Thank you, Mr. Chairman.

Before I ask a question, Mr. Chairman, I just want to tell you that there is a tray in the back with a couple of donuts and the tray has your name on it.

Chairman WARNER. Is that right?

Senator TALENT. Let me just say that I appreciate the confidence you are expressing in the integrity of your colleagues, that we have all walked past that tray and as far as I can tell nobody has taken one of your donuts yet. [Laughter.]

Chairman WARNER. I thank the Senator very much.

Senator TALENT. Thank you, Mr. Chairman, for having this hearing, and I appreciate the service of both of you gentlemen.

Admiral Fallon, there's just one area I want to inquire into. I think Senator Levin referred in his opening comments, I believe, to a recent article about the new legislation that the Chinese leaders have introduced preauthorizing military action if Taiwan were to take concrete steps towards formal independence. There have also been comments made in recent days that suggest that perhaps they think peace is also possible, so I think there is a little bit of a mixed message coming.

I want to ask you specifically your evaluation of this piece of legislation. Does it suggest that conflict or that tensions are gradually at least on the rise there? How important, in light of this, in your view, is it to keep a carrier based somewhere in the Pacific, if not in Japanese waters somewhere. Could you just give me your general evaluation of where we are in light of these new developments?

Admiral FALLON. Yes, sir. Thank you, Senator. It is disconcerting that this legislation, the anti-secession law, as they call it, has been put forward because I think it hardens the line and it gives them apparently a legal basis of sorts for the potential for military action later on. So I do not think it is particularly useful to the idea that we would propose to lessen tensions between Taiwan and China.

It remains to be seen. This is proposed legislation and I do not know that it has been enacted yet, but one would assume that is probably going to follow in due course.

Regarding our capabilities in the Western Pacific, the presence of a carrier strike group in the Far East certainly has been very useful in the past for a number of events. This ready capability forward deployed I think is a very good idea, particularly given the vast distances across the Pacific. We have exceptionally good capabilities with our maritime forces in particular in this case, but hav-

ing this much robust power forward deployed gives us a lot of options for quick response.

Some of it is certainly to deter potential military actions, but there are other times when it comes in very handy, like the tsunami relief effort, when we just happened to have another carrier out there that was near by and could divert her down there to work the issue.

Senator TALENT. Is there anything we could do that we are not doing to try and defuse this issue as a flashpoint?

Admiral FALLON. The China-Taiwan issue?

Senator TALENT. Yes.

Admiral FALLON. I have been in the job 10 days now. I have it on the top of my list here to work to better understand it. I have asked a number of folks. I had General LaPorte and the other commanders in last week. We talked about this for a while, and we are going to be studying it hard to see if in fact there are things we can do to support a detensioning of this region.

Senator TALENT. My sense is that both sides are playing some brinkmanship, but that calls for fine judgment. In other words, I would hate to have somebody almost go over the line by mistake.

Admiral FALLON. We clearly have interests on both sides and I think we are at least in theory positioned pretty well to have some influence here. I hope we can do that.

Senator TALENT. I do not want to push you to say more in a public hearing than perhaps you want to say, but I just wanted to get your evaluation of what I see as a disturbing new development. I am not accusing the Chinese of warmongering or anything like this, but the fact that they felt something like this was called for or necessary is I think a negative development, and I am glad that you are paying a lot of attention to it.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much.

Senator Reed.

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

Welcome, Admiral Fallon and General LaPorte. General LaPorte and I are both Rhode Islanders and we are proud of your service in Rhode Island, General, very much. Thank you. (start)

PACOM and Korea have been supporting Operation Enduring Freedom 1 (OEF) and Operation Iraqi Freedom 2 (OIF) and there seems to be some stress. Last month, for example, the exercise in Balikatan in the Philippines was scaled back. I know the tsunami may have had some effect on that. This month in the reception, staging, onward movement, and integration exercise in South Korea, U.S. Marines were not participating as they have in the past. Many of the Marine Expeditionary Units (MEUs) in PACOM have been in CENTCOM AOR.

So let me just ask in general, the strain created by the operations in Iraq and Afghanistan, what impact has it had on the PACOM and Korea? Admiral Fallon?

Admiral FALLON. Thank you, Senator. I am not sure I would characterize it as strain yet. Again, I am new in the job. My sense is that we are all trying to do our part, particularly with appropriate forces that might be useful to CENTCOM in their movement forward here. I am certainly going to pay close attention to it. I am

still in the process of assessing what impact this may have in discussions with the staff as force proposals are put forward from CENTCOM.

In particular, you are well aware of those areas of high use, high demand, particularly Special Forces folks, and this is what applies to the first case you mentioned. So we are going to look very closely at this area to see what kind of shape we are really in and to do our best to distribute the demand on forces as best we can.

Senator REED. Have you seen a drawdown on prepositioned stocks in PACOM?

Admiral FALLON. I have not, but I would like to take that for the record. To the best of my knowledge, there has not been anything significant that has a big impact on us.

[The information referred to follows:]

Maintaining a robust program of prepositioned materiel is critical to all combatant commands. Prepositioned equipment and supplies played a major role in Operation Iraqi Freedom (OIF), and USPACOM prepositioned stocks have been used for sustainment of forces during OIF. PACOM contributions to the OIF effort include 141 up-armored, High Mobility Multi-Purpose Wheeled Vehicles (HMMWVs) and 137 cargo trucks; 98 HMMWVs sourced from Pacific Air Force assets in the Republic of Korea and 42 HMMWVs and 137 cargo trucks from U.S. Army afloat assets. Replacements for 81 of the 98 PACAF HMMWVs have been funded/programmed for 2006. Replacement of the 42 U.S. Army HMMWVs and the 137 cargo trucks has not been accelerated and is scheduled to occur during reconstitution of the vessel in January 2006.

In addition to contributing to tactical and wheeled vehicles, PACOM has contributed significant quantities of munitions. MV *Carter*, a U.S. Army ammunition vessel, was partially downloaded twice to support OIF operations in February 2003 and May 2004. Shortages of selected types of munitions prevented the Army from fully reloading the vessel in the fall of 2003. Current shortages exist in munitions designed to support military operations in urban terrain, such as small arms, mortars, grenades, 2.75-inch rockets, and pyrotechnics. Reconstitution of MV *Carter* is currently scheduled for 2006. Drawdowns from Pacific Air Force and Pacific Fleet Joint Direct Attack Munition war reserve stockpiles in support of OIF have all been replaced.

Senator REED. General LaPorte?

General LAPORTE. Sir, I agree with Admiral Fallon. I think there are many demands on our forces. Relative to your point on the Marines' participation in next week's exercise in Korea, they were initially troop listed to have 2,500 marines participate. They are going to, in fact, participate with about 1,100, so there is a reduction there. That is a result of the tsunami relief effort—that unit went there. A portion of their equipment is still in transit and some of their marines need to have some time back in Okinawa.

We will use distributive simulation as a means of bridging that shortage of the marines. So we are using all the capabilities available to mitigate against some of the demands that are put on the force.

Senator REED. Will we have full participation in the Ulchi Focus Lens Exercise in the fall?

General LAPORTE. Absolutely. To the best of my knowledge, the entire troop list that is planned for that exercise is going to be executed.

Senator REED. What about prepositioned stocks that might be supporting the Korean peninsula?

General LAPORTE. Our prepositioned stocks are in very good shape. We continue to enhance them. That is one of the agreements

we have made with the ROK, that we would continue to enhance the capabilities of our prepositioned stocks, and we are getting the money to do that.

Senator REED. What is the public perception in South Korea? I know the Government of South Korea has been supportive of our efforts around the globe, committing forces to Iraq. What is the popular perception on the streets? I know the last I was there several years ago, in the midst of the election, in the midst of the terrible incident where the two children, two girls, were accidentally killed, there was a great deal of tension. Is that resolved?

General LAPORTE. I think the tension is down to a very low level. Last week I went to a departure ceremony for the second rotation of the Zaytun Division, the South Korean troops that are serving in Iraq. There were 3,000 servicemembers there. There must have been 10,000 family members, and they were very supportive of their troops going to support the mission in Iraq. On the streets, I think there is general support for the global war on terrorism.

Senator REED. You are going to retain about 1,000 troops in the Seoul area when you deploy from Yongsan, is that correct?

General LAPORTE. It is going to be fewer than that, Senator.

Senator REED. What will they be doing, General?

General LAPORTE. It will be a liaison element of my headquarters, both the United Nations Command (UNC) and Combined Forces Command (CFC). They will be in Seoul co-located with the Ministry of Defense and the Chairman of the ROK Joint Chiefs of Staff (JCS).

Senator REED. As you indicated, I think, in your testimony, the displacement of our forces from Seoul will be fully reimbursed by the South Korean Government?

General LAPORTE. That is correct, Senator. Just before Christmas the National Assembly of the Republic of Korea, ratified the Yongsan Relocation Plan, which is the name attached to moving the 7,000 troops out of Seoul to the south. They also budgeted at that time $500 million for the purchase of the land, and they intend to have a supplemental this summer for another $500 million to conclude the land purchase and the master planning, and the beginning of the development of the land.

Senator REED. Just a final point about the popular mood. I am told there are some rumors, and they might be deliberately things being spread, that our deployment from the DMZ is a way in which we can take our troops out of harm's way so that we have more flexibility to perhaps even take preemptive action to the North. Does that have any currency on the ground or is that simply——

General LAPORTE. I do not believe it has any currency, and in fact it is not valid. There are many Americans, non-military that live in Seoul. North Korea has missiles that can range at any point on the peninsula, so everybody is in equal state of harm's way. In fact, we have moved the UNC's Military Armistice Commission back to the DMZ just to demonstrate that we are committed, and it seems to be working.

Senator REED. Thank you very much, General. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Reed.

Senator McCain.

Senator MCCAIN. Thank you, Admiral Fallon and General LaPorte. Thank you for being here and thank you for your service in interesting times.

Admiral, what is the size of the Pacific fleet, how many ships?

Admiral FALLON. Senator McCain, we are at around 100 ships. I think the numbers are significantly less than they were back a couple of years ago.

Senator MCCAIN. That is my next question. We are now at 100 ships in the Pacific fleet. How many did we have 5 years ago?

Admiral FALLON. We were probably in the 350 range. I do not want to be quoted on the exact number, but we have come down a little bit.

Chairman WARNER. Would the Senator allow me?

Would you also put in the record the number of ships when his father occupied your position?

[The information referred to follows:]

Senator McCain, the number of ships under your father's command as Commander in Chief, Pacific Fleet (CINCPACFLT) are as follows for the following years:

1968—386 ships
1969—320 ships
1970—312 ships
1971—244 ships
1972—221 ships

Coalition (Australian) ships are also included in the final numbers for each year.

Admiral FALLON. I was just beginning my service then and there were quite a few of them out there. I clearly do not have those numbers now.

Senator MCCAIN. Now we are going to have the U.S.S. *John F. Kennedy* apparently slated for retirement, which leaves only one conventionally powered carrier, the U.S.S. *Kitty Hawk,* homeported in Japan, right? The Japanese would not accept a nuclear powered carrier homeported in Japan, or at least that has been their policy in the past; is that right?

Admiral FALLON. I do not know that that is their policy, Senator.

Senator MCCAIN. Well, they will not allow nuclear powered ships to come into their ports.

Admiral FALLON. Senator, we have actually had two carrier port visits to my knowledge in the past couple of years. Both the *Stennis* and *Lincoln* have made port visits in Japan.

Senator MCCAIN. Has it not been the official policy of the Japanese Government that they would not have nuclear powered, at least up to this time, carriers homeported in Japan?

Admiral FALLON. Senator, I am new in the job, but I am not sure that there is actually a declaration along those lines. There is clearly a lot of public sentiment that does not incline them towards anything to do with nuclear.

Senator MCCAIN. My point is, let us assume that the Japanese would be reluctant to have a nuclear powered aircraft carrier homeported in Japan. The *Kitty Hawk* has what, 3, 5, 10 years left?

Admiral FALLON. I think we are slated to bring her back in 2008. At least that is the planning factor.

Senator MCCAIN. So 3 years. Should this not be of some concern to us, that the nearest homeported aircraft carrier would be San Diego?

Admiral FALLON. Senator, we are clearly going to have to talk to the Japanese Government about what happens when *Kitty Hawk* is ready for retirement.

Senator MCCAIN. If it is 3 years, I think we ought to start talking.

Admiral FALLON. Yes, sir, right on.

Senator MCCAIN. What I am concerned about—and I know the chairman is and others—is that we have a shipbuilding program now of four ships for fiscal year 2006. I think most of us who appreciate history recognize the importance of sea power, not only in conflicts, but as presence. President after president, Republican and Democrat, the first call is for a carrier task force to go to a scene where there is a crisis.

I do not mean to denigrate the role of the Army, the Air Force, the Marine Corps, or anyone else, but traditionally we have had to rely, particularly in the Pacific, on naval presence. So my concern is—and one of the things, in your confirmation you said, when asked for your personal opinion you will give it to this committee, and I hate to test you on your initial appearance. But I am really concerned about the drawdown in the size of the United States Navy. But I am specifically concerned about the drawdown in the United States Navy in the area of the world where, as I guess Senator Reed or Senator Talent said, China presents a challenge.

Now, whether it is a peaceful challenge or whether it is an adversarial challenge is not yet clear, but they do present a challenge. So I am asking you for your view of what I view as something that perhaps we are not doing sufficient preparation, a situation for which we are not perhaps preparing adequately, which most of us looking down the road 5, 10, 15, 20 years, view as a requirement, to have a significant naval presence.

Admiral FALLON. Senator, if I could, I have a couple thoughts. One is that, as we both have a background in naval aviation and have been around this business for a number of years, I have seen a very substantial increase in the capability of the forces that we have today to do their mission, and particularly in the business of power projection.

The capability of the air wing that is embarked on our carriers is substantially greater than in years past. I can give you a personal reference——

Senator MCCAIN. I appreciate that increased capability, but if they are in San Diego, it is a little hard to use it.

Admiral FALLON. Senator, one of the things I have done just this past week was to ask my commanders to come together to sit down with me to review exactly where we are. I have made it part of my oral testimony at the start here that one of the priorities I have identified is to in fact figure out how we best posture our forces for the right response.

At some point numbers certainly matter, and it is a very large area. My initial cut is that we can meet our contingency requirements as I understand them right now. There is certainly tremendous advantage to having the flexibility and numbers of forces to

be able to do the engagement piece. Just how much we are able to do or not do in that regard, I would like to study and get back to you on that one.

I also have some other comments and maybe during closed session I can give you a little bit more detail on numbers on some of these things. This is clearly something that is a high priority, and particularly in the Pacific because of the distances. But we are going to have to come to grips with it.

The business of the carrier in Japan, I believe that we are going to have to go talk to the Government of Japan about what the options might be, and obviously very soon.

Senator MCCAIN. I thank you, Admiral, and I hope that you can continue to provide us with these assessments. It takes a long time to build a ship and it takes a long time to train and equip them. So I am a bit concerned about the demands that are made by Iraq and Afghanistan, which are legitimate demands. Perhaps we may be mortgaging to some degree our future, given the challenges that everybody knows is going to—all of us hope for a peaceful assimilation of China as one of the world's economic superpowers, but I am not sure that we could reach a stage where we would not be prepared to make other challenges, and that is what I worry about. I would appreciate your assessments from time to time as you come before this committee and we meet with you on a regular basis.

I thank you.

General, thank you for the good work you are doing in this time of transition, which has a lot of logistics associated with it. We thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator McCain. I would like to associate myself with your remarks regarding the shipbuilding program in the out years of the Navy. It is a matter that this committee will address in some detail in the coming year.

But as the Senator points out, from the first plan of a ship until she is proudly wearing her commissioning pennant is often a decade. The Constitution explicitly says that we will maintain a Navy as a Nation and raise, with due respect to the Army, such armies and size armies as we need from time to time.

Thank you, Senator McCain.

Senator Akaka.

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

Admiral Fallon, the Navy's position has been that a decision on where to port another carrier in the Pacific, Hawaii or Guam, will be made as part of the year 2005 Base Realignment and Closure (BRAC) process. Yet when Admiral Clark appeared before this committee last month he appeared to believe that decisions on basing carriers on the east coast could and would be made outside of the BRAC process.

First, do you believe that forward basing another carrier in the Pacific would enhance our military capabilities in the Pacific?

Admiral FALLON. Senator, at the top of a very short list of issues is this business of posturing forces in the Pacific theater. I would like to hold my response on that one until we study this thing, which is going to be very soon. There is no doubt that there is tremendous leverage to be gained by having forward deployed forces

that are ready to go. There are also lots of other issues, economic and otherwise, speed of response, and working these pieces with the rest of our forces that are not necessarily in the Navy.

So I would like to work at this laydown and get back to you, sir, with a definitive recommendation.

Chairman WARNER. If the Senator will allow me to, on my time, to make an observation. That issue of the disposition of our carrier forces in particular has been before the committee here now in its last two or three hearings. It is coincidental that you mention this because I will be visited this afternoon by the President's designee, Tony Principi, as chairman of the BRAC Commission.

The BRAC process is one that I am familiar with, as are other colleagues on this committee. It is a very fragile piece of legislation, but it is an important program, essential in the judgment of the President. Last year he threatened to veto if we were to change it. I was not in favor of change. Others were. The position of not changing it remained.

I feel that that decision of the relocation of a carrier, be it in the Pacific or indeed from the east coast, is one that is best done not in isolation, but in the context of the Quadrennial Defense Review. As the CNO said here at one time, Senator, he felt the question of relocating a carrier in the Pacific should be addressed in the context of the BRAC process.

So I commend you for very adroitly sidestepping that issue and leaving it in its present posture, because we are well under way with BRAC. This committee will receive the other nominations to the BRAC Commission I hope this week, act expeditiously on them, and we will proceed as a country to look at our infrastructure across the board and force structure aligned with that infrastructure in the context of the BRAC process.

I thank the Senator for my intervention and let us proceed without any reduction of your time.

Senator AKAKA. Thank you, Mr. Chairman, for raising that.

My question really pertains to what I feel is a need for a decision of the Navy as to how they will do this. It appears that there are different considerations for the east coast and the west coast or the Pacific. I feel that the Navy needs to deal with this and, as you said, Admiral Fallon, you need the time to work this out. I certainly appreciate that.

Admiral Fallon, while you have recently taken over the Pacific Command, you are aware that there has been a considerable discussion lately, much of it in this committee, about any decision to decommission an aircraft carrier in the near future. What is your opinion regarding the best process for determining the advisability of doing so and what do you feel the impact would be on the Pacific Command of operations if the decommissioned carrier were part of the Pacific fleet?

Admiral FALLON. Senator, I think I will leave the specifics of that to the CNO as a Navy matter. I know they are dealing with this. They are working in the BRAC process to address the issue. There are also some budget challenges this year that have caused the situation to be what it is. But I think that is best left to the CNO to work that issue.

We are very grateful for the forces that we have from the Navy in the Pacific and look forward to continuing to get the capabilities we need to carry out our missions. But the details of that, I think I will let the CNO and his staff work that, sir.

Senator AKAKA. General, in your prepared statement for this committee you indicated that the negotiations for a renewed special measures agreement are ongoing. What are the areas of concern for both the ROK and the U.S. and what is the status of these negotiations?

General LAPORTE. Senator, they are in the final stages of negotiation. I expect within the next 30 to 45 days that the safety and mission assurance agreement will be agreed to and signed.

Senator AKAKA. Thank you.

Thank you very much, Mr. Chairman.

Chairman WARNER. Thank you, Senator Akaka.

Senator Levin and I now announce that we will go into executive session. We will recess this and resume in executive session in approximately 10 to 12 minutes, enabling offices of our members to be called in the event they wish to attend the executive session.

Thank you very much for the open session. We will now go into executive session in room 216.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR JOHN MCCAIN

CIVILIAN CURFEWS

1. Senator MCCAIN. General LaPorte, last year your headquarters issued a General Order regarding an off-installation curfew. In addition to the military members in Korea, the order also included civilians working for the Department of Defense (DOD) in Korea. Paragraph five of the order states the order is punitive and as such, persons subject to the Uniform Code of Military Justice (UCMJ) may face punishment if they don't adhere to the curfew. It also states that "Persons not subject to the UCMJ who fail to comply with the provisions of this order may be subject to adverse administrative sanctions, including, but not limited to, the revocation of privileges as authorized by applicable law and regulation." I have had several letters and emails sent to my office from civilians, both DOD and contractors, who are questioning the validity of the curfew on civilians. Would you please describe the curfew, explain why you included all civilians working for and with DOD in Korea, and how it is enforced.

General LAPORTE. United States Forces Korea (USFK) has had a curfew in place for years, and it has changed repeatedly in response to changes in the operating environment. In the summer of 2004, the curfew was from 2400 to 0500 hours on weekdays and 0100 to 0500 hours on weekends and holidays. It was mandatory for military personnel, and Status of Forces Agreement (SOFA) civilians (including DOD civilian employees, invited contractor civilian employees, and family members) were encouraged to comply. In late September 2004, in response to a specific threat, we changed the curfew to 2100 to 0500 hours daily and made it mandatory for all. Most recently, based on our continued assessment process, we have reinstated a curfew very similar to that in effect in the summer of 2004.

The threat in September 2004 was specific and serious. The inclusion of all civilians was appropriate considering the nature of this threat, and the fact that I am responsible for force protection and readiness of all SOFA personnel supporting the USFK mission, and the reality that our civilians are key players in our reengineered force. My concern and my responsibility for force protection, safety, morale, and overall readiness apply to all the members of the force.

You also asked about enforcement. Enforcement of the curfew in respect to civilians was executed with Korean National Police in accordance with the SOFA and Korean law. Our enforcement procedures matured over time, but essentially if a civilian was identified in violation of the curfew, he or she was notified of the policy, its applicability to them, and a report was made to the appropriate supervisor. As with all disciplinary matters, the individual's superiors have discretion in deter-

mining what action is appropriate for the offense. We have no set punishments prescribed for curfew violations or any other violations.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

INTERAGENCY COOPERATION AND TERRORIST THREAT

2. Senator INHOFE. Admiral Fallon, it was only a few weeks ago that we saw you at your confirmation hearing. Congratulations to you on your new role. As I have stated to Admiral Clark in the hearing with the Service Chiefs, I want to particularly commend our Naval Forces for the immediate and tremendous response provided in support of tsunami relief across the Indian Ocean in December. I am very proud of the work that Pacific Command (PACOM) does everyday. All of the forces in PACOM serve in a dedicated capacity, defending America and her interests, especially given the shear geographic size of the region.

With our success crushing al Qaeda and the Taliban we are ridding Afghanistan of this terrorist infestation, and have set the course for democracy and freedom. However, the global war on terrorism is ongoing with terrorist holds taking root in the Philippines and Indonesia as evidenced by bombings, assassinations, and kidnapings in those countries by militants with ties to Osama bin Laden.

Since September 11 much has been made of the interagency cooperation that is needed to bring all the elements of national power to bear in the global war on terrorism. As a combatant commander, you will deal with other agencies in this capacity.

What do you see as the status of interagency cooperation and what would you like to see change in the future to enhance it further?

Admiral FALLON. Interagency cooperation and coordination has improved in the last few years. This has been especially evident with regard to global war on terror activities. USPACOM is authorized and funded for three U.S. Government agency representatives—Department of State (DOS); Department of Treasury, Office of Foreign Assets Control (OFAC); and the Federal Bureau of Investigation (FBI). Currently an officer from the OFAC from the Treasury Department is assigned. DOS is unable to support their authorized USPACOM position due to other requirements. The FBI advertised for a position in USPACOM which is currently unfilled.

PACOM coordinates activities closely with U.S. embassies in the region and has collaborated with the Office of the Coordinator for Counterterrorism at the DOS to bring together representatives from embassies across the region. The Embassy Mission Performance Plans are a basic building block of our campaign plan for combating terrorism in the region. PACOM coordinates with the local FBI office through the Joint Terrorism Task Force-Honolulu, and has contact with FBI offices in Los Angeles and New York.

We are building a relationship with the United States Agency for International Development (USAID) with the intent to coordinate our civil affairs activities with USAID programs. We are developing a relationship with the DOS Anti-Terrorism Assistance office to leverage their programs and expertise.

The National Counterterrorism Center developed Regional Action Plans for Counterterrorism (RAP–CT) which allow PACOM to see what other agencies have planned or are executing. Finally, interagency training is critical to the success of our joint officers and should be institutionalized to ensure they can effectively coordinate activities with other U.S. Government agencies and they seek interagency solutions to the global challenges of today.

REQUIREMENTS FOR EXECUTING THE WAR ON TERRORISM

3. Senator INHOFE. Admiral Fallon, the United States of America and our way of life is a target of these terrorist cells. As you assess this threat, and our forces in the region, are there matters that this committee needs to consider or resources that need to be provided to protect our country's interests and the lives of our young men and women there?

Admiral FALLON. One of the most critical requirements for executing the war on terrorism is the intelligence to find the terrorists and their resources. Intelligence assets are in high demand and relatively short supply. Human intelligence assets, which take time to mature, are critically needed.

One of the most effective means to counter terrorist cells is to build the capacity and capability of other nations' counterterrorism (CT) forces. USPACOM must be able to conduct training and provide security assistance for those nations that have the will but not the way to defeat terrorism within their own borders. Access is crit-

ical for successful security cooperation and should be promoted throughout the Asia-Pacific region. USPACOM will continue to support CT training to our partners in the region while encouraging the rule of law and human rights.

MILITARY ASSISTANCE TO OTHER COUNTRIES

4. Senator INHOFE. Admiral Fallon, our country has had a strained relationship with both Indonesia and the Philippines in recent years. Though this is the case, the United States is willing to advise and train these countries in eradicating this infiltration of terrorist activity across their island nations. What is the current status of our military's assistance to these countries?

Admiral FALLON. Our military assistance to Indonesia has been limited by policy and legislative restrictions based on human rights concerns.

USPACOM fiscal year 2005 security assistance funding to Indonesia is $600,000 for International Military Education and Training (IMET) and $600,000 for the Counterterrorism Fellowship (CTF) program for a total of $1.2 million. Subject matter expert exchanges and counterdrug related training activities are only conducted with Indonesian military units after careful review of the unit history and a background check of participating officers by the U.S. Embassy, Jakarta.

Military assistance to the Philippines is extensive. The Armed Forces of the Philippines (AFP), in coordination with PACOM, is conducting a full review of the AFP organizational structure. The Government of the Philippines (GOP) is currently enacting recommendations, based on this review, to reform and strengthen their defense institutions and processes. GOP received over $33 million in security assistance funding in fiscal year 2005 including $300,000 in CTF funds. In addition, members of the Joint Special Operations Task Force-Philippines (JSOTF–P) are working with AFP personnel, providing operations and intelligence fusion staff support at battalion headquarters and higher, to build AFP counterterrorism capacity.

CHINA

5. Senator INHOFE. Admiral Fallon and General LaPorte, this question is for both of you because in one way or another you must both deal with China. I am very concerned with the actions of China during the past decade or so. In the 1990s China was caught stealing U.S. nuclear secrets. The W–88 warhead was the crown jewel of our nuclear program that allowed up to 10 nuclear warheads to be attached to the same missile. In 1995 we discovered that China had stolen this technology. China gained the capability of accurately reaching the continental U.S. with nuclear missiles and targeted between 13 and 18 U.S. cities. China has transferred prohibited weapons technology to North Korea, Iran, Iraq, and other countries. China continues to threaten to absorb Taiwan and they continue to intimidate our treaty allies in South Korea (ROK) and Japan. Recently China placed into law the proclamation that force would be used to prevent Taiwan from becoming independent. China has continued to expand and solidify her influence. She has long had ambitions to increase her military presence over the surrounding region. Her "string of pearls" strategy includes a listening post in Pakistan, billions of dollars of military aid to Burma, military training and equipment into Thailand and Bangladesh, etc. On my last trip to Africa I saw Chinese influence everywhere I looked. A recent Pentagon report quoted in the Washington Times, outlines, "China . . . is not looking only to build a blue-water navy to control sea lanes, but also to develop undersea mines and missile capabilities to deter the potential disruption of its energy supplies from potential threats, including the U.S. Navy, especially in the case of a conflict with Taiwan." The weapons China is investing in include long-range cruise missiles, submarines, long-range target acquisition systems, specifically cutting-edge satellites, and unmanned aerial vehicles. I could go on and on.

How do you see China in your Area of Responsibility (AOR)? What do we need to concern ourselves with and what do we need to do about the emergence of China as a very strong regional player and world player?

Admiral FALLON. The U.S. maintains a modest but constructive relationship with China. We seek to promote shared interests with China including the war on terror, a nuclear free Korean peninsula, and maritime security. The economic relationship between the U.S. and China is expanding, China's demand for energy is growing, and their desire to assume a greater role in regional and international affairs will affect Asia's future security environment. China's military modernization programs warrant our continued attention. It is important to understand China's intentions towards Taiwan, as the gap between China's capabilities and Taiwan's ability to de-

fend itself continues to widen. PACOM will maintain sufficient military capability in the region to successfully meet our obligations under the Taiwan Relations Act.

General LAPORTE. The missions of the United Nations Command, the Republic of Korea—United States Combined Forces Command, and United States forces Korea are primarily responsible to maintain the security of the Republic of Korea by deterring renewed North Korean aggression, and, if required, to quickly defeat any North Korean aggression. Although China is included in the calculus of any situation dealing with North Korea and we watch that relationship carefully, a specific focus on China and Taiwan is outside the scope of the Korean Theater of Operations, and I would defer any questions relating to China and Taiwan to the Commander, United States Pacific Command.

TRANSFER OF MISSIONS TO SOUTH KOREA

6. Senator INHOFE. General LaPorte, I want to commend you and the young men and women who work so hard in support of USFK. As we all know, the region you command is one of the most tenuous unknowns we confront as a country and free world today. The military, particularly the Army, is facing a challenge like none other it has ever faced, due to the number of major missions, end strength, and transformation. As I consider some of the changes and actions the DOD is undergoing with regard to our troops in and around the Korean peninsula today, I have a few concerns.

Deputy Under Secretary of Defense Richard P. Lawless updated the Senate and House Armed Services Committees on January 27, 2005 with regard to the status of the U.S. ROK Alliance. I understand that there are some mission transfers that are to take place between the U.S. and South Korea by December 2006. These include close air support (CAS) and search and rescue (SAR). Now, I am a strong proponent of giving the nation hosts as much responsibility as we can for defending themselves against aggression. However, I would like to explore handing over two such critical missions as CAS and SAR. The former gives allied troops an advantage by helping to clear the battlefield of enemy aggressors and allow us to advance. The latter provides for the quick recovery of our troops should they fall victim to circumstance or the enemy.

Understanding that a great deal of analysis and assessment of the South Korean's combat capability went into this decision, do you have any concerns about the host nation possessing the proper equipment and maintaining the currency to carry out these critical missions?

General LAPORTE. ROK and United States forces have been and continue to be engaged in close cooperation to ensure that all mission transfers agreed to by our two nations occur in the most efficient manner possible. The transfer of SAR and the CAS-related missions are currently being coordinated. I believe, given the level of commitment by both militaries to these mission transfers, that ROK forces will be fully able to successfully assume responsibility for both these missions. The Combined Forces Command and United States forces Korea staffs are monitoring each mission transfer process and have developed a mission validation process to ensure the ROK armed forces involved are fully capable and prepared to assume the mission.

KOREAN NUCLEAR THREAT AND RELOCATION OF U.S. TROOPS TO STATES

7. Senator INHOFE. General LaPorte, I am sure all on this committee will agree that North Korea poses a great threat with massive potential damage. If this threat is acted on, it will ripple across the Pacific Rim at least and by extension, the world. Recently, Kim Jong Il's regime has stated unequivocally that it has operational nuclear weapons. While there has been lots of back and forth as to how real this acknowledgment is, given that most nations demonstrate this capability with a test, it is a self-admitted fact that North Korea is on a path for development of nuclear, biological, and chemical weapons.

While diplomatically President Bush and Secretary of State Rice have been staunch in holding North Korea to six-party talks with China, Russia, Japan, and South Korea joining us at the table, we must also keep the military instrument of power ready should its use be necessary.

We have made and I agree with the decision to relocate the Yongsan Garrison and 2nd Infantry Division further south and away from the DMZ and Seoul. I believe this movement to be wise and it protects our military allowing them to strike with force should this action be required. At the same time that this relocation is occurring, this year through 2009, the DOD is determined to move 12,500 troops

from Korea back to the States. In your personal professional opinion, is this movement at this time in our best interest, not knowing what we face with North Korea?

General LAPORTE. I support the United States and Republic of Korea Governments' decision to reduce 12,500 personnel from USFK over a 5-year period. This command is vigilant, well-trained, and ready to fight tonight and win, and will remain so throughout this force reduction.

Today, deterrence is achieved by an integrated team of nearly 680,000 active duty troops and three million reservists from the Republic of Korea, combined with the forward deployed United States military personnel on the Korean peninsula. This combined force can be rapidly reinforced, when needed, by extensive reach-back capabilities to resources resident in Pacific Command and the Continental United States.

Historically, the metric of readiness has been the number of troops on the ground; however, what truly are important are the complementary deterrent and combat capabilities that each nation contributes to the security of the peninsula. Over the past several years, there has been a tremendous improvement in the interoperability of our combined forces. Concurrently, the United States Armed Forces have transformed our capabilities in many areas, including strategic deployability, command and control, precision strike, and joint and combined operations. These capabilities allow us to focus overmatching combat power when and where we choose to defeat armed aggression. United States forces can now be sized to provide tailored capabilities that complement those of South Korean forces, providing overwhelming strategic deterrence. Our regional and strategic reinforcing capabilities allow us to defeat any potential North Korean aggression.

COMPREHENSIVE SECURITY ASSESSMENT

8. Senator INHOFE. General LaPorte, it is my understanding that the U.S. ROK and United States Alliance is currently working on a comprehensive security assessment which addresses organizational and security challenges for the Alliance and that this assessment is due this month. I have discussed in recent hearings that decisions appear to be made without all the data. It seems we are taking actions before the reports are complete that should drive our actions. In this case we are handing over missions to the South Koreans and we are relocating troops back to the U.S. before we have a complete assessment of the organizational and security challenges.

What is the status of this comprehensive security assessment, and do you have any preliminary insight you can share with this committee on its findings?

General LAPORTE. The comprehensive security assessment is a classified report that was jointly commissioned in 2004 by the United States Office of Secretary of Defense (OSD) and Republic of Korea Ministry of National Defense, and is expected to be completed later this year. The report has not yet been presented for review by the Senior Policy Group of the Republic of Korea-United States Security Policy Initiative (SPI). Once received for review, I believe that OSD will be able to provide the committee with a classified report on its findings.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

NORTH KOREAN MISSILES

9. Senator LEVIN. General LaPorte, under what conditions would you expect North Korea to break its missile testing moratorium?

General LAPORTE. [Deleted.]

I cannot speculate on the political or actual missile program development objectives that would be significant enough for North Korea to break the moratorium on its own volition; however, I believe they would have to be of great importance and timed to coincide with a significant international event to gain political leverage for North Korea.

PHILIPPINES

10. Senator LEVIN. Admiral Fallon, during their confirmation hearings before this committee, General Myers and Admiral Fargo stated that U.S. troops in the Philippines at the time would conduct training at the battalion level, and assured us that if there were a decision for U.S. teams to work at the company level, that this committee would be notified. I understand that our current involvement is minimal

at the moment. Will you notify Congress if there is any change in the operational guidance, or parameters, of U.S. involvement in the Philippines?

Admiral FALLON. Such a change in guidance would require the support of the Government of the Philippines in addition to a directed policy change from the Office of the Secretary of Defense. I will keep Congress informed of any significant changes to operational guidance in the Philippines.

GLOBAL POSTURE REVIEW

11. Senator LEVIN. Admiral Fallon and General LaPorte, how will the changes that have been proposed for South Korea and Japan—please address each one separately—improve the U.S. ability to defend South Korea and Japan and to react to a crisis in the Taiwan Strait?

Admiral FALLON. For Korea, the realignment of U.S. forces into two hubs south of the Han River increases survivability and operational flexibility. Ongoing capability enhancements make our forces more lethal and better able to defend the peninsula. These changes enable a more rapid augmentation of forces on the peninsula and facilitate rapid flow of forces from and through the peninsula and region as part of our global response capability.

For Japan, our goal is to find ways to strengthen the U.S.-Japan alliance by better defining the roles, missions, and capabilities of each nation's forces and improving interoperability. Our force posture proposals are designed to better respond to regional or global contingencies. Accomplishing our objectives will strengthen our bilateral ability to deter aggression and if necessary to defend Japan. Reducing the impact of our forces on their host communities will ensure continued strategic access to basing in Japan.

General LAPORTE. Dramatic changes in the security environment in the post-Cold War era and our increased mobility and force projection capabilities provide us an unprecedented opportunity to improve our defense posture overseas, in particular on the Korean peninsula.

Our military transformation efforts on the Korean peninsula focus on enhancing combined capabilities; shaping combined roles, missions, and force structures; and aligning forces for the future to deter North Korean aggression. These capability enhancements include more than 340 U.S. and ROK enhancements. The U.S. will implement our capability enhancement program over 3 years to improve U.S. forces' mobility, lethality, and tactical efficiency by introducing advanced weapons systems and platforms, including the Apache Longbow helicopters, Patriot PAC–III air defense missiles, High Speed Vessels, C–17s, and advanced C4 systems. Additionally, our investment in pre-positioning provides for rapid reinforcement of tailored capability sets. In part as a reaction to the U.S. enhancements, the ROK intends to pursue self-reliant cooperative defense measures to increase its own national self-defense capabilities, particularly for C^4ISR, precision strike, and maneuver forces.

As a result of our combined combat capability enhancements, U.S. forces are transferring to the ROK military responsibility for 10 mission activities, which allows the CFC to better leverage each nation's specific strengths, thereby permitting the U.S. to better tailor its capabilities on the peninsula. The first mission transfers occurred in the fall of 2004.

Consolidating the majority of U.S. forces in Korea into two "enduring hubs" south of the Han River leverages improved capabilities to enhance power projection, readiness, and deterrence both on the peninsula and regionally. This new basing arrangement provides U.S. forces with modern facilities in locations better suited to operational and technological changes in U.S. warfighting doctrine.

Japan and the Taiwan Strait are outside the scope of the Korean Theater of Operations, and I would defer any questions relating to Japan and the Taiwan Strait to the Commander, United States Pacific Command.

12. Senator LEVIN. Admiral Fallon and General LaPorte, what must we do to ensure that we still are able to react quickly to crises in Asia and the Middle East?

Admiral FALLON. We continue to emphasize the readiness of our forces, especially those forward based or forward deployed to our theater. To quickly react to crises in Asia and the Middle East, we must maintain forward deployed forces, ready for immediate employment, and secure Cooperative Security Locations (CSLs) to facilitate the introduction, and flow of forces into and through the theater. Through close consultation with our allies and friends in the region and a robust Security Cooperation Program, we are leveraging bilateral relationships to improve our access and influence as a hedge against the unexpected. We continuously review our operational and contingency plans to ensure their credibility and currency. We conduct

exercises and position joint combat power to ensure our ability to dissuade, deter, and if necessary, defeat our adversaries.

General LAPORTE. First, I think it is critical when discussing global response that we initially look at how we develop and strengthen our alliances and partnerships around the globe. As we work with our allies and friends on matters of common interest, we ultimately develop the kinds of relationships that will foster strategic access and global freedom of action in time of crisis. In order to provide a continued stabilizing influence in key regions of the globe, we must advance our global defense posture initiatives that are embedded within our National Defense Strategy.

Second, we must ensure that we continue to evolve our early warning and intelligence gathering capabilities so that decision makers have sufficient indication of imminent crisis. Early warning supports rapid response.

Finally, we must continue to focus on capabilities and effect-based operations, and execution in crisis response. I believe we are on the right track with advanced capabilities and concepts such as Global Strike, High Speed Vessels (HSVs), Maritime Pre-positioning, and Sea-basing, which give us the reach and sustainability we require. Additionally, technological developments—such as Unmanned Aerial Vehicles (UAVs); spacebased systems; Intelligence, Surveillance and Reconnaissance (ISR) platforms; and global Information Operations (IO) advancements—provide the strategic depth we require to support rapid, global action.

Within USFK we are incorporating these concepts and capabilities into our transformation strategy, ensuring that we foster the right force capable of global responsiveness.

GLOBAL POSTURE REVIEW—JAPAN

13. Senator LEVIN. Admiral Fallon, are we proposing to move U.S. troops from Okinawa? If so, where?

Admiral FALLON. [Deleted.]

14. Senator LEVIN. Admiral Fallon, are U.S. troops going to be redeployed to the United States from Japan?

Admiral FALLON. [Deleted.]

15. Senator LEVIN. Admiral Fallon, what is the military benefit of the changes we are proposing? What, if any, risks do we assume if we make these changes?

Admiral FALLON. The goal of our proposed force posture changes is to enhance our ability to respond both regionally and globally by maintaining ready, flexible, rapidly deployable forces forward in the theater that can quickly surge to meet unexpected challenges. The improved posture will reduce risk by leveraging improvements in military capability rather than relying on the Cold War paradigm of large standing forces aligned against known threats.

16. Senator LEVIN. Admiral Fallon, what impact would this have on our ability to carry out our theater presence and engagement missions in the Pacific?

Admiral FALLON. Our force posture proposals will enhance our ability to respond to regional and global contingencies while improving our ability to maintain a strategic presence in the region over the long term. Through close consultation with our allies and friends in the region and a robust Security Cooperation Program, we are leveraging bilateral relationships to improve our access and influence as a hedge against the unexpected. Our forward-deployed and forward-stationed forces in Japan and Korea send a strong signal of U.S. commitment to maintaining peace and stability in the region.

CHINA/TAIWAN

17. Senator LEVIN. Admiral Fallon, given the ongoing tensions across the Taiwan Straits and the associated risk of miscalculation, what measures are you taking on a military-to-military basis to try to lessen the tension and encourage confidence-building mechanisms?

Admiral FALLON. Maintaining the status quo in the cross-strait relationship between China and Taiwan is critical to continued peace and stability. It is in the U.S. interest to prevent miscalculation and to maintain a steady signal of deterrence with ready, credible forces. The foundation of our discourse is, and will continue to be, the Taiwan Relations Act and the three U.S./China Joint communiqués. As stated by the President, the United States opposes any attempt by either side to unilaterally change the status quo in the Taiwan Strait. U.S. Pacific Command will con-

tinue to promote shared interests with China through non-warfighting venues such as high-level visits, professional military education exchanges, and port calls.

18. Senator LEVIN. Admiral Fallon, in your written statement you characterize our military-to-military relationship with China as "modest but constructive." Do you have any plans to increase and improve our military-to-military contacts with China? If so, how? If not, why?

Admiral FALLON. As I learn more about the details of our military-to-military contacts and become more familiar with the situation in the AOR, I will consider recommending additional steps to improve the relationship.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

MILITARY TRAINING IN INDONESIA

19. Senator AKAKA. Admiral Fallon, in late February, Secretary of State Rice determined that Indonesia had satisfied legislative conditions that prohibited the U.S. from releasing funds for International Military Education and Training (IMET) in that country. What processes are in place to ensure that the military receiving training from the U.S. are not radical Islamists or that they are not simply Indonesian forces attempting to disrupt any further progress toward democracy and that will continue their record of human rights abuses?

Admiral FALLON. All personnel, either military or civilian, who are nominated to participate in any U.S. funded training, are vetted within the U.S. Embassy Jakarta before their nomination is forwarded for further action. The Regional Security Office, Defense Attache Office, Political Section, Regional Affairs, and Consular Section conduct background checks to ensure individuals have no history of human rights violations. If a nominee does not pass these checks, they are not processed further for training. If the training is to be funded by the Counterterrorism Fellowship Program (CTFP) an additional policy and administrative review is conducted by the PACOM Joint Interagency Coordination Group for Combating Terrorism (JIACG/CT), and a further 2-week policy review is conducted by the Assistant Secretary of Defense for Special Operations Low Intensity Command (ASD/SOLIC) before a nominee is funded for training.

20. Senator AKAKA. Admiral Fallon, while the U.S. military has not been providing training for the Indonesian military under IMET in the recent past, what has the U.S. military involvement been in training and arming the Indonesian police, identified as Detachment 88—the Indonesian Special Terrorism Response Unit, which is supposed to be fully operational in 2005?

Admiral FALLON. The U.S. military does not have a role in training or providing assistance to "Team 88," the special counterterrorism unit of the Indonesian National Police. As a civilian police organization, CT training for this unit is conducted by the Department of State's Bureau of Diplomatic Security, through their Office of Anti-Terrorism Assistance.

21. Senator AKAKA. Admiral Fallon, while U.S. training of the Indonesian military had been halted prior to Secretary Rice's decision to certify and restart the IMET program, DOD has spent significant money on training Indonesian military officers through the Regional Defense Counter Terrorism Fellowship Program. What have the results of that training been?

Admiral FALLON. Since late 2002 the Regional Defense Counter Terrorism Fellowship Program (RDCTFP) has provided Indonesian military officers select, non-lethal training per Country Team, USPACOM, and OSD guidance. Programs include Counterterrorism (CT) courses and seminars conducted at the Asia-Pacific Center for Security Studies in Hawaii, the Center for Civil-Military Relations in California, at the National Defense University in Washington, DC, and other locations in the U.S.

Indonesia has also used RDCTFP to fund English language training for Indonesian officers before they attend courses in the U.S. and training of native Indonesian English language instructors. Additionally, RDCTFP funds help procure English language training materials, such as books and tapes, to expand the pool of qualified English language speakers eligible for training in America. In the past, Professional Military Education (PME) courses such as National War College, Naval Postgraduate School, and military staff colleges were also funded through the RDCTFP.

The objective of this training and support is focused on enhancing the capacities of Indonesia's military forces, improving the Government of Indonesia's capability to contribute to the global war on terrorism, and improving interoperability with U.S. doctrine, counterterrorism, joint warfare, and maritime security efforts. RDCTFPs have increased U.S. access and laid the foundation to build future reform minded leaders within the Armed Forces of Indonesia (Tentara Nasional Indonesia (TNI)) .

Benefits of the RDCTFP in Indonesia were evident during the recent earthquake and Tsunami response as international forces came to the assistance and aid of the people of Aceh. The most accessible and responsive organization within Indonesia was the TNI, which was facilitated by contacts established through the RDCTFP and through U.S. training provided to nearly 200 TNI officers and civilians.

INFORMATION SHARING

22. Senator AKAKA. Admiral Fallon, because of your vast AOR, it is important that PACOM remains vigilant in ensuring that there is a seamless sharing of information between PACOM, the Department of Homeland Security, Special Operations Command (SOCOM), and Northern Command (NORTHCOM). What are you doing within to ensure that this is being addressed?

Admiral FALLON. Improved information sharing between PACOM, DHS, SOCOM, Southern Command (SOUTHCOM), NORTHCOM, and other agencies is key to PACOM combat effectiveness. We continuously communicate with our other combatant commands and agencies through direct liaison between staffs or through an "exchange" of liaison officers. Liaison officers are assigned from Joint Forces Command (JFCOM), Strategic Command, Transportation Command, and NORTHCOM on our staff. Our liaison with SOCOM is through the Special Operations Command, Pacific (SOCPAC) which is co-located with PACOM.

PACOM's Joint Interagency Task Force-West (JIATF–West) improves information sharing in matters relating to counternarcotics. Within JIATF–West, we have liaison staff members from the Drug Enforcement Agency and DHS and a liaison staff member to the FBI.

PACOM coordinates closely with the Interagency. Officers are assigned to the Headquarters from the Department of Treasury (Office of Foreign Assets Control), Department of State's Diplomatic Security Service (DSS), and the Defense Threat Reduction Agency (DTRA).

USPACOM information sharing is enhanced through military messaging, email, shared web access, video teleconferencing, and emergent distributed collaboration technology. All of these communication methods are available to each member of our staff and to his or her counterpart on other combatant command and agency staffs.

QUESTIONS SUBMITTED BY SENATOR E. BENJAMIN NELSON

TROOP WITHDRAWAL IN ASIA

23. Senator BEN NELSON. Admiral Fallon and General LaPorte, two CATO Institute scholars have written a book called "The Korean Conundrum: America's Troubled Relations with North and South Korea" in which they argue that the United States should remove all 37,000 troops—in phases—from the Peninsula. They believe that if the United States were to do this, South Korea and Japan would take responsibility for their own security in Asia. They also state that this would be a cost saving measure and reduce our risk in a potential future engagement in Asia. I don't believe we should withdraw from Asia, especially considering the current nuclear crisis. I believe it would send the wrong signal. I know you may not have heard about this book, but what are your thoughts in general on this concept?

Admiral FALLON. It would be imprudent to withdraw our forces from the Korean peninsula given the current military situation with North Korea and our commitment to the alliance with South Korea. U.S. forces in South Korea demonstrate our resolve to protect democratic values on the peninsula and have successfully deterred North Korean aggression for 52 years.

Should peaceful reunification or accommodation occur on the peninsula, it is still in America's interest to maintain some forces there, with South Korean approval. Our continued commitment to peace and security in the region enables the U.S. to influence outcomes that protect our vital strategic interests as well as those of our allies. The Republic of Korea-U.S. Security Policy Initiative (SPI) is addressing the mutual security needs of both nations as the alliance transforms to become an even stronger and more capable partnership.

General LAPORTE. The fundamental factors that compelled the U.S. to be and remain in Korea have not changed. Regional animosities remain, and the peninsula remains divided, not by treaty, but with a military armistice agreement. North Korea maintains the world's fourth largest army, with forward elements deployed for attack and many long-range artillery systems are within the range of Seoul. North Korea's nuclear weapons development program constitutes a major unresolved security concern. The peninsula scenario remains one of uncertainty and risk.

United States forward military presence has served as an anchor point of stability, and in this role has prevented a recurrence of hostilities since the armistice was signed. In every case where the threat of hostilities occurred, it was the perception of United States' resolve communicated through the presence of U.S. military forces that dissuaded hostilities and preserved peace. To remove this proven stability factor increases the chances of miscalculation, and the ramification of such miscalculation could be renewed military confrontation.

U.S. forces in Korea function as a strategic deterrent; it is their deterrence factor that matters most, and it is their actual presence and potency, which makes that deterrence credible.

For the United States to remove its forces from Korea would be to remove a key stabilizer that has functioned so well over the past half century.

NORTH KOREAN NUCLEAR PROGRAM

24. Senator BEN NELSON. Admiral Fallon and General LaPorte, is it fair to say that if North Korea is allowed to continue its nuclear program, both South Korea and Japan will likely want to pursue their own nuclear programs?

Admiral FALLON. Whether South Korea or Japan would want to pursue their own nuclear programs is unknown, but both countries have strongly urged North Korea to return immediately to the Six-Party Talks and commit to the complete dismantlement of all its nuclear programs in a transparent manner subject to verification.

General LAPORTE. The United States has provided a shield for both the Republic of Korea and Japan for over a half-century. Our commitment to these two strong U.S. allies provides unmatched strategic deterrence and simultaneously dampens the tendency and requirement for indigenous development of nuclear weapons programs.

Both Korea and Japan have been capable of developing nuclear weapons for decades. However, both, for their own reasons, have chosen not to do so. Japan and the Republic of Korea are signatories to the Nuclear Non-Proliferation Treaty; and, in both cases, the current resolve of the U.S. to meet its treaty commitments in defending both Korea and Japan against aggression serves to preclude the need for either nation to pursue a separate nuclear weapons development program.

While there may be elements within each nation desiring to acquire a nuclear weapons capability, there is a large difference between possible desire and commitment to acquire. For Korea and Japan, advisability depends upon a host of variables and assessments, including costs, immediate ramifications, and potential second- and third-order effects. The consideration of these aspects further serves to restrain tendencies toward developing an indigenous nuclear weapons capability.

25. Senator BEN NELSON. Admiral Fallon and General LaPorte, should we respect Seoul's and Tokyo's decision to seek a nuclear program if they choose to do so?

Admiral FALLON. That is a U.S. Government policy decision that I must respectfully defer to the Department of State and the Office of the Secretary of Defense.

General LAPORTE. I believe it is unlikely that Seoul or Tokyo would choose to abrogate their international commitments under the Nuclear Non-Proliferation Treaty and independently develop nuclear weapons.

It has been the policy of the United States to discourage nuclear proliferation. For the United States to abruptly reverse course to endorse either the Republic of Korea's or Japan's acquisition of this capability would indicate a significant shift in the global security environment.

STATUS QUO AND TAIWAN

26. Senator BEN NELSON. Admiral Fallon, it's been said that "status quo" in regards to Taiwan means different things to Taiwan, the People's Republic of China (PRC), and the United States. To the U.S., it means the "status quo"; to China, it means One China with eventual reunification; and to Taiwan, it means defacto independence. Recently, Japan announced they would join the U.S. by supporting Tai-

wan if the PRC were to make an aggressive, unhelpful move towards Taiwan. Can you discuss what this means practically for PACOM forces?

Admiral FALLON. In the joint statement of the U.S.-Japan Security Consultative Committee, Japan stated they shared the common strategic objectives of developing a cooperative relationship with China, welcoming the country to play a responsible and constructive role regionally as well as globally, and to encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue. There was no commitment to join the U.S. by supporting Taiwan if the PRC made an aggressive move towards Taiwan. The USPACOM responsibility is still clear: to maintain the capability, and, if directed, to respond to any crisis in the Pacific Area of Responsibility.

27. Senator BEN NELSON. Admiral Fallon, will this entail naval exercises in the Taiwan Straits between U.S. and Japanese ships?

Admiral FALLON. There are currently no naval exercises planned between U.S. and Japanese ships in the Taiwan Strait.

NORTH KOREAN WEAPONS OF MASS DESTRUCTION

28. Senator BEN NELSON. Admiral Fallon and General LaPorte, can you discuss reports that North Korea is developing more capable longer range ballistic missiles that could deliver weapons of mass destruction?

Admiral FALLON. [Deleted.]

General LAPORTE. The theater relies upon the U.S. National Intelligence Community for assessments regarding North Korean missile developments and capabilities. [Deleted.]

29. Senator BEN NELSON. Admiral Fallon and General LaPorte, do you believe that the current ground-based midcourse missile defense system has an adequate number of interceptors to counter a missile fired from North Korea towards South Korea, Japan, Alaska, Hawaii, or the American west coast?

Admiral FALLON. [Deleted.]

General LAPORTE. The ground-based midcourse interceptors are part of a missile defense system specifically designed to protect the United States. While this protection may expand in the future to cover our friends and allies, the initial capabilities now envisioned would not provide protection to South Korea. USFK has deployed the United States Army Patriot capability to Korea to help deter and defend against North Korean missile launches toward South Korea.

30. Senator BEN NELSON. Admiral Fallon and General LaPorte, in your view, would the addition of more interceptors to the Global Missile Defense program provide a more credible deterrent and more effective defense against a potential attack?

Admiral FALLON. The number of ballistic missiles in the PACOM AOR is growing. Protecting our forces with an effective, integrated, and tiered system is a top priority. A sea-based, midcourse and terminal ballistic missile defense capability would improve our ability to defend our forces. The inventory of PAC–3s, Guided Enhanced Missiles (GEMs), and SM–3 missiles must pace the increasing threat. Our ability to defend against ballistic missiles in the AOR and to enhance homeland security would be improved by positioning an X Band-Transportable Radar (FBX–T) in a forward location. Increasing the number of interceptors in our inventory would improve our ability to engage multiple missiles simultaneously.

General LAPORTE. The Missile Defense Agency and the Joint Functional Component Command for Integrated Missile Defense are better equipped to answer questions regarding the current ground-based midcourse missile defense system and any requirements to increase the number of interceptors.

[Whereupon, at 10:57 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

TUESDAY, MARCH 15, 2005

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

COMBATANT COMMANDERS ON THEIR MILITARY STRATEGY AND OPERATIONAL REQUIREMENTS

The committee met, pursuant to notice, at 9:38 a.m. in room SD–106, Dirksen Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Inhofe, Talent, Thune, Levin, Lieberman, Akaka, Bill Nelson, and E. Benjamin Nelson.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Gregory T. Kiley, professional staff member; Thomas L. MacKenzie, professional staff member; Lucian L. Niemeyer, professional staff member; and Paula J. Philbin, professional staff member.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Gabriella Eisen, research assistant; Evelyn N. Farkas, professional staff member; and Richard W. Fieldhouse, professional staff member.

Staff assistants present: Andrew W. Florell, Catherine E. Sendak, and Nicholas W. West.

Committee members' assistants present: Cord Sterling, assistant to Senator Warner; Matt Zabel, assistant to Senator Cornyn; Frederick M. Downey, assistant to Senator Lieberman; Darcie Tokioka, assistant to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; and Eric Pierce, assistant to Senator Ben Nelson.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, everyone. The committee meets this morning to receive testimony from two of our very distinguished combatant commanders on their military strategy and operational requirements in review of the Defense Authorization Request for Fiscal Year 2006: General Craddock, Commander, U.S. Southern Command; and Admiral Keating, Commander, U.S.

Northern Command. We welcome you, and you are accompanied by a number of your senior staff. If you care to identify them at this point in time, I would be happy to have the record reflect their presence.

STATEMENT OF GEN BANTZ J. CRADDOCK, USA, COMMANDER, U.S. SOUTHERN COMMAND

General CRADDOCK. Mr. Chairman, I will start. Colonel Jorge Silveira is my Chief Advisory Group (CAG); and Kim Lowry, Chief of Legislative Affairs. We have our Washington Field Office folks here: Chris Crowley and Rob Levinson. Over here is my Foreign Policy Adviser, Ambassador Dan Johnson.

Chairman WARNER. Thank you. We welcome each of you.

STATEMENT OF ADM TIMOTHY J. KEATING, USN, COMMANDER, U.S. NORTHERN COMMAND

Admiral KEATING. Mr. Chairman, good morning, sir. Sergeant Major Scott Frye, who is our Senior Enlisted Adviser—and his home town——

Senator LIEBERMAN. New Haven, Connecticut.

Admiral KEATING. Yes, sir. What a coincidence. At any rate, he is the heart and soul of everything that is good about the North American Aerospace Defense Command (NORAD) and U.S. Northern Command.

Nanette Nadeau, who is our congressional adviser; and Lieutenant Commander Snap Brophy, stolen off the deck of the U.S.S. *John F. Kennedy* in the Arabian Gulf to come back and try and keep me on time and in the right uniform.

Good morning, sir.

Chairman WARNER. Thank you very much.

This is the last in a series of hearings this committee has conducted over the past few weeks to receive testimony from our Nation's combatant commanders. Gentlemen, you are our warfighters and part of the first line of defense of our Nation. We welcome your insights on developments in your areas of responsibility as well as your own personal assessments of the fiscal year 2006 defense budget.

It is important to note that all of our combatant commanders and the forces under their command, regardless of their location in the world, must be and are focused on the global war on terrorism. While much of our Nation quite understandably is focused on military operations in Iraq and Afghanistan, very important and significant military activities are ongoing elsewhere to combat terrorism and to protect our Nation's homeland.

We ask you to convey to the fine men and women under your commands the gratitude of the committee and our entire Nation for their professionalism, their dedication, their service, and the sacrifices that they and their families are making on behalf of the cause of freedom throughout the world and most particularly here at home.

While our forward deployed forces are our first line of defense in the global war on terrorism, the readiness of our Armed Forces to defend our homeland, if necessary, and to assist civil authorities in the event of an attack or other national emergency are of para-

mount importance to the committee. U.S. Northern Command (NORTHCOM) was established with the specific mission in 2002 and has made much progress since its inception. Admiral Keating is the second commander of NORTHCOM and the first naval commander of the NORAD. We look forward to his assessment of the progress that has been made to date and what remains to be done in his judgment to ensure that NORTHCOM is able to successfully execute its missions, be it on land, at sea, in the air, and in space. All of it, Admiral, is yours.

NORTHCOM does not have many forces permanently assigned and relies heavily on the Reserve and Guard components to conduct its missions. The Reserve components have borne a heavy burden in recent military operations of our Nation and elsewhere and the committee is particularly interested in Admiral Keating's assessment of the adequacy of forces assigned or available to NORTHCOM and the impact of high operational tempo on the Active and Reserve Forces that would be called upon for homeland defense missions.

This has been a busy year in U.S. Southern Command's (SOUTHCOM) area of responsibility. Detainee operations at Guantanamo, continuing political unrest in Haiti, and ongoing efforts to assist the government of Colombia in its struggle with narcoterrorists are but a few of the many issues confronting General Craddock. Of particular interest to the committee is the current situation in Colombia. There are indications that considerable progress has been made in defeating the drug-funded terrorism insurgency. It is important that we understand what has been accomplished and what additional U.S. assistance is required to successfully accomplish the mission. We look forward to General Craddock's assessment of this situation.

Our witnesses today symbolize the global scope of the terrorist threat we face and the unity of effort ongoing across the Department of Defense to combat terrorism and defend our homeland from the threats in the 21st century.

Thank you, gentlemen.

Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman. First let me join you in welcoming our distinguished visitors and our witnesses. Admiral Keating, General Craddock, we extend our thanks to you, your families who make your work possible, your staffs, and all of those who are part of your efforts to protect our Nation.

In addition to the items that the chairman has set forth for our interest, I would just mention two additional areas at this time. Specifically, the interaction between the NORTHCOM and the National Counterterrorism Center—that intelligence connection is absolutely critical to the security of this Nation. We would be interested, Admiral, in your addressing that relationship and how well it is working.

For both of our witnesses, if you would comment on the effect of the ongoing operations in Iraq and Afghanistan on the readiness, training, and exercises in your commands. As our chairman has said, there is an awful lot going on in your command areas, so in

addition to what the chairman has outlined, those two subjects would be of great interest to us.

Thank you.

Chairman WARNER. Thank you very much, Senator Levin.

I think it wise that we do outline to you in our opening comments some specific thoughts that are in the minds of our colleagues. Certainly border security of this Nation is foremost in the minds of many. I would appreciate it if each of you would outline your specific mandate in the context of our overall border security program and the extent that you feel you are effectively able to work with your counterparts, be they civilian or military, in this all-out effort.

With that, we will now receive our statement from General Craddock.

General CRADDOCK. Thank you, Mr. Chairman. Mr. Chairman, Senator Levin, distinguished members of this committee, my esteemed colleague sitting beside me, Admiral Tim Keating: I am honored to appear before you today to report on the posture of the United States Southern Command. I appreciate the support this committee provides the service members and Department of Defense civilians whom I am so privileged to command. They serve our Nation admirably as we combat terrorism, strengthen regional stability, and protect U.S. security interests in Latin America and the Caribbean.

This year the men and women of this command conducted operations at the Guantanamo detention facility, supported Colombia's successful prosecution of its war, and deployed to lead a Multinational Force that included Canada, Chile, and France to reestablish security in Haiti. SOUTHCOM units and components conducted hundreds of security cooperation activities with our partner nations. Last year alone, our medical exercise personnel treated over 291,000 people in the hemisphere. Our Joint Interagency Task Force contributed to the seizure of over 222 metric tons of cocaine.

The reduced likelihood of state-on-state conventional military conflict has not resulted in increased security. The growing problem of abject poverty and weak governance persists in Latin America and the Caribbean. While world poverty has dropped by almost half, from 40 percent to 21 percent since 1981, this region has been the exception, with 28 million new poor during the same period.

The conditions of poverty, inequality, and corruption make many countries in Latin America and the Caribbean fertile ground for terrorism, organized crime, and radical movements that undermine democracy. These conditions perpetuate the insecurity and instability that prevent the economic development needed to lift partner nation populations out of poverty.

Security challenges in the Western Hemisphere are complex. They include threats ranging from transnational terrorism, illicit trafficking, urban gangs, and radical movements to those of natural disasters.

Despite the complex security situation in the region, there is good news. The Colombian Government continues to make steady progress in the battle against terrorism and the restoration of security. This past year the Colombian military conducted the largest offensive in Colombian history in an area of difficult terrain two

and a half times the size of Iraq. The Colombian military has significantly diminished the Revolutionary Armed Forces of Colombia's (FARC) ability to carry out offensive actions in a sustainable manner and has brought other groups to the negotiating table. For the first time, there is a government presence in all the municipalities in Colombia.

U.S. training, equipment, and logistical support have been vital to the success of Colombian Plan Patriota efforts to date and will continue to be needed into the future. Colombia is an example of a stabilizing democracy and a success that we must continue to support.

With SOUTHCOM's assistance, our neighbors have developed capabilities for coalition operations in other parts of the world and within the region. While several of our coalition partners redeployed from rotations to Iraq, El Salvador's contingent continues to serve on a fourth rotation. Establishing security and stability in Haiti continues to be a challenge. However, I would like to highlight the cooperation of regional countries in the Multinational Interim Force Haiti and the successful transition in June 2004 to the Brazilian-led U.N. peacekeeping force, MINUSTAH, as another good news story. Ten nations of the region have contributed a total of 3,564 military troops to MINUSTAH, comprising 56 percent of the total military force.

The success of the Multinational Interim Force Haiti and the significant hemispheric participation in MINUSTAH as well as other peacekeeping missions worldwide clearly demonstrates the value and effectiveness of SOUTHCOM peacekeeping exercises, training, and exchanges. It further underscores progress made toward increased regional solutions to regional problems.

The governments and militaries of the various sub-regions, most notably Central America, continue to strive for greater regional cooperation on issues of mutual interest, such as combating gangs and illicit trafficking. Additionally, Andean Ridge neighbors have increased communications and cooperation to counter narcoterrorism spillover effects from Colombia's conflict.

U.S. SOUTHCOM promotes human rights in all engagement activities. Through our Human Rights Initiative, four countries have signed a memorandum of cooperation formally committing to institutionalize human rights programs within their military forces.

These successes that I have just described are directly related to our Theater Security Cooperation Strategy, which lays out our engagement in the region. One of the key components of our Security Cooperation Strategy is the International Military Education and Training (IMET) program. Currently, due to the American Service Members' Protection Act (ASPA), 11 countries in the SOUTHCOM area of responsibility are precluded from participating in the IMET program. In effect, we lose the ability to engage these partner nations in mutually developed opportunities for multilateral long-term cooperation. Moreover, these lost engagement opportunities open the door for other countries to fill the void that the sanctions have created.

Only one country in this hemisphere today is not a democracy, and today all countries in the SOUTHCOM specified area of re-

sponsibility are democracies. U.S. Southern Command has played a key role over the past 25 years in this remarkable achievement.

Clearly, there are many reasons for optimism in Latin America and the Caribbean, but our work is far from finished. Because a secure environment is a non-negotiable foundation for a functioning civil society, Southern Command is committed to building capabilities of partner nations security forces in support of democracy, stability, and economic prosperity. The challenges facing Latin America and the Caribbean today are significant to our national security. Your service members and Department of Defense civilians are working to promote U.S. national security interests. We believe that over time this work will bring about a cooperative security community, advancing regional stability, and establishing an environment free from the threat of terrorism for future generations.

Our country's focused support is critical to ensuring that the strong democratic tides of the past quarter century do not reverse their flow, but instead are strengthened and reinforced.

Thank you again for this opportunity and I look forward to your questions.

[The prepared statement of General Craddock follows:]

PREPARED STATEMENT BY GEN BANTZ J. CRADDOCK, USA

Mr. Chairman, Senator Levin and distinguished members of this committee, I appreciate the opportunity to report to you on the posture of United States Southern Command and our efforts to combat terrorism, strengthen regional stability, and protect U.S. security interests in Latin America and the Caribbean. I would also like to thank the members of this committee and Congress for your continued outstanding support to the military and civilian personnel serving in this theater.

Since assuming command on November 9, 2004, I have traveled to 12 of the 30 countries in my assigned area of responsibility (AOR), visiting Andean Ridge nations four times. This year, the men and women of this Command supported operations at the Guantanamo Detention Facility, supported Colombia's successful prosecution of its war against three U.S. Government-designated Foreign Terrorist Organizations (FTO), and deployed to lead a multinational force that included Canada, Chile, and France to reestablish security in Haiti. SOUTHCOM, through its joint interagency task force (JIATF-South), in conjunction with multinational and interagency efforts, directly contributed to the seizure of over 222 metric tons of cocaine. SOUTHCOM units and components conducted hundreds of security cooperation activities in the United States and with partner nations abroad.

MISSION AND VISION

U.S. Southern Command's mission is to conduct military operations and promote security cooperation to achieve US strategic objectives. Our vision is that SOUTHCOM be the recognized partner of choice and center of excellence for regional security affairs within a hemisphere of escalating importance; organized to defend the homeland and deter, dissuade, and defeat transnational threats; focused on achieving regional partnerships with nations to promote commitment to democratic values, respect for human rights, territorial security and sovereignty, and collective regional security.

COMMAND PRIORITIES

To accomplish our mission, our activities are prioritized as follows: First, prosecution of the war on terrorism, to prevent terrorist groups from using the region as a sanctuary to prepare, stage, or conduct terrorist operations against the United States or our vital interests in the region. The fight against narcoterrorism, the epicenter of which is in the Republic of Colombia, has been a significant focus of our efforts related to the war on terror. SOUTHCOM directly supports the war on terrorism by conducting detainee operations at Guantanamo Bay, Cuba. We commit significant time and resources to prepare for both natural and manmade contingencies. An important focus of our interaction with partner nations is to encourage a cooperative approach to regional problems. We are engaged in a process of trans-

formation to allow us to respond to those missions more rapidly and efficiently. To maintain mission effectiveness, we work to ensure that our soldiers, sailors, airmen, marines, coastguardsmen, and civilians in Miami and in our missions abroad have the best quality of life that we can provide.

SOURCES OF INSTABILITY AND INSECURITY IN THE U.S. SOUTHERN COMMAND AOR

Although Latin America and the Caribbean are generally free of the prospect of cross-border conventional military attacks between nations, it is the world's most violent region, with 27.5 homicides per 100,000 people. This lack of security is a major impediment to the foreign investment needed to strengthen Latin American and Caribbean economies to pull more of the population above the poverty line. To understand the sources of instability and insecurity, it is helpful to categorize them as threats; which U.S. and partner nation security forces must actively combat in order to protect citizens and property, challenges; which complicate our cooperative security efforts, and the underlying conditions of poverty, corruption, and inequality.

THREATS

The stability and prosperity of the SOUTHCOM AOR are threatened by transnational terrorism, narcoterrorism, illicit trafficking, forgery and money laundering, kidnapping, urban gangs, radical movements, natural disasters, and mass migration.

At this time, we have not detected Islamic terrorist cells in the SOUTHCOM AOR that are preparing to conduct attacks against the US, although Islamic Radicals in the region have proven their operational capability in the past. We have, however detected a number of Islamic Radical Group facilitators that continue to participate in fundraising and logistical support activities such as money laundering, document forgery, and illicit trafficking. Proceeds from these activities are supporting worldwide terrorist activities. Not only do these activities serve to support Islamic terrorist groups in the Middle East, these same activities performed by other groups make up the greater criminal network so prominent in the AOR. Illicit activities, facilitated by the AOR's permissive environment, are the backbone for criminal entities like urban gangs, narcoterrorists, Islamic terrorists, and worldwide organized crime.

Many of our partner nations in Latin America, and specifically the Andean Ridge, are threatened by regional terrorist organizations that are supported and funded by illegal drug trafficking and other forms of criminal activities. Ninety percent of the cocaine and 47 percent of the heroin that reaches the United States emanates from or passes through Colombia. The consumption of illicit drugs kills over 21,000 Americans annually and results in over $160 billion worth of lost revenue. Colombia's three U.S. Government-designated Foreign Terrorist Organizations: the Revolutionary Armed Forces of Colombia, or FARC; the National Liberation Army, or ELN; and the United Self-Defense Forces, or AUC, are Department of State-designated foreign terrorist organizations. Although the Colombian Government has made tremendous progress against these groups over the past 2 years, the narcoterrorist groups still exercise some level of control over 40 percent of the country.

Kidnapping, a problem that has reached epidemic proportions in Latin America and the Caribbean, is used by criminal and narcoterrorist organizations to raise money and fund other illicit or terrorist activities. A Council of the Americas study from 2004 ranks the top ten countries with regard to kidnapping rate. The top five are all Latin American countries. One recently published study claims that Latin America and the Caribbean account for 75 percent of all kidnappings worldwide, a staggering figure when one considers that the region has less than 10 percent of the world's population.

Especially troublesome is the growth of gangs and drug related crime across Central America, portions of the Caribbean, and in some cities in Brazil. Unemployment and poverty make Central America a spawning ground for gangs. There are estimated to be at least 70,000 gang members stretched across Central America. The level of sophistication and brutality of these gangs is without precedent. One gang in Guatemala requires the murder of a teenage girl as an initiation rite. Surges in gang violence sometimes overwhelm local law enforcement capabilities. As directed by their civilian leadership, military forces are assisting police to check this growing tide of gang violence and insecurity in Guatemala, El Salvador, and Honduras. The tragic bus massacre that took place last December in Honduras claimed the lives of 28 men, women, and children. This incident made international news, yet we hear little about the steady increase in daily murders that have brought Honduras' homicide rate (45.7 per 100,000 persons) nearly to Colombia's level (47 per 100,000 persons).

There is also mounting evidence that many of those gang members have close connections with gangs in the United States, either from drug distribution networks or from immigration and deportation to their home countries. On January 14, 2005, police in Miami-Dade County, Florida arrested nine members of one of Central America's most violent gangs: Mara Salvatrucha. All of these individuals had outstanding arrest warrants for crimes ranging from larceny to murder. These arrests are just one recent example of the growing link of Central American gangs to their United States counterparts.

CHALLENGES

While the American Servicemembers' Protection Act (ASPA) provides welcome support in our efforts to seek safeguards for our servicemembers from prosecution under the International Criminal Court, in my judgment, it has the unintended consequence of restricting our access to and interaction with many important partner nations. Sanctions enclosed in the ASPA statute prohibit International Military Education and Training (IMET) funds from going to certain countries that are parties to the Rome Statute of the International Criminal Court. Of the 22 nations worldwide affected by these sanctions, 11 of them are in Latin America, hampering the engagement and professional contact that is an essential element of our regional security cooperation strategy. The IMET program provides partner nation students with the opportunity to attend U.S. military training, get a first-hand view of life in the U.S., and develop long-lasting friendships with U.S. military and other partner nation classmates. Extra-hemispheric actors are filling the void left by restricted US military engagement with partner nations. We now risk losing contact and interoperability with a generation of military classmates in many nations of the region, including several leading countries.

I am also concerned with Venezuela's influence in the AOR. The capture of senior FARC member Rodrigo Granda in Venezuela, carrying a valid Venezuelan passport and his possible connection to the kidnapping and killing of the daughter of Paraguay's former president is of concern. Granda's capture caused a significant diplomatic impasse, which was later mended by Presidents Uribe and Chavez meeting face-to-face.

SOUTHCOM supports the joint staff position to maintain military-to-military contact with the Venezuelan military in support of long-term interests in Venezuela and the region. I believe we need a broad based interagency approach to dealing with Venezuela in order to encourage functioning democratic institutions.

An increasing presence of the People's Republic of China (PRC) in the region is an emerging dynamic that must not be ignored. According to the PRC publication "People's Daily" in the period of January 2004 through November 2004, the PRC invested $898 million U.S. dollars in Latin America, or 49.3 percent of their overseas investment. The PRC's growing dependence on the global economy and the necessity of protecting access to food, energy, raw materials, and export markets has forced a shift in their military strategy. The PRC's 2004 Defense Strategy White Paper departs from the past and promotes a power-projection military, capable of securing strategic shipping lanes and protecting its growing economic interests abroad. In 2004, national level defense officials from the PRC made 20 visits to Latin American and Caribbean nations, while Ministers and Chiefs of Defense from nine countries in our AOR visited the PRC. Growing economic interests, presence and influence in the region are not a threat, but they are clearly components of a condition we should recognize and consider carefully as we form our own objectives, policies, and engagement in the region.

Another challenge in this AOR is the perennial problem of weak governmental institutions. Unanswered grievances and unfulfilled promises to the indigenous and marginalized segments of society have resulted in deep-rooted dissatisfaction with most partner nation governments. In Bolivia, the violent unrest that led to the resignation of President Gonzalo Sanchez de Lozada in 2003 still simmers below the surface of a deeply divided and disaffected population. Just 2 days ago on March 7, President Mesa tendered his resignation to the Bolivian Congress. In Bolivia, Ecuador, and Peru distrust and loss of faith in failed institutions fuel the emergence of anti-U.S., anti-globalization, and anti-free trade demagogues, who, unwilling to shoulder the burden of participating in the democratic process and too impatient to undertake legitimate political action, incite violence against their own governments and their own people.

THE CONDITIONS OF POVERTY, INEQUALITY, AND CORRUPTION

The roots of the region's poor security environment are poverty, inequality, and corruption. Forty-four percent of Latin America and the Caribbean are mired in the

hopelessness and squalor of poverty. The free market reforms and privatization of the 1990s have not delivered on the promise of prosperity for Latin America. Unequal distribution of wealth exacerbates the poverty problem. The richest one tenth of the population of Latin America and the Caribbean earn 48 percent of the total income, while the poorest tenth earn only 1.6 percent. In industrialized countries, by contrast, the top tenth receive 29.1 percent, while the bottom tenth earn 2.5 percent. Uruguay has the least economic disparity of Latin American and Caribbean countries, but its unequal income distribution is still far worse than the most unequal country in Eastern Europe and the industrialized countries. A historical climate of corruption siphons off as much as 10 percent of the gross domestic product and discourages potential foreign investment.

These conditions are only made worse by natural disasters such as hurricanes, mudslides, floods, and earthquakes. Such disasters can strike the region at any time, resulting in thousands of dead or displaced persons. Natural or manmade catastrophes can trigger mass migration, which cause additional suffering and instability.

SOUTHCOM AND PARTNER NATION INITIATIVES

JTF-Guantanamo

This command has continued to support the war on terrorism through detainee operations at Guantanamo Bay, Cuba, where approximately 550 enemy combatants in the global war on terrorism are in custody. A significant number of these enemy combatants are highly trained, dangerous members of al Qaeda, its related terrorist networks, and the former Taliban regime. More than 4,000 reports detail information provided by these detainees, much of it corroborated by other intelligence reporting. This unprecedented body of information has expanded our understanding of al Qaeda and other terrorist organizations and continues to prove valuable. Our intelligence and law enforcement communities develop leads, assessments, and intelligence products based on information detainees provide. The information delineates terrorist leadership structures, recruiting practices, funding mechanisms, relationships, and the cooperation between groups, as well as training programs, and plans for attacking the United States and other countries. Detainees have identified additional al Qaeda operatives and supporters and have expanded our understanding of the extent of their presence in Europe, the United States, and throughout the CENTCOM area of operations. Detainees have also provided information on individuals connected to al Qaeda's pursuit of chemical, biological, and nuclear weapons. Recent exchanges with European allies have supported investigations and apprehensions of Islamic extremists in several European countries.

In performing our intelligence mission, we continue to emphasize the U.S. Government's commitment to treating detainees "humanely, and to the extent appropriate and consistent with military necessity, in a manner consistent with the principles of Geneva." Along these lines, we have a good working relationship with the International Committee of the Red Cross. We take their recommendations seriously and act upon them when appropriate. All credible allegations of abuse have been investigated and appropriate disciplinary action was taken against those who have engaged in misconduct. It is important to recognize that there have been only a small number of substantiated allegations of abuse or misconduct at Guantanamo over the last 3 years. I recently directed an investigation into allegations of questionable conduct made by members of the FBI. That investigation is ongoing.

There are four different legal proceedings that JTF Guantanamo supports in one capacity or another: (1) habeas litigation in Federal court, (2) combatant status review tribunals, (3) administrative review boards, and (4) military commissions. Let me briefly review them. Habeas litigation is the result of the U.S. Supreme Court decisions from last year that now allow civilian attorneys representing detainees to file habeas corpus petitions in Federal court to challenge the basis for their detention at Guantanamo. As the habeas litigation proceeds, civilian attorneys have been given access to their clients at Guantanamo. In addition, the Deputy Secretary of Defense directed the Secretary of the Navy to conduct combatant status review tribunals (CSRTs) on each detainee; these provide each detainee a one-time opportunity to contest their status as an enemy combatant. As of 1 March of this year, 558 CSRTs have been conducted and final action has been taken in 487 of those cases. Of these, 22 detainees have been determined to be non-enemy combatants, who have or will be released. The Deputy Secretary of Defense also directed the Secretary of the Navy to conduct administrative review boards (ARBs) on each detainee determined to be an enemy combatant; this provides annual assessments of whether detainees should be released, transferred or continue to be detained depending on their threat to the U.S. As the CSRTs wind down, the ARBs are beginning. Both

require extensive logistical support and information requirements from JTF Guantanamo. Finally, military commissions of four detainees commenced last fall. These are trials of detainees who the President determined there is reason to believe are members of al Qaeda or engaged in international terrorism against the United States. However a Federal court ruling recently stayed the proceedings in one of the commissions. The Department of Justice is appealing that decision. The Appointing Authority for Military Commissions, Mr. Altenburg, suspended all military commissions pending the outcome of that appeal.

JOINT INTERAGENCY COORDINATION GROUP (JIACG)

To counter the threat of transnational terrorism, we will continue to apply our human and material resources toward disrupting and defeating terrorist groups' illicit activities. The JIACG is used as our forum for fusing together all elements of national power to achieve U.S. national security objectives in our AOR. Southern Command gains actionable intelligence on terrorist activities that is then used by U.S. law enforcement agencies and our partner nations to disrupt terrorist operations and their means of support. Narcoterrorists use the illegal drug trade to finance their activities. To further these efforts we enhance partner nation capabilities to control borders, eliminate safe havens, and project government presence.

SUPPORT TO COLOMBIA

The Colombian Government continues to make tremendous progress in the battle against terrorism and the restoration of security for the strengthening of its democratic institutions. Under a very courageous president, the government of Colombia has enacted the democratic security and defense policy to restore order and security while establishing a relationship of mutual trust with its citizens. In 2004, homicides decreased 16 percent; the lowest level since 1986. The year 2004 also saw a 25-percent decrease in robberies, a 46-percent decrease in kidnappings, and a 44-percent decrease in terrorist attacks nationwide. For the first time, there is a government presence in all of the municipalities in Colombia. Fundamental to this policy has been the military component of the Colombian Government's Plan Colombia—Plan Patriota. SOUTHCOM is providing substantial resources to support this military campaign. U.S. training, equipment and logistical support have been vital to the success of Colombian Plan Patriota efforts to date and will continue to be needed into the future.

MILITARY PROGRESS IN COLOMBIA

The government's security policy has significantly diminished the FARC's ability to carry out offensive actions in a sustainable, coherent manner. Over the past 2½ years, the FARC has been reduced from 18,000 to an estimated 12,500 members. Numerous FARC leaders have been killed or captured by the Colombian military and police. Simon Trinidad is in a U.S. jail awaiting trial on drug trafficking charges. Nayibe "Sonia" Rojas, a key FARC narcoterrorist leader, was captured by the Colombian military, and the disposition of her case is pending. The Colombian military's Plan Patriota is slowly strangling the FARC's operations in southern Colombia. The ELN, with approximately 3,500 fighters, has been marginalized. The ELN struggles to survive as an organization as combat losses and leadership divisions take their toll. The AUC, with an estimated strength of 12,000 combatants, is currently negotiating peace with the Colombian Government and the government has established a concentration zone to facilitate peace talks and demobilization. Over 4,600 AUC members have been demobilized to date, and the removal of these combatants from the fight represents a victory for the government. Significant issues, notably extradition to the U.S. and prison terms, remain for full demobilization of all AUC elements. Nonetheless, the Colombian Government is making progress at removing combatants from the field and converting them into productive members of society. Once started, the Colombian Government's demobilization program must succeed. The first combatants to demobilize are currently in the sunset phase of their demobilization and reintegration process and are ready to reintegrate themselves into Colombian society. Failure of this program will not only re-create the conditions for violence but also undermine current peace negotiations and incentive for further demobilization.

COLOMBIAN CIVIL AFFAIRS PROGRAM

The Colombian Government's efforts to reassert or establish governance in areas previously controlled by narcoterrorists are essential to build on recent military successes. Recognizing this and working within limitations of U.S. law, USSOUTHCOM

has worked with the Colombian Ministry of Defense to develop mechanisms to synchronize interagency planning needed to reestablish governance. To this end, the Government of Colombia established a Coordination Center for Integrated Action, which assembles representatives from 13 different ministries chaired by a board of directors that reports directly to the President of Colombia. The Center's responsibility is to develop policies and plans to ensure a coordinated and expeditious response that will re-establish government presence and services in territory reclaimed from narcoterrorists. To date, the Colombian Government has committed over $30 million to this effort. Related to this program, USSOUTHCOM is providing $1.5 million in fiscal year 2005 to develop the Colombian military's Civil Affairs capability. This capability will enable Colombian military to coordinate within their interagency, with NGOs, and integrate humanitarian assistance into military operational planning. In the departments of Arauca, Cundinamarca, Caquetá, and Guaviare, portions of which are in the former narcoterrorist controlled demilitarized zone, the Colombian military has provided basic medical care to over 30,000 civilians and has rehabilitated numerous educational and medical facilities. On 31 January 2004, the Government of Colombia announced subsidies for building 218 low-cost housing units, new projects benefiting over 530 families in the Caqueta department and the issuance of 17,000 land titles in Caqueta. Plan Colombia also has planned in this region the rebuilding of 81 houses affected by terrorism, an increase in alternative development, and $2.5 million for small business loans. These activities build on military success to gain lasting confidence of the civilian population in the government and its institutions.

ERADICATION AND INTERDICTION GAINS

We have also made significant gains in attacking the illicit narcotics industry that provides nearly all of the world's supply of cocaine and about half of the U.S.'s supply of heroin. Through our close cooperation with the Government of Colombia, the eradication program in Colombia has had another record year. In 2004, over 342,000 acres of coca and over 9,500 acres of opium poppy were destroyed. Also in 2004, Colombian authorities seized 178 tons of cocaine, a 36-percent increase over the same period last year and over 1,500 pounds of heroin, a 67-percent increase.

In 2003 Colombia resumed a thoroughly vetted and robustly staffed Air Bridge Denial Program. Since then, 20 narcotrafficking aircraft have been destroyed and 6 have been impounded resulting in a total of 10.8 metric tons of seized cocaine.

COLOMBIAN JUDICIAL COOPERATION

The Colombian Judiciary and President Uribe have approved the extraditions of 154 Colombian major drug traffickers, terrorists, and corrupt legislators to the United States. Most recently, the government of Colombia extradited Simon Trinidad, a major FARC leader, to the United States to be tried. This action underscores to the global community that the FARC leaders are criminals and terrorists, not ideologically guided revolutionaries. All of these actions by the Colombian Government have greatly assisted in the global struggle against illegal drug trafficking and narcoterrorism. With continued U.S. support and expanded authorities, I am confident that Colombia will win its 40-plus year battle against these narcoterrorist groups.

COLOMBIA'S WAR TO WIN

The Government of Colombia understands that this is its war to win. Defense spending as a percentage of GDP rose from 3.5 percent to 5 percent in 2004. Colombia increased its tax revenue 17.4 percent in the first 9 months of 2004, enabling the government to expand its security forces by nearly 80,000 uniformed security members in the past 2½ years. The Colombian military is a much better and more capable force in its operations against the FARC, the ELN, and the AUC, nearly doubling the number of terrorists captured while also seizing the initiative on the battlefield.

ECONOMIC INDICATORS

Since assuming office in August 2002, President Uribe's emphasis on "Democratic Security" has aided Colombia's economic recovery. Colombia has seen growth in GDP since 2002 from 1.8 percent to 3.9 percent in 2003 and 2004. This comes after a severe economic crisis with a net GDP loss of more than 4 percent in 1999. The nation's unemployment rate eased from 15.1 percent in 2002 to 14.15 percent in 2003, to less than 13 percent in 2004. Inflation dropped from 7.1 percent in 2003 to 5.9 percent in 2004. Colombia's trade has also improved with exports outpacing

imports by $809 million in 2004 compared to $437 million in 2003. Electrical Interconnections Inc. (ISA), Colombia's largest energy transport company reported a significant decrease in terrorist attacks on Colombia's utilities. Over the past 5 years, an average of 224 annual terrorist attacks occurred against Colombia's utilities. In 2004, thanks to government of Colombia initiatives and U.S. Government support for them, only 80 attacks occurred—down from 209 attacks in 2003—the lowest number since 1998.

REGIONAL SUPPORT FOR COLOMBIA

The Colombian Government's success has pushed the illegal armed groups to seek refuge across neighboring borders. Most of Colombia's neighbors have taken action to protect their sovereignty. The Ecuadorian military has placed many of its best troops on its northern frontier and has established cross-border communications with the Colombian military. Brazil has reinforced military presence along its border and has initiated an Airbridge Denial Program to prevent narcotrafficker use of Brazilian air space. Panama continues to stress border cooperation due to the FARC's presence in Panama's Darien border region. In February 2004, Colombia, Brazil, and Peru signed a pact to improve border coordination, a superb example of regional cooperation against common threats. In April 2004, Peruvian President Toledo met with President Uribe to discuss border security and illegal drug trafficking among other topics. Among Colombia's neighbors, Venezuela's record of cooperation remains mixed. We remain concerned that Colombia's FTOs consider the areas of the Venezuelan border with Colombia a safe area to rest, transship drugs and arms, and procure logistical supplies.

COOPERATIVE SECURITY LOCATIONS/FORWARD OPERATING LOCATIONS (CSL/FOL) AND JOINT TASK FORCE BRAVO (JTF–B)

El Salvador provides Southern Command the use of Comalapa Airport as a CSL/FOL for counterdrug surveillance flights throughout Central America, the eastern Pacific, and the Western Caribbean. Joint Task Force Bravo in Honduras continues to provide a logistical support base to the humanitarian missions in the region, as well as to counter illicit trafficking operations. Ecuador continues to host one of the Southern Command's CSL/FOLs in Manta, which has been especially critical in providing aerial coverage on the eastern Pacific vector of illicit trafficking. Since the establishment of the Manta CSL in 1999, the information resulting from its operations has resulted in the seizure of 75 tons of cocaine with a street value of $3.4 billion. Finally, Aruba and Curacao each continue to host one of the Southern Command's CSL/FOLs.

PARTNER NATION ACTIONS AGAINST SUPPORT FOR ISLAMIC RADICAL GROUPS

In the war on terror, we have seen countries like Paraguay and Uruguay take decisive action to disrupt or deter terrorist related activities over the past few years.

In 2002, Paraguay arrested and sentenced Assad Ahmad Barakat, an alleged Hizballah chief in the Triborder Area (TBA), for tax evasion. According to the Paraguayan chief prosecutor, Barakat's remittances to Hizballah totaled about $50 million since 1995. Subhi Mohammad Fayad, a member of Barakat's network was also convicted of tax evasion in Paraguay. In 2004, Paraguayan agents raided a money exchange house in the TBA, which was owned by Kassen Hijazi's, a suspected Hizballah facilitator. Hijazi's money house was suspected of running an international money-laundering scheme that moved an estimated $21 million over 3 years. In 2003, Said Mohkles, who was wanted by the Egyptians in connection with the 1997 Luxor terrorist attacks, was extradited to Egypt from Uruguay. We will continue to strengthen our cooperative security efforts with all countries in the AOR that may be affected by Islamic Radical Group activity. We will also work to increase information sharing agreements and explore all possible options for security cooperation in the future.

REGIONALIZATION

U.S. Southern Command hosts four annual regional security conferences. These conferences bring together the chiefs of defense throughout the AOR to build consensus on security issues. Through these conferences, SOUTHCOM fosters and participates in frank and candid dialogue among the Chiefs of Defense in each subregion, regarding regional security threats and ways to increase regional security. In November 2004, I co-hosted the Andean Ridge Security Conference in Lima, Peru with the Peruvian Chief of Defense. It was the first Andean Ridge conference to be co-hosted within the region. Previous security conferences for the Caribbean and

Central American subregions have been held within their respective regions and this is significant as it is symbolic of the effort to solve regional problems within the region. I plan to continue this focus with the objective of assisting in the development of regional security organizations, appropriate to the constitutional limitations of each country and the needs of each region. This May, SOUTHCOM will cohost a Southern Cone Defense Conference in Buenos Aires with Argentina.

SUPPORT FOR OPERATION IRAQI FREEDOM

The Dominican Republic, El Salvador, Honduras, and Nicaragua sent forces to participate in Operation Iraqi Freedom. El Salvador has maintained continual presence in Iraq and sent a fourth contingent of troops last month. The Salvadoran troops have performed brilliantly in Iraq. In March 2004, Salvadoran troops saved the life of the Governorate Coordinator and five members of the Coalition Provisional Authority when they were ambushed in Al Najaf. In April, when the Salvadoran contingent was attacked during the Najaf uprising, the Salvadoran troops fought bravely against overwhelming odds. Private Natividad Mendez Ramos gave his life that day and 10 Salvadorans were wounded. When they ran out of ammunition and were still being attacked, Corporal Toloza attacked ten enemy fighters with his knife. His actions were decisive and carried the day!

HAITI

In Haiti, the resignation and departure of former President Aristide, which resulted in a constitutional transfer of power to the interim government, presented the nations of the AOR with the opportunity to unite to help one of its neighbors. Following the passage of United Nations Security Council Resolution 1529, we established the Multinational Interim Force-Haiti (MIF–H), consisting of forces from the United States, France, Chile, and Canada. Chile deployed a force to Haiti within 48 hours of the start of the crisis and continues to have troops deployed in support of the Multinational United Nations Stabilization Force in Haiti (MINUSTAH). The rapid reaction of our troops and those of our partner nations saved the lives of innocent Haitians, prevented a mass migration during a time of rough seas, and fostered regional and international cooperation to assist a nation in need. MINUSTAH stood up in Haiti in June 2004 and is composed mostly of Latin American countries and led by Brazil. We currently have four personnel assigned to the MINUSTAH staff. To anyone familiar with Haiti, it is obvious that more than security is needed to rehabilitate Haiti. I believe that Haiti will require a significant investment of aid for the next 10 to 15 years to get back on its feet. When a new Haitian government is elected in November, the history of predatory institutions and "winner-take-all" political environment must end, to benefit all Haitians and reestablish faith in government.

EXERCISES

Exercises provide unique opportunities for military-to-military interaction, enhanced interoperability, and invaluable training for both partner nations and U.S. forces. SOUTHCOM conducts three types of exercises: U.S.-only exercises that test our contingency plans, bilateral and multilateral exercises with partner nations, and New Horizons—humanitarian assistance exercises which provide medical, dental, and veterinary treatment to underserved populations in remote areas. Components of SOUTHCOM conducted 16 joint exercises last fiscal year involving 5,675 U.S. and 10,320 partner nation troops. One of the most important exercises was PANAMAX, a multinational exercise focused on maritime interdiction and security of the Panama Canal. Chile, the fourth largest user of the Panama Canal, took an active leadership role in the Southern Command sponsored PANAMAX exercise designed to protect the Panama Canal. This year's PANAMAX exercise will include 15 participating nations.

In 2004, New Horizons exercises completed 30 engineer projects consisting of constructing schools, medical clinics, community centers, sanitary facilities, wells, and road construction and repair. We had 69 medical readiness deployments (MEDRETE) that treated more than 290,000 people, some of whom walked for days to be treated by qualified doctors for the first time in their lives. During these exercises, our veterinary teams treated approximately 525,000 animals in varying livestock categories, which contributed significantly to sustaining local health and economic wellbeing. New Horizons exercises improve local infrastructure, strengthen the bonds of friendship between the U.S. and partner nations, and provide unique and rigorous training opportunities to engineer, medical, and civil affairs units. Currently, we are conducting New Horizons exercises in Haiti, El Salvador, Nicaragua, and Panama. The Haiti New Horizons will result in the construction of four wells,

three schools, and a road and it will also include a Medical Readiness Training Exercise to provide needed medical care to the population in the Gonaives area—the site of devastating floods last year. The El Salvador New Horizons will construct three schools, two clinics, one well, and will conduct three Medical Readiness Training Exercises. The New Horizons in Nicaragua will build three schools, three clinics, one well and will conduct three Medical Readiness Training Exercises. The Panama New Horizons will construct three schools, three community centers, one well, and one road and will do three Medical Readiness Training Exercises.

PARTNER NATIONS' SUPPORT OF U.N. PEACE OPERATIONS

Many of our exercises are tailored to enhance partner nations' peace operations capabilities. These exercises provide real-world scenario-based training that hones the skills necessary to provide a significant contribution to United Nations and other peace operations. The success of these exercises is clear in the examples I've already mentioned; the MIF–H, MINUSTAH, and AOR nation participation in peace operations around the world. For example, a Chilean platoon, Paraguayan platoon, as well as personnel from Bolivia, Peru, and Uruguay are serving under Argentine command in the United Nations Peacekeeping Operation in Cyprus.

CENTRAL AMERICAN REGIONALIZATION

Efforts toward regional integration made possible by organizations like the Conference of the Central American Armed Forces (CFAC) give me great confidence in the future of Central American regional security. An initiative of the governments of El Salvador, Guatemala, Honduras, and Nicaragua for the purpose of regionalizing their security efforts, CFAC was established in 1997, this organization has since provided collective support for flood and hurricane relief, as well as assistance in combating outbreaks of dengue that have plagued the region. CFAC was quick to show its collective solidarity post-September 11, and has since taken steps to enhance regional cooperation in the global war on terrorism. Most recently CFAC has developed a plan of action to be implemented this year to strengthen their capacity to support international peacekeeping operations.

One of the most impressive aspects of CFAC is that it is a Central American initiative that has evolved with a Central American vision. With ownership comes commitment, and these armed forces are committed to serving their civilian democratic governments and their people.

On February 1, 2005, the presidents of the Central American nations held a summit in Honduras under the umbrella of SICA, which is the Central American Integration System.

Created in 1991 to develop common policies and strategies to serve the Central American public, SICA recognizes the changing nature of the threats to national security and socio-economic development. In this most recent summit declaration the presidents agreed to take concrete steps to deal with a broad range of transnational issues in a transnational way—from health, to trade, to security. Among the elements of this declaration, they agreed to create a regional rapid reaction force to deal with narco-terrorism and other emerging threats. They agreed to implement a common arms sale and transport policy. They agreed to a regional study to better understand the theme of high-risk youth. Equally important, they are holding themselves accountable, having set a 30-day suspense to stand up a joint and combined task force to include military and police forces, to deal with these emerging threats.

STRATEGIC CAPABILITIES

To address the security challenges and achieve U.S. national security objectives in our AOR, the command has five overarching strategic mission requirements:

1. An improved ability to detect and support interdiction of illegal trafficking into the United States.
2. Continued detainee operations at Guantanamo.
3. Continued ability to provide partner nation security forces with equipment and training.
4. Improved interoperability between our Armed Forces and those of our partner nations.
5. Improved operational reach to rapidly respond to crises in the region.

INTERDICTION OF ILLICIT TRAFFICKING

We must enhance our ability to detect and interdict illicit trafficking at its source and in transit, preventing illegal drugs, weapons, and people from reaching our borders. As we have successfully done in the past, the Command will conduct these op-

erations in concert with our interagency partners, principally the U.S. law enforcement community, and with our partner nations, whose participation and support for these operations are indispensable. Success in this mission area will not only stem the flow of illegal narcotics on U.S. streets, but also deny a source of funding that terrorist groups may use to finance their operations.

As with virtually all of our operations in the AOR, the interdiction of illicit trafficking depends on the timely collection and distribution of accurate intelligence information. We continue to employ our limited air-, sea-, and ground-based intelligence, surveillance, and reconnaissance (ISR) assets to detect, identify, and monitor illicit activities, particularly terrorist groups, their support network, and the criminal elements that serve terrorist purposes. Given the size and geography of the region, this is a formidable task. Furthermore, with the majority of ISR assets presently at our disposal focused on operations in Colombia, the means to achieve persistent ISR presence throughout the entire AOR remains a concern.

GUANTANAMO CONSTRUCTION

I would like to thank the committee and Congress for their support of the construction of military facilities, which has resulted in better security, and better quality of life for the troops at JTF–GTMO. I request your support in funding two construction projects on the fiscal year 2005 supplemental request that total $42 million. The first project is Camp 6, which represents part of the way ahead for detention operations at Guantanamo and recognizes that some of the detainees there will remain a threat to the U.S. for the foreseeable future. The Camp 6 facility will be based on prison models in the U.S. and is designed to be safer for the detainees and the guards who serve at GTMO. The second project is the security fence with sensors that is required for security around the new facilities. This security fence would be an electronic "smart fence" to detect, deter, and assess potential intrusions around the perimeter of the detainee camp. Both Camp 6 and the Security Fence will provide a reduction in approximately 300 soldiers currently required to guard the detainees.

TRAINING AND EQUIPPING OUR PARTNER NATION SECURITY FORCES

We must continue to provide partner nation security forces with the equipment and training they need to ensure their territorial integrity and to defeat threats such as terrorist groups operating within or transiting their borders.

The center of the fight against terrorist groups is in Colombia and because of the transnational nature of the threat, it radiates throughout the Andean Ridge. We need to maintain support in Colombia and address the spillover effect in the rest of the Andean Ridge. Our continued support will leverage the Government of Colombia's recent successes, enabling the Government of Colombia to not only defeat narcoterrorist groups, but also to establish responsible governance for all Colombians.

IMET AND ASPA SANCTIONS

Promoting security and enabling effective security forces among our partner nations will deny terrorists the safe havens they need to prepare or conduct operations, will hinder illicit trafficking, and will prevent internal conflicts that may lead to the destabilization of governments. SOUTHCOM fully supports protection from ICC prosecution for U.S. servicemembers serving overseas. However, using IMET to encourage ICC Article 98 agreements may have negative effects on long-term U.S. security interests in the Western Hemisphere, a region where effective security cooperation via face-to-face contact is absolutely vital to U.S. interests. IMET is a low-cost, highly effective component of U.S. security cooperation that builds and expands regional security forces' professionalism and capabilities, enables a cooperative hemispheric approach to meeting transnational threats to national sovereignty, and facilitates the development of important professional and personal relationships that provide U.S. access and influence to key players in the region. Once again, IMET provides SOUTHCOM with an invaluable tool that can be used to foster positive military-to-military relations with our partner nations.

INTEROPERABILITY

Fourth, we must improve the interoperability among the Armed Forces of the United States and our partner nations by implementing mutually beneficial security agreements, regional and subregional security organizations, military-to-military contacts, combined training exercises, and information sharing. Only by working to-

gether can the U.S. and our partner nations effectively address the common security challenges we face in this hemisphere.

Improving the command, control, communications, and computer (C^4) architecture throughout the region has been, and will remain, a top investment priority for the Command. A particular challenge is our ability to share sensitive intelligence information with our U.S. interagency partners and with partner nations in a timely manner that supports combined efforts to interdict terrorist organizations and drug traffickers. We are, however, continuing to expand our partnerships with the Department of Defense C^4 community, and with other elements of the U.S. Government and industry in order to identify, secure, and maintain robust, cost-effective means to communicate information and provide efficient and effective command and control of military operations throughout the AOR. Our current C^4 infrastructure, while adequate for today's tasks, lacks the robust and flexible characteristics necessary to fully implement the network-centric warfighting capabilities we need to achieve.

OPERATIONAL REACH

Another significant strategic mission priority seeks to enhance our ability to rapidly conduct time-sensitive military operations and to rapidly respond to humanitarian crises that may emerge on short-notice. We continue to explore alternative solutions that will enable us to rapidly position the right forces and materiel when and where they are needed. We are also evaluating and improving ways in which interagency resources and assets might be brought to bear in response to emerging humanitarian crises, such as those resulting from the annual stream of hurricanes that carom through the Caribbean. Since 1997, U.S. Southern Command headquarters has been located in Miami, Florida—the best strategic location for the SOUTHCOM headquarters. The future location of the headquarters will depend on the outcome of the 2005 Base Realignment and Closure process. Throughout this endeavor we remain focused on properly supporting the command's strategic requirements.

CONCLUSION

I have a slide in my command brief that shows which countries in the AOR were democracies in 1958, 1978, 1998, and the present. The slide depicts a very encouraging trend of governments turning from communist or authoritarian governments to democratically elected governments. Today, all 30 countries in the SOUTHCOM AOR are democracies, and SOUTHCOM has played a key role over the past 25 years in that remarkable achievement. However, if we in the U.S. Government are honest with ourselves, we can look at the region today and see that we are not tending the fields with the same zeal we showed in planting the seeds of democracy. Too many of the democracies in our AOR are lacking some or all of the vital democratic institutions: a functional legislative body, an independent judiciary, a free press, a transparent electoral process that guarantees the rights of the people, security forces which are subordinate to civil authority and economic opportunity for the people.

Because a secure environment is a non-negotiable foundation for a functioning civil society, Southern Command is committed to building capabilities of the security forces of our region. The seeds of social and economic progress will only grow and flourish in the fertile soil of security.

We cannot afford to let Latin America and the Caribbean become a backwater of violent, inward-looking states that are cut off from the world around them by populist, authoritarian governments. We must reward and help those governments that are making difficult, disciplined choices that result in the long-term wellbeing of their people. The challenges facing Latin America and the Caribbean today are significant to our national security. We ignore them at our peril.

Your soldiers, sailors, airmen, marines, coast guardsmen, and Department of Defense civilians are working to promote U.S. national security interests and regionalization as well as preserve the gains made in professionalizing and democratizing Latin American and Caribbean militaries. We believe that over time this work will bring about a cooperative security community advancing regional stability and establishing an environment free from the threat of terrorism for future generations. Southern Command is a good investment of American taxpayer's dollars and trust.

Thank you for this opportunity and I look forward to responding to the committee members' questions.

Chairman WARNER. Thank you very much, General Craddock.

I happen to have had a brief meeting last night with General Shinseki and I related to him that you would be before the committee this morning, and he sends you his very best. He is very proud of your career. He seems to have had a hand in it, I believe, early on.

General CRADDOCK. Indeed, sir. Thank you, Mr. Chairman.

Chairman WARNER. Admiral Keating.

Admiral KEATING. Good morning, Mr. Chairman, Senator Levin. It is a pleasure to appear before you this morning, sir, particularly alongside my good friend General John Craddock. I am proud to represent the 1,500 men and women of the two commands that I am privileged to lead, North American Aerospace Defense Command and United States Northern Command.

Briefly on NORAD, we have been at it for some 50 years almost, providing aerospace warning and defense to Canada and the United States. Since September 11, 2001, in the conduct of Operation Noble Eagle we have flown nearly 40,000 sorties, keeping the skies safe over the United States and Canada.

Regarding your interest in the adequacy of forces assigned, Mr. Chairman and Senator Levin, I would point out that three-quarters, 75 percent, of those sorties have been flown by Air Guard pilots, all of the sorties without incident or accident. So I think that is one measure of effectiveness of the forces that we are given when we request those forces—three-quarters of those sorties have been flown by National Guard Forces.

Chairman WARNER. I think you should pause to speak with greater specificity about those missions, what they are tasked to perform and the area of responsibility (AOR) in which they operate.

Admiral KEATING. The sorties are flown irregularly and aperiodically. I should point out that they are not over the same location. For example, they are not always over Washington, DC, or New York City. Wherever the President goes, we have the capability and frequently do have sorties flying overhead wherever the President happens to be located. But our Joint Forces Air Component Commander down at Tyndall Air Force Base works these schedules based principally on intelligence information, wherever the sorties have not been flown recently and where we think the higher need might reside. He will schedule those sorties, approved by me as the Commander, throughout the lower 48 States or in Canada, and then if the President should happen to be, for some reason, in Hawaii, Pacific Command would of course be responsible for those missions.

So it is an aperiodic, irregular, but frequent sortie allocation determined by our Joint Forces Air Component Commander.

Chairman WARNER. To respond in the case that there is some type of hijacking of a commercial aircraft or other?

Admiral KEATING. To be sure. Right now, we have fighters on alert and flying irregular air patrols. Those aircraft on alert are in response posture—immediate is the technical term. They will get airborne within 8 minutes is our metric, from bases located throughout the United States. So they are always on alert, and we will sometimes launch those for the sake of an exercise. Some of those sorties will also be scheduled to do their alert from an airborne posture. So there is an on-the-ground alert posture at air

bases throughout the United States and over time 40,000 of those airplanes have gone flying.

Chairman WARNER. Again, it is to protect the civil aviation in large measure.

Admiral KEATING. To be sure, yes, sir.

Chairman WARNER. Thank you.

Admiral KEATING. Additionally, we have an integrated air defense system here in our National Capital Region that has Avengers and Stingers, and we just introduced an advanced radar-guided missile system. The Secretary gave us full operational capability just before the Inauguration. I would point out that all of these assets are manned by highly trained and effective National Guard soldiers.

So that is the NORAD side of it, Mr. Chairman. From the U.S. Northern Command perspective, we have had full operational capability as certified by the Secretary of Defense since 11 September 2003, so we are coming into a year and a half of full operational capability.

Some of the highlights that I would point out to you from Northern Command: First, our interagency coordination group. We have nearly 60 full-time interagency representatives who work with us in our command every day. One of those, the National Counterterrorism Center (NCTC), as mentioned by the ranking member; we have full disclosure with the NCTC. We have an officer permanently assigned to NCTC. They have representatives on our staff. We have hot lines and immediate video teleconferencing capability with NCTC. So we will share whatever information we think pertinent to NCTC with them, as they will with us, and I am satisfied that at this present time, there is adequate flow of information. There is a common operational picture that we share with NCTC and we are working to achieve a standard language with them so that they will understand our military perspective, and we will understand their counterterrorism perspective.

So I am happy to report that we are underway fully with NCTC, and I think it is adequate at the present time.

One of the agencies with whom we spend a lot of time is the Department of Homeland Security (DHS), and of the 22 different groups in DHS, we have a full-time Coast Guard officer, flag officer, who is our deputy J–3. We work extensively with the Coast Guard in exercises, both command post exercises and the execution of real ship boardings and ship takedowns, sometimes as many as one a week, with ships that are returning from deployment in the Mediterranean to the United States on the east coast and from the Western Pacific to the west coast of the United States and into the Gulf of Mexico as well.

We have provided almost 17,000 forces for National Special Security Events, such as President Reagan's funeral, the Inauguration, and the State of the Union here in the National Capital Region. We have coordinated extensively with the National Guard for these and other events—natural disasters, hurricanes in Florida, and fighting wildfires out on the west coast, for example 250 C–130 sorties flown by National Guard pilots in support of our military assistance to civil authorities, and a charter from the President and Secretary. In the case of the hurricanes in Florida, the Department

of Defense provided heavy lift capability, many C–17 sorties, to move national guardsmen and their equipment from States bordering Florida down to Florida to assist in the hurricane aftermath in the State of Florida.

For border security, one of the commands that we enjoy is Joint Task Force North—150 full-time soldiers under the command of Brigadier General Joe Riojas, headquartered in Fort Bliss, Texas, to monitor and assist drug enforcement and law enforcement agencies in patrolling our northern and southern borders. A highlight of Joe Riojas' work recently is Joint Task Force Winter Freeze up in New Hampshire and Maine, where we flew over 500 sorties in fairly challenging weather, helicopter and fixed wing, working with our Canadian neighbors to enforce border security on our northern perimeter.

We are prepared when so alerted by the President and the Secretary of Defense to begin limited defensive operations with our Ground-based Midcourse Defense anti-ballistic missile systems. We are training to these scenarios frequently. When the Secretary gives me the green light, we will be fully prepared to execute the tasking that he gives us for ballistic missile defense.

We conduct two major exercises annually with our interagency partners, foremost among them the Federal Emergency Management Agency in the Department of Homeland Security. We run two major exercises a year, one sponsored by Northern Command, one sponsored by the Department of Homeland Security, to work the broad, comprehensive gamut of first responders at the State, local, Federal, and tribal levels. We apply lessons learned from these exercises, so that in the event the Secretary or the President call me to provide assistance to civil authorities, we know the folks with whom we are going to work, we have exercised with them frequently, and we have a common lessons-learned database that we share.

So in summary, sir, I would point out to you that we at NORAD and USNORTHCOM think that we are resourced, both from the budget perspective, though I am happy to address some areas where we could use a little bit of support, and from a personnel perspective—once again, 1,500 young men and women who are trained and ready to execute the tasking that the President and the Secretary of Defense gives.

Thank you, sir.

[The prepared statement of Admiral Keating follows:]

PREPARED STATEMENT BY ADM TIMOTHY J. KEATING, USN

Chairman Warner, Senator Levin, and members of the committee: It is an honor to appear before you and represent the exceptional men and women of North American Aerospace Defense Command (NORAD) and United States Northern Command (USNORTHCOM). These dedicated professionals are ready to act on a moment's notice to defend our homeland. To strengthen the security of our great Nation, we are fostering innovation, embracing new ideas, and collaborating widely and successfully. We welcome this opportunity to report on what we have done and where we are going.

NORAD

Since 1958, the United States and Canada have defended the skies of North America through NORAD, a binational command. Using data from satellites, as well as airborne and ground-based radar, NORAD monitors, validates, and warns of at-

tack against the U.S. and Canadian homelands by aircraft, missiles, and space vehicles. The command ensures U.S. and Canadian air sovereignty through a network of alert fighters, tankers, airborne early warning aircraft, and ground-based air defense assets cued by interagency surveillance radars, such as those of the Federal Aviation Administration and its Canadian equivalent, NAV CANADA.

Operation Noble Eagle

Operation Noble Eagle began immediately after the September 11 attacks and continues today to protect and defend our Nations' airspace. To date, NORAD has flown more than 39,500 sorties and scrambled or diverted fighters more than 1,900 times in response to potential threats, all performed with a superb safety record. In 2004, air national guardsmen and reservists flew 71 percent of the Operation Noble Eagle sorties.

National Capital Region Integrated Air Defense System

In January 2005, NORAD implemented an improved air defense system by integrating radar, irregular air patrols, surface-launched missiles, and control centers. This new system strengthens our capability to protect the seat of our national government, as well as other key locations in the National Capital Region from air attacks. In addition, we are testing a ground-based visual warning system that uses safety-tested, low-level beams of alternating green and red laser lights to alert pilots that they are flying without approval in designated airspace.

NORAD Agreement Renewal

The NORAD Agreement will expire in 2006. In renewing the agreement, the Governments of the United States and Canada have the opportunity to consider expanding binational cooperation under NORAD into other domains. The U.S. Department of State and Foreign Affairs Canada are the lead agencies for negotiating renewal of the NORAD Agreement. Each is examining the option to negotiate a variety of issues that may impact the future of the command. We are prepared to support a new NORAD Agreement, as determined by our governments.

Federal Aviation Administration Integration

Our partnership with the Federal Aviation Administration to improve NORAD's surveillance and command and control capabilities has made significant progress. The installation of 300 radios in Federal Aviation Administration facilities is complete. The radios provide NORAD the means to communicate with interceptors throughout our country. The original plan to integrate 39 Federal Aviation Administration terminal/approach control radars has grown to a total of 45 radars, of which 38 have been fully integrated. The remaining seven are awaiting integration, operations acceptance or have been deferred until the aging radars have been replaced with a newer short-range system later this year.

On 1 October 2004, the DOD and the Department of Homeland Security assumed shared financial responsibility from the Federal Aviation Administration for our Nation's long-range radars under a 75/25 percent cost-share formula for fiscal year 2005. In fiscal year 2006, the radars will be funded under a 50/50 percent arrangement. We urge Congress to fully fund the operations and maintenance accounts of both departments to preserve our air surveillance network until it can be upgraded or replaced.

BI-NATIONAL PLANNING GROUP

Established in December 2002 by exchange of diplomatic notes, the Bi-National Planning Group is an independent organization that is examining ways to enhance U.S. and Canadian defenses against maritime and land-based threats to North America, as well as to coordinate and improve our Nations' capabilities to respond to natural and man-made disasters. Our governments have agreed to extend the Bi-National Planning Group's mandate an additional 18 months, through May 2006.

The Bi-National Planning Group is recommending revisions to the U.S.-Canada Basic Security Document and Combined Defense Plan and is developing a civil assistance plan to help guide bi-national military-to-military cooperation in support of civil authorities. It has also recommended measures to improve information sharing between our two nations.

In October, the Bi-National Planning Group provided an interim report to the U.S. and Canadian national military chains of command that captures the group's work and ideas to date and identifies 42 areas for additional study to enhance defense and security.

USNORTHCOM

Defending Americans where they live and work is USNORTHCOM's top priority. We are part of a vast team—military and civilian; Federal, State, local, and tribal governments; as well as public and private enterprise—dedicated to the defense of our great Nation. Interagency cooperation is a fundamental element of our plans, training, exercises, and operations.

We have made significant organizational changes in our short history, and we continue to evolve. The command's four subordinate organizations are:

- *Joint Force Headquarters National Capital Region.* Based at Fort McNair in Washington DC, Joint Force Headquarters National Capital Region is responsible for land-based homeland defense, civil support, and incident management in the National Capital Region. It achieved full operational capability in September 2004. The operational area for the Joint Force Headquarters National Capital Region is about 2,500 square miles and includes the District of Columbia.
- *Joint Task Force Alaska.* Military forces in Alaska are under U.S. Pacific Command for normal operations. If Alaska-based forces are needed for homeland defense, consequence management, or civil support operations in Alaska, USNORTHCOM will command and control the forces through Joint Task Force Alaska, based at Elmendorf Air Force Base. The Commander of Joint Task Force Alaska is also the Commander of Alaska NORAD Region, the Commander of 11th Air Force, and the Commander of Alaskan Command.
- *Joint Task Force Civil Support.* Located at Fort Monroe, Virginia, Joint Task Force Civil Support provides command and control of DOD incident management forces that respond to catastrophic chemical, biological, radiological, nuclear, and high-yield explosive events.
- *Joint Task Force North.* Headquartered at Fort Bliss, Texas, Joint Task Force North supports counterdrug, counterterrorism, border patrol support along the U.S.-Canada and southwestern U.S. border, and other operations against transnational threats. In October 2004, USNORTHCOM redesignated Joint Task Force Six to Joint Task Force North to reflect its expanded role in homeland defense. Joint Task Force North enhances USNORTHCOM's homeland defense capabilities by: (1) increasing situational awareness through close cooperation with law enforcement and border security agencies; (2) developing sources of intelligence and warning, (3) supporting counternarcotics operations, and (4) executing homeland defense missions.

In accordance with Defense Planning Guidance 04, USNORTHCOM established Standing Joint Force Headquarters North. Standing Joint Force Headquarters North is a full-time, trained and equipped, readily deployable joint command and control element collocated with USNORTHCOM at Peterson Air Force Base, Colorado. Standing Joint Force Headquarters North increases USNORTHCOM's options to deter or mitigate a crisis quickly and reduces the time required to establish a fully functioning joint task force headquarters. Standing Joint Force Headquarters North assisted with command and control of military forces supporting the primary agency at several National Special Security Events over the past year. In addition, Standing Joint Force Headquarters North is working to standardize relationships with the National Guard in all states and territories to facilitate the stand-up of joint task forces for homeland defense or civil support operations.

Homeland Defense Operations

In the past year, USNORTHCOM conducted major homeland defense operations as follows:

- *Enhanced Homeland Defense.* USNORTHCOM participated in the Department of Homeland Security-led Interagency Task Force that developed an Interagency Security Plan to enhance the security of our Nation during the election period from July 2004 to February 2005. USNORTHCOM postured and positioned forces to deter and prevent attacks. Quick and Rapid Response Forces and incident management forces were maintained at appropriate alert levels to meet potential threats. At the request of the Department of Homeland Security, we provided assistance for border security, conducted airport vulnerability assessments, and deployed forces trained for radiological detection.
- *Operation Winter Freeze.* At the request of the Department of Homeland Security, USNORTHCOM deployed forces to tighten security along the northeast border of the United States during the fall and winter of 2004–

2005. As directed by the Secretary of Defense, USNORTHCOM provided indirect military support to U.S. Customs and Border Protection. This support included ground and aviation reconnaissance, military unique equipment and personnel to operate this equipment, and DOD intelligence on transnational threats.

• *Maritime Operations.* USNORTHCOM conducts maritime operations to deter and disrupt terrorist operations, collect intelligence to identify links between maritime shipping and possible support to terrorist networks, and prevent attacks against the United States and its allies. Our deterrence activities include deployment of naval forces in proximity to potential crisis areas, technology and firepower demonstrations, and exercises.

We also support the U.S. Coast Guard in tracking maritime traffic into the United States and are prepared to assist them in intercepting maritime vessels of interest. On 11 November 2004, DOD and the Department of Homeland Security agreed to establish the DOD joint command and control structure for maritime homeland defense operations that includes U.S. Coast Guard forces. The agreement also identifies and documents appropriate roles, missions, and functions for the U.S. Coast Guard in support of maritime homeland defense operations.

The Maritime Security Policy National Security/Homeland Security Presidential Directive (NSPD–41/HSPD–13) directs the Secretaries of Defense and Homeland Security to lead a collaborative interagency effort to draft and recommend a National Strategy for Maritime Security. The Departments of Defense and Homeland Security are doing so through the Maritime Domain Awareness Initiative, which includes topically organized interagency working groups. USNORTHCOM chairs the working group on Common Operational Picture and co-chairs with the U.S. Coast Guard the working group on Strategy and Plans. The Command is also a member of the working groups on Technology, Intelligence, and Outreach.

• *Antiterrorism/Force Protection.* On 1 October 2004, USNORTHCOM assumed overall antiterrorism and force protection responsibilities in the continental United States. USNORTHCOM's force protection responsibilities include assessing the threat and security posture within the USNORTHCOM area of responsibility. We work through existing DOD elements' programs and serve as a bridge among the separate programs to create efficiencies and eliminate vulnerabilities, gaps, and seams in our overall anti-terrorism and force protection posture.

• *Critical Infrastructure Protection.* USNORTHCOM's area of responsibility includes a great deal of infrastructure critical to military operations and force projection. As a partner in interagency cooperation, we have supported the efforts of the Joint Staff and the Assistant Secretary of Defense for Homeland Defense to develop DOD policy for the protection of DOD and non-DOD critical infrastructure. This support includes implementing a comprehensive means of identifying critical infrastructure assets, assessing their vulnerabilities, and planning and implementing mitigation, response, and remediation options. Our operational focus has been on DOD-owned, leased, or managed infrastructure.

• *Support to Operations Iraqi Freedom and Enduring Freedom.* USNORTHCOM continues to monitor the terrorist threat and is prepared to protect critical defense infrastructure and ports of embarkation and debarkation for units deploying in support of Operations Iraqi Freedom and Enduring Freedom.

• *Ground-Based Midcourse Defense.* USNORTHCOM is ready to execute Limited Defensive Operations with the Ground-based Midcourse Defense capabilities provided by the Missile Defense Agency, pending policy guidance from the Secretary of Defense. The basic concept of operation for Ground-based Midcourse Defense is as follows:

- USNORTHCOM will command and control Ground-based Midcourse Defense forces during ballistic missile events that could threaten the United States.
- USNORTHCOM will support U.S. Pacific Command in the defense of Hawaii.
- U.S. Pacific Command, through U.S. Pacific Fleet, will support USNORTHCOM by providing surveillance and cueing support to Ground-based Midcourse Defense operations.
- U.S. Strategic Command will support USNORTHCOM with missile warning data and integration and coordination of Ground-based Midcourse Defense operations and assets.

• U.S. Strategic Command, in coordination with other commands, will determine if ballistic missile defense systems can go off alert status for test or maintenance activities.

Defense Support of Civil Authorities

While homeland defense is our primary responsibility, our mission to support civil authorities is also very important. On a daily basis, we are on call to assist other Federal agencies in responding to natural and manmade disasters at the direction of the President or Secretary of Defense. We also support events which require special security measures. A summary of our recent civil support operations follows:

• *National Special Security Events.* Since March 2004, USNORTHCOM has provided DOD support for six National Special Security Events: the G8 Summit, President Reagan's State Funeral, the Democratic and Republican National Conventions, the Presidential Inauguration, and the 2005 State of the Union Address. DOD support ranged across the spectrum of unique DOD capabilities, including advanced trauma life support teams during the State of the Union Address, security teams to support the G8 Summit, and explosive detection operations for the Democratic and Republican National Conventions. Air defense for National Special Security Events is an integrated effort between NORAD and USNORTHCOM.

• *Special Events Homeland Security.* USNORTHCOM provided unique DOD support to two special events—the World War II Memorial Dedication and the United Nations 59th General Assembly.

• *Hurricane Relief.* In support of the Department of Homeland Security's Federal Emergency Management Agency, USNORTHCOM orchestrated the provision of Defense Coordinating Officers and Elements, established DOD bases as mobilization centers and directed airlift, imagery, satellite communications, and medical support for relief operations for Hurricanes Bonnie, Charley, Frances, Ivan, and Jeanne.

• *Wildland Firefighting.* During the 2004 wildland firefighting season, USNORTHCOM directed Modular Airborne Fire Fighting Systems to support the National Interagency Fire Center in combating wildfires in Arizona, Idaho, Oregon, Utah, and Washington.

• *Counterdrug Operations.* Through Joint Task Force North, we are working with our interagency and continental partners to assist in improving regional drug interdiction capabilities and to expand protocols for information sharing in order to stem the flow of illicit drugs into the United States. To strengthen our Nation's ability to combat the illegal drug trade, we support the creation of a national interagency center to focus on interdiction across our land borders.

Total Force Integration

National Guard and Reserve contributions are integral to USNORTHCOM's operations in both their Title 32 and Title 10 roles. The objective of our Total Force Integration program is to determine how best to use the capabilities of Reserve and National Guard Forces for homeland defense and civil support missions. Many of our missions are conducted by Reserve component forces, state National Guard Weapons of Mass Destruction Civil Support Teams, the National Guard's Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Packages, and seasonal wildland firefighting Guard and Reserve C–130s.

USNORTHCOM is participating in the development of DOD policy to implement Section 512 of the Ronald W. Reagan National Defense Act for Fiscal Year 2005. This provision allows the Secretary of Defense to approve deployment of National Guard units and people under the direction of state governors for up to 180 days to perform homeland defense activities. We are working to ensure DOD policy maximizes the capabilities of the National Guard to enhance USNORTHCOM's homeland defense and support to civil authorities' missions.

Dual Status Commander

One of the command and control options USNORTHCOM successfully employed in 2004 is an arrangement made available in Section 516 of the National Defense Authorization Act for Fiscal Year 2004 by an amendment to 32 USC 325. This unique command construct was used at the G8 Summit, the Democratic and Republican National Conventions, and Operation Winter Freeze. It allows one commander to command both Federal (Title 10) and State forces (National Guard in Title 32 and/or State Active Duty status) with the consent of the Governor and the authorization of the President. This centralized command and control construct provides both the Federal and state chains of command with a common operating picture

through the eyes of the dual status commander. It also enables the dual status commander to maximize his or her Federal and State capabilities, as well as facilitate unity of effort from all assigned forces.

Efforts to Share Intelligence with Federal, State, and Local Officials

Our Intelligence Directorate supports homeland defense while maintaining vigilance on missile and air threats to the United States and Canada. Our analysts are developing effective relationships with the Central Intelligence Agency, the Defense Intelligence Agency's Joint Intelligence Task Force—Combating Terrorism, the Department of Homeland Security, the Federal Bureau of Investigation, the National Counterterrorism Center, the U.S. Coast Guard, and the National Guard Bureau. To support these efforts, USNORTHCOM hosts liaison officers from national agencies and embeds our own liaison officers in other agencies to provide dedicated support and direct reach back to our analysts.

In addition, our Intelligence Directorate provides dedicated products and on-site support in cooperation with Federal agencies for National Special Security Events. Our strategic nuclear and anti-terrorism analytic products are disseminated to a wide array of interagency and bi-national customers, are posted to the National Counterterrorism Center's Web site, and provide the basis for an on-line, interactive, geographic display of threats and vulnerabilities.

National Response Plan Implementation

The Secretary of Defense is one of the signatories to the National Response Plan for a unified, all-discipline, and all-hazards approach to domestic incident management. Under its mission of defense support of civil authorities, DOD and USNORTHCOM play a support role in the implementation of all the National Response Plan emergency support functions.

Information Sharing Capabilities

Our information sharing strategy is based on a "need-to-share" as well as a "need-to-know" paradigm and has three elements:

1. Common procedures so all our mission partners speak the same language. We coordinate procedures with DOD and non-DOD organizations through deployed liaisons, mobile training teams, and automated methods such as video teleconferencing and email.
2. Optimization of technologies and capabilities. We provided secure communications capability to states involved in National Special Security Events, and we drew upon National Guard units to install equipment and train people.
3. A process to improve our ability to share information. We are working to establish a homeland defense information integration and collaboration center for DOD and non-DOD participants.

National Common Operational Picture

We are making progress in developing a National Common Operational Picture that will fuse situational awareness information across the land, sea, air, space, and cyber domains. The goal of the National Common Operational Picture is to provide a streamlined command and control capability to DOD and interagency decision makers.

Exercises

NORAD and USNORTHCOM sponsor two large-scale exercises and over 30 smaller-scale exercises annually. Our exercise scenarios have simulated air, maritime, and port threats; incident management operations; protection of critical infrastructure; maritime interception operations; bioterrorist attacks; other weapons of mass destruction attacks; cyber attacks; and natural disasters such as hurricanes. To date, over 115 Federal, State, local, tribal, and multinational units, agencies, and organizations have participated in our exercises. We continue efforts to increase cooperative international exercise efforts with Great Britain, Canada, and Mexico. During our most recent exercise in August 2004, Canadian and British representatives observed operations at Headquarters NORAD–USNORTHCOM and Mexican representatives observed operations at Headquarters, Fifth Army, Fort Sam Houston, Texas. Lessons learned from each exercise resulted in actions to refine operational procedures and are disseminated to all players.

National Exercise Program

We have worked with the Department of Homeland Security to synchronize our exercise program with the National Homeland Security Exercise program, which exercises the National Response Plan and the National Incident Management System using a comprehensive all-hazards approach involving representatives from Federal,

State, and local governments and private sector organizations. The National Homeland Security Exercise program will consist of one large-scale exercise per year. The Department of Homeland Security leads the effort in odd numbered years; USNORTHCOM leads the effort in even numbered years.

Homeland Security/Homeland Defense Education Consortium

Our Homeland Security/Homeland Defense Education Consortium is an integrated, nationwide network of over 100 military, Federal, and civilian academic and research institutions conducting educational programs and research related to homeland security and defense. The Consortium has a four-point charter:

1. Ensure the DOD roles in homeland security and homeland defense are accurately reflected in national education initiatives.
2. Facilitate homeland security and homeland defense education program development.
3. Focus research through the development of NORAD–USNORTHCOM research priorities.
4. Encourage cooperation and networking.

Bioterrorism Preparedness and Response

USNORTHCOM is a full participant with the Department of Homeland Security in the National Biosurveillance Integration System. The National Biosurveillance Integration System will provide our Nation with near-real-time warning of a biological event, either man-made or natural. Along with other Federal agencies, USNORTHCOM will provide trained medical analysts to the National Biosurveillance Integration System when it stands up in May 2005, and we will remain a major participant on the National Biosurveillance Integration System Joint Leadership Council.

USNORTHCOM is prepared to assist Federal, State, and local authorities with planning, exercising, and implementing efforts to improve response to a bioterrorism attack. At the request of a primary agency and upon direction by the President or the Secretary of Defense, USNORTHCOM can coordinate trained biological experts for civil support or incident management.

Theater Security Cooperation with Canada

USNORTHCOM is actively engaged in efforts to expand maritime, land, and civil support defense cooperation with Canada. Using the talents and resources of the Canadian-U.S. Bi-National Planning Group, we are examining existing plans and documents for areas where we can improve our military-to-military cooperation. For example, we are refining maritime information sharing arrangements with the Canadian Navy in order to enhance our awareness of potential maritime threats. Our objective is to develop a series of contingency plans and cooperative procedures for homeland defense and civil support on both sides of the border in response to transnational threats and natural disasters.

Theater Security Cooperation with Mexico

USNORTHCOM continues to advance our relationship with Mexico by building trust and understanding with the senior leadership of the Mexican military on transnational security issues such as counterterrorism, counterproliferation, and counterdrug operations. We are seeking cooperation with the Mexican military to enhance air surveillance capabilities, and we are working with the Mexican Navy to make their recently purchased E–2C aircraft operational. We plan to expand assistance to Mexico through Foreign Military Financing and to increase counterterrorism and counterdrug funding.

USNORTHCOM's Interagency Relationships

In August 2003, the Secretary of Defense directed all combatant commanders to establish a Joint Interagency Coordination Group to improve interagency coordination and support. The NORAD–USNORTHCOM Joint Interagency Coordination Group includes 59 resident DOD and non-DOD agency representatives, all of whom provide subject matter expertise to ensure mutual support of homeland defense and civil support missions.

Some of the agencies with resident representatives at our headquarters in Colorado Springs include the Department of Homeland Security (U.S. Customs and Border Protection (Air and Marine Operations), Federal Emergency Management Agency, Transportation Security Administration, and U.S. Coast Guard), Central Intelligence Agency, Department of State, Environmental Protection Agency, Federal Aviation Administration, Federal Bureau of Investigation, Humanitarian International Services Group (a non-governmental organization), National Geospatial-In-

telligence Agency, National Laboratories, National Security Agency, U.S. Army Corps of Engineers, and U.S. Geological Survey.

USNORTHCOM'S Relationships With Other Combatant Commands

We have established a conceptual framework for a layered defense of the homeland in coordination with the other combatant commands. We are working closely with other regional combatant commands to improve coordination on intelligence issues and eliminate threats to our homeland originating in the forward regions. Together, we provide a layered, active, and integrated defense for our citizens at home and abroad.

POTENTIAL CAPABILITIES FOR NORAD AND USNORTHCOM

As we investigate existing technologies and capabilities for innovative uses, we are also focusing on emerging technologies to meet our requirements. We urge Congress to fully fund the following promising initiatives.

High Altitude Airship Advanced Concept Technology Demonstration

NORAD, the Office of the Secretary of Defense, the Missile Defense Agency, and the U.S. Army are working together to demonstrate the technical feasibility and military utility of an unmanned, untethered, long-duration High Altitude Airship. The High Altitude Airship Advanced Concept Technology Demonstration seeks to build and fly a prototype high altitude airship in order to validate this capability. The goal of the high altitude airship is to provide a long-endurance, geo-stationary, re-taskable multi-mission platform capable of performing wide area intelligence, surveillance, reconnaissance, and communications.

Battle Control System-Fixed

Battle Control System-Fixed will improve NORAD's capability to monitor, track, and intercept unknown aircraft in the approaches to and within North American airspace. Battle Control System-Fixed will provide connectivity with radars and sensors across North America, thereby giving the United States and Canada a more seamless integrated air defense capability. Battle Control System-Fixed spirals 1 and 2 are scheduled for completion in the spring of 2006.

Full Spectrum Wide Area Surveillance

While the Federal Aviation Administration long-range radars comprise the only 24/7 fixed air surveillance capability in the continental United States today, they are inadequate for addressing the emerging, low-altitude air threat of the future. Inherent line-of-sight limitations restrict their ability to detect low altitude threats, and the systems were not designed as air defense sensors to track small radar cross-section targets. We encourage full funding of the fiscal year 2006 budget for research and development programs that will lead to the deployment of a persistent, wide-area surveillance network capable of tracking small and low-altitude threats, as well as conventional aircraft.

Homeland Security/Defense Command and Control Advanced Concept Technology Demonstration

In fiscal year 2002, DOD approved the Homeland Security/Defense Command and Control Advanced Concept Technology Demonstration to address the complex agency interactions associated with homeland security. The objectives of the demonstration are to:

- Understand the homeland security problem.
- Define requirements for integrated information-sharing services.
- Develop a concept of operations for significantly increasing homeland security responsiveness.
- Identify, refine, and transition technologies that improve deterrence, intelligence, crisis response, and incident management.

Our goal, as the operational sponsor for this demonstration, is to provide the homeland security and defense communities with advanced technologies that improve information sharing, collaboration, and decisionmaking in a trusted information exchange environment.

Transformational Communications

NORAD and USNORTHCOM rely on satellite communications to support homeland defense operations. We believe the Air Force's transformational satellite system is the best means to meet our requirements for high-speed, secure communications.

Coalition Warrior Interoperability Demonstration 05

USNORTHCOM is the host combatant command for Coalition Warrior Interoperability Demonstration 05. The goal of the demonstration is to reduce normal procurement timelines by fielding off-the-shelf information sharing systems which meet warfighter requirements.

We see effective interagency cooperation on potential capabilities as the key to successful homeland defense and security.

CONCLUSION

We are grateful for the Senate Armed Services Committee's support of our people and missions. We also appreciate what your committee has done to strengthen our Nation's security and improve the quality of life for all members of the Armed Forces. With your help, we will continue to work side-by-side with our partners to ensure we are prepared to protect and defend our homeland. Thank you for the privilege to appear before you. I look forward to your questions.

Chairman WARNER. Thank you very much, Admiral.

Colleagues, we will now proceed to a first round of questions.

Admiral, can you touch on your area of responsibility as it relates to yesterday's incident at the Department of Defense mail room in Fairfax, Virginia, involving possible anthrax findings?

Admiral KEATING. Yes, sir. Our Domestic Warning Center, our command's operation center, if you will, in the Northern Command headquarters in Colorado Springs, was notified by the National Military Command Center (NMCC) of this unfolding situation. I mentioned the interagency contacts that we have. We notified several folks, foremost among them the Department of Homeland Security, and then we established and maintained contact with the NMCC as the immediate alarms indicated a potential anthrax situation. We maintained constant contact with the NMCC and with the Department of Homeland Security.

We notified the Department of Agriculture and several other interagency contacts through our operations center, and then watched. We did not take an active role, but watched and provided some input as the Pentagon officials made the decision to offer certain prophylaxis treatments to those folks who may have been involved in the situation.

My current understanding is that the filters are being tested again for a positive anthrax determination and our Domestic Warning Center is keeping in close contact with the folks in the Pentagon, principally at the NMCC.

Chairman WARNER. Are you satisfied with the level of experienced people and equipment that you have on hand to deal with that type of threat?

Admiral KEATING. I am, sir.

Chairman WARNER. Thank you.

Turning to a press report of yesterday, and I will read a piece of it and you will pick up immediately I am sure: "While downplaying potential risks in the Canadian-U.S. defense relationship, officials say they are unsure if plans to expand military cooperation between the two countries will take the form of a new binational command that extends beyond the current agreement for aerospace. At issue is the future of the North American Aerospace Defense Command. The 47-year-old agreement allows the two countries to respond jointly to threats from the air. That agreement is up for renewal next year. Officials from both countries in recent

weeks have downplayed the impact of Canada's surprise decision not to participate in the U.S. ballistic missile defense system."

What can you say about this situation? Canada is one of our oldest and most valued allies and we are jointly trying to protect our respective populations and sovereign nations against threats. But cooperation I would think is essential between these two countries.

Admiral KEATING. Yes, sir. In my NORAD hat, I enjoy a deputy, a Canadian three-star air force officer, who is a trusted adviser, and he and I communicate frequently on a broad variety of issues, missile defense being one of them.

Canada allows us to use the NORAD systems that we have in Canada and the United States as an alert warning mechanism, part of an integrated alert system for inbound missiles. So we share that information and we use it. We will use it when we are given limited defensive operational authority by the Secretary and the President.

In terms of our ability to execute that mission with or without Canada's participation, we would prefer to have Canada as a member, but it does not restrict us in any way from doing the mission that the President and the Secretary will give us.

In terms of the maritime aspect of NORAD, it is something we are studying very carefully. As you probably know, it is a Department of State lead, not a Department of Defense lead, with the Canadian Ministry of Foreign Affairs. We have provided to the Office of the Secretary of Defense our position, and it is, briefly, that a maritime NORAD is a nice concept, but we think that it would be unnecessarily restrictive. That is to say, we want to be able to work with other partners, principally Mexico, as Mexico reaches their own decisions on the degree to which they want to participate with information sharing. We want to work with our good friends in Southern Command and throughout the hemisphere, and then throughout the other geographical combatant command areas of responsibility to share information and a common operational picture.

We think a maritime NORAD under the construct that we have enjoyed with the aerospace NORAD would be unnecessarily restrictive, though that is not to say we would discount Canada's participation in a maritime NORAD. The negotiation is ongoing with the State Department in the lead.

Chairman WARNER. The missile defense part?

Admiral KEATING. I am sorry?

Chairman WARNER. Missile defense.

Admiral KEATING. We would prefer to have Canada as a partner, but their participation or lack of participation will not affect my ability to do the job that the Secretary and the President will give me.

Chairman WARNER. General Craddock, you recently initiated investigations into allegations by Federal Bureau of Investigation (FBI) agents of abuse of detainees by military interrogators in 2002. This week's Newsweek reports that these allegations are being substantiated and that some Reserve component interrogators are being recalled to active duty to face disciplinary action.

What can you advise the committee with regard to this investigation this morning?

General CRADDOCK. Thank you, Mr. Chairman. The investigation is ongoing. I brought in and appointed General Schmidt, Lieutenant General Mark Schmidt, as the senior investigating officer so that he could interview officers senior to Brigadier General Furlow. I met with both General Schmidt and General Furlow last week. I asked them for their time lines. They are interviewing today. They have made the necessary coordination to interview the people that they both now feel necessary, and I have told them that they are to give me their report by the 31st of March.

With regard to the Newsweek article I saw this morning in the press, that is news to me. I cannot comment because I have never heard that before.

Chairman WARNER. So in other words, you cannot lend any credence to the allegations?

General CRADDOCK. No, sir.

Chairman WARNER. The Colombian Government has had recent success in capturing some key rebel leaders and returning civil order to certain areas that had been under previous rebel control. Give us your overview of the situation in Colombia and what additional assistance would be of most help to the Colombian Government in defeating the narcoterrorists?

General CRADDOCK. Thank you, Mr. Chairman. With regard to the situation in Colombia, the Colombians are making steady, good progress in their fight against the narcoterrorists. As you stated, their fight against the FARC in the FARC homeland, where there has been essentially a sanctuary for years where the FARC has been able to establish logistics depots and roam the countryside and recruit at will, is now over. The Joint Task Force Omega, a military element of some 17,000, is working that area. They are engaging. The FARC will not stand and fight in formations as they have previously done. They now have broken up because they realize they cannot prevail.

In that area, which as I said is a very large area, a couple times the size of Iraq, the FARC is under duress. There have recently been some FARC attacks around the country that are sensational, if you will, but they are tactical in nature and they are not going to in any way impede the continued progress of the Colombian military in that fight.

The FARC attacks over the last year are actually down about 44 percent. Kidnappings are down 45 percent. For the first time, as I stated earlier, there is government presence in every municipality. There is freedom for Colombian citizens to travel the roads in their automobiles without fear of interdiction and kidnapping. So the security situation is improving. The attacks on the pipeline up in the Aravca Province are down 80 percent. So they are all good metrics and good signals, and the Colombians are continuing to press the FARC.

With regards to the paramilitaries, the United Self-Defense Forces of Colombia (AUC), they are negotiating for a demobilization and re-insertion program that will demobilize, train, and then re-insert them into the civilian society as useful partners.

The third faction, the National Liberation Army (ELN), is looking like they are leaning now towards coming to the table to nego-

tiate even though the FARC is still influencing them considerably not to do so, but to join ranks with them and continue to fight.

But on balance, it is a positive situation. Now, your question, what can we do, what assistance is needed? Stay the course. The assistance that we are providing, at least at the Department of Defense and Department of State in the counterdrug area and the law enforcement area, is essential now for the Colombian Government to continue to make progress. We just need to stay the course, continue to provide the current level of assistance.

We must watch closely to see that as Colombia succeeds the problems do not move into other areas in the Andean Ridge—Ecuador, Peru, Bolivia. We are doing that, and your assistance through the Andean Ridge Initiative allows us to also provide assistance and resources there.

So I think at this time the best characterization I have heard is from our ambassador to Colombia, Ambassador Bill Wood. When we talk about this, he says: In the football analogy, the Colombians are making first downs routinely; the problem is we just do not know where the goal line is at this point.

Chairman WARNER. Thank you very much.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

Admiral Keating, last year NORAD had a $50 million unfunded requirement to develop and establish a low-altitude air defense system to protect against threats, including UAVs and cruise missiles. Are all of your priorities for dealing with low-altitude threats funded in the 2006 budget request?

Admiral KEATING. They are not, sir. We have several outstanding, not big sums of money, but there are ongoing concept technology demonstrations where the Department has decided to discontinue funding, and we are working within the Department to try and reapply funding.

Senator LEVIN. Would you supply that for the record?

Admiral KEATING. I would be happy to, sir.

[The information referred to follows:]

Not all of NORAD's priorities for countering the low-altitude air threat are fully funded in the 2006 President's budget. The following shortfalls exist:

- Sustainment of the North Warning radars, $4.9 million in Air Force Operations and Maintenance funding
- Sustainment of the Joint Surveillance System radars $2.8 million in Air Force Operations and Maintenance funding
- Tactical Datalink, which enables beyond line of sight communications to execute command and control tasks for Operation Noble Eagle, $8.0 million in Air Force other procurement funding

In addition, we support transformational near-space technologies, such as airships, that offer promise for the persistent wide area surveillance necessary for countering low-altitude threats.

NORTH AMERICAN AEROSPACE DEFENSE COMMAND
AND
UNITED STATES NORTHERN COMMAND

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MAR 18 2005

The Honorable John Warner
Chairman, Committee on Armed Services
United States Senate
Washington DC 20510-6050

Dear Mr. Chairman

We appreciated the opportunity to discuss our missions and priorities with the Senate Armed Services Committee earlier this week. During the hearing, you asked that we provide you our fiscal year 2006 operational funding gaps. The attached information describes the areas where we could use additional funding to enhance our capabilities to defend our homeland.

Sincerely

TIMOTHY J. KEATING
Admiral, USN

cc:
Senator Carl Levin

Attachment:
FY06 Combating Terrorism Operational Funding Gaps

Funding Requirement for
FY 2006 Global War On Terrorism

FY 06 COMBATING TERRORISM OPERATIONAL GAPS ($M)

Priority		FY06
1	**Joint Task Force Civil Support (JTF-CS) (Air Force)**	3.0
	JTF-CS plans and integrates DoD support to the designated primary agency for domestic Chemical, Biological, Radiological, Nuclear and high-yield Explosive (CBRNE) consequence management operations. Deploys to incident site to establish C2 of DoD forces.	
2	**Joint Task Force North (Air Force)**	6.0
	Establishes HQ Joint Task Force North with capabilities to detect, deter, prevent and defeat transnational irregular and catastrophic threats to the homeland, and sustains proactive, actionable-intelligence based operations and cooperative engagements.	
3	**Mobile Consolidated Command Center (MCCC) (Air Force)**	6.2
	If not funded; unable to sustain interoperability with national C2 systems and real-time situational awareness. Delays capability enhancement of non-strategic C2 operations for U.S. Northern Command.	
4	**Joint Protection Enterprise Network (JPEN) (Air Force)**	3.6
	Provides reporting capability and situational awareness to the military law enforcement and intelligence communities through a unclassified, but protected web-based system designed to share non-validated Anti-Terrorism/Force Protection events.	
5	**CBRNE Enhanced Response Force Package (CERFP) (Army)**	12.0
	Without funding the CERFP teams will not be able to perform mass decontamination, triage, and emergency medical treatment for incident "hot zone."	
	Total	30.8

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 1

Requirement Title: Joint Task Force Civil Support (JTF – CS)

Amount Requested for FY 2006: $3M

Description of Program/Activity: JTF-CS plans and integrates DoD support to the designated primary agency for domestic Chemical, Biological, Radiological, Nuclear and high-yield Explosive (CBRNE) consequence management operations. APPN 3400, BA 01, PE 21110F

Reason Funds are Required: In the event of a CBRNE incident and when directed by the Commander of U.S. Northern Command, JTF-CS will deploy to the incident site, establish command and control of designated DoD forces, and provide military assistance to civil authorities to save lives, prevent injury and provide temporary critical life support. The funds are required to provide the additional staffing to plan for and conduct CBRNE operations following a CBRNE incident.

Impact if Funds are Not Provided:

- High-risk to mission accomplishment.
- Inability to sustain 24/7 operations without significant augmentation.
- Degradation in support to multiple simultaneous CBRNE consequence management operations and National Special Security Events.
- Limited ability to support other combatant commanders during CBRNE events.
- Limited ability to participate in doctrine development efforts and provide assistance to other commands with CBRNE consequence management deliberate planning.

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 2

Requirement Title: Joint Task Force North (JTF-N)

Amount Requested for FY 2006: $6M

Description of Program/Activity: Provides HQ JTF-N with capabilities to detect, deter, prevent and defeat irregular, disruptive and catastrophic threats to the homeland. Sustains actionable intelligence-based counterterrorism operations with interagency and partner nations in accordance with Commander, U.S. Northern Command and Chairman, Joint Chiefs of Staff strategic guidance, directives, orders and Global War on Terrorism objectives. APPN 3400, BA 01, PE 21110F

Reason Funds are Required: Funds new mission and new building operating and maintenance costs; headquarters oversight responsibilities; C4I equipment, supplies and maintenance; and 33 strategy, planning, operations, intel and C4 full-time equivalents. Enables collection, fusion, analysis and dissemination of intel and precision layered defense against foreign terrorist organizations, narcoterrorist organizations, alien smuggling organizations and other state/non-state threats, and their means and infrastructure, including the acquisition and movement of MANPADs and WMD threats.

Impact if Funds are Not Provided:

- Lack of funds would impair U.S. Northern Command's ability to transform JTF-N from a tactical, reactive, counterdrug-focused organization to an operational, proactive, transnational threat-focused organization driven by actionable intelligence.
- Addition funds would
  - Ensure JTF-N and U.S. Northern Command situational awareness and monitoring within and along the approaches to the AOR in air, land and maritime domains.
  - Support JTF-N's technical architectures to feed the U.S. Northern Command's common operational picture and ensure decision superiority.
  - Enable coordination of operational-level support to lead agencies;
  - Support command theater security cooperation efforts and initiatives to secure the homeland

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 3

Requirement Title: Mobile Consolidated Command Center (MCCC)

Amount Requested for FY 2006: $6.2M

Description of Program/Activity: Provides mobile, survivable, secure, jam-resistant C2 capability for U.S. Northern Command. APPN 3400, BA 01, PE 35903F

Reason Funds are Required: In the event of a terrorist attack, the MCCC provides command, control and communications capabilities to support of the President, the Secretary of Defense and the Chairman, Joint Chiefs of Staff. The addition of $6.2M would restore sustainment funding across the FYDP caused by the Air Force FY04 Program Objective Memorandum cuts.

Impact if Funds are Not Provided:

- Interoperability with other C2 systems may not be sustained causing slower data transfer and decreased real-time situational awareness and C2 response.
- Delays to capability enhancements of non-strategic C2 operations for U.S. Northern Command

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 4

Requirement Title: Joint Protection Enterprise Network (JPEN)

Amount Requested for FY 2006: $3.6M

Description of Program/Activity: JPEN provides situational awareness to DoD law enforcement and intelligence communities through an unclassified, but protected web-based system designed to share non-validated, real-time, Anti-Terrorism/Force Protection events in order to combat terrorism. JPEN is a critical technology that is essential to meeting Deputy Secretary of Defense requirements for standardized and timely submission of Threat and Local Observation Notices (TALON) and Suspicious Activity Reports (SAR) across DoD. Current TALON reporting is non-standardized and a "pull" system with no means of pushing reports down to DoD organizations. APPN 3400, BA 01, PE 21130F

Reason Funds are Required: JPEN was established with an initial funding profile of $20M—$5M in FY03 CINC Initiative Funds and PBD 726 directed $10M in FY04 and $5M FY05. Funding for FY06 and beyond was never provided by DoD when the system was transferred to NORAD-USNORTHCOM. The lack of funding will degrade our ability to fully implement and sustain the system's operational requirements and interfaces.

Impact if Funds are Not Provided:

- Lack of JPEN capabilities will return TALON and SAR reporting to status quo, stove-piped processes that result in extreme loss of visibility of TALON events and limit the ability of Service and Defense Agency commanders to collect, report, and share potential terrorist threats to DoD bases and facilities.

- NORAD-USNORTHCOM's baseline is insufficient to absorb the dollars required to fully implement this program across all DoD services and organizations to include the Navy, Army, Air Force, and Marine installations.

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 5

Requirement Title: CBRNE Enhanced Response Force Package (CERFP)

Amount Requested for FY 2006: $12M

Description of Program/Activity: National Guard CERFP is comprised of M-Day personnel task organized from existing National Guard units that provide specialized CBRNE response within the 6-72 hour gap after an incident. National Guard CERFPs support casualty/patient decontamination at or near a CBRNE incident, provide triage/emergency medical treatment and conduct casualty search and rescue. APPN 3400, BA 01, PE 21890F

Reason Funds are Required: Funds 12 Air National Guard/Army National Guard CERFP teams with decontamination and medical equipment and supplies, transportation, and specialized training and certification for rapid CBRNE response force capabilities.

Impact if Funds are Not Provided:

- High risk of not meeting the Assistant Secretary of Defense for Homeland Defense requirement for USNORTHCOM to be prepared to plan for and respond to multiple, simultaneous CBRNE events.
- Without CERFPs, active forces are unable to respond rapidly to numerous simultaneous CBRNE incidents due to geographic constraints and availability of CBRNE specialized forces. Delayed response will exceed critical period demanded for CBRNE consequence management and life-saving capabilities that minimize loss of life.
- Additional funds would resource fielding and training/certification for six full-spectrum Integrated Vulnerability Assessment Teams to analyze and assess Defense Industrial Base critical infrastructure

Senator LEVIN. Is there an agreed plan in place for the defense of the United States against cruise missiles?

Admiral KEATING. There is not an active plan. We are developing a concept of operations in U.S. Northern Command right now. If the situation were to arise, we would be able to take measures to combat a cruise missile threat. But the direct answer to your question is there is not an approved plan on the shelf right now.

Senator LEVIN. Admiral, the chairman asked about missile defense and Canada's decision not to participate in it. Your answer is that their decision not to participate does not affect the plan or the operations that might take place for that missile defense. That being the case, what was the ambassador's meaning when he

threatened the Canadians as follows back in July 2004? He said that "'By spurning the U.S. missile shield, Canada would forfeit some decisionmaking power during emergencies over its soil,' Washington's ambassador to Ottawa said."

Have they forfeited that partnership?

Admiral KEATING. Senator, I do not know. The policy decisions that are being weighed in the Office of the Secretary of Defense and at the White House now include, or would have included had Canada participated, Canadian officials, prime minister, minister of defense, who have the authority to authorize the launch of antiballistic missiles if the target had been, let us say, Ottawa. With Canada now not participating, I am not aware of the direction that OSD or the White House are taking in that policy decision.

I just know that, where I sit in Colorado Springs, my ability to protect the United States is not adversely affected by Canada's decision.

Senator LEVIN. All right. So you see no impact on NORAD?

Admiral KEATING. I do not, sir. We would prefer to have them, but we are not restricted in our operations if we do not have them.

Senator LEVIN. You see no effect on your operations?

Admiral KEATING. That is correct, sir.

Senator LEVIN. General Craddock, we have not used the full amount of authorized personnel in Colombia, is that correct? The cap was raised last year, but we have not gone up to that cap?

General CRADDOCK. That is correct, Senator.

Senator LEVIN. Why is that?

General CRADDOCK. At this point, we have not needed to increase that number. It is based upon Colombian military activities, their plans and actions, and how we need to provide them planning assistance and logistics assistance.

Senator LEVIN. The supplemental funding request for the Department of Defense includes $36 million for a new 196-cell maximum security facility to house detainees at Guantanamo. What assumptions are made about the future detainee population at Guantanamo that is being used to determine that construction requirement?

General CRADDOCK. Back in September when that was initially briefed up through the Office of Secretary of Defense, key leaders there, the assumption was that there will be some number of detainees who are, one, still of intelligence value that need to be interrogated so that we continue to glean how these extremist operations are put together or may continue to work, and where they may do that also is important. Two, there will be some number of detainees who are diehard extremists who, if released, will try to go after, kill, or attack Americans.

Senator LEVIN. What is that "some number"? I mean, why 196 cells over 150 or 250? What is the rationale?

General CRADDOCK. Well, what we would like to do, the concept, is to close down 1, 2, and 3 because they are temporary facilities essentially. Camp 4 is a medium security facility with communal capabilities to allow the detainees to mingle for recreational periods and for meals. We also have Camp 5, which is maximum security. So if you take the capacities of Camp 4 and 5, that is less than

the anticipated number that would be the total of the two categories I said we might have to keep there.

Senator LEVIN. Would you submit for the record the assumptions which are being made that led to that particular size? It is a lot of money.

General CRADDOCK. Certainly.

[The information referred to follows:]

The $36 million requested in the supplemental is to construct a 176-cell (220 detainee) long-term maximum security detention facility. Building Camp 6 would enable us to mothball Camps 1–3 and reduce the total guard force requirement by 124 guards. Camps 1–3 were designed and built as temporary modular open air steel cell construction medium-security detention facilities; requiring robust forces to guard maximum-security detainees. These camps are nearing the end of their life expectancy; refurbishment and maintenance costs are becoming prohibitive and the required robust guard force is an inefficient use of manpower. Although the camps would be closed, they would not be destroyed providing a surge capacity to house an additional 760 detainees in a maximum security environment should the need arise. [Deleted.] We assess whether or not a detainee has intelligence value or poses a threat to the U.S. and make recommendations on detainee status to the Office of Administrative Review for the Detention of Enemy Combatants (OARDEC). Authority to recommend the release or transfer of detainees to their country of origin rests with OARDEC. OARDEC has begun Administrative Review Boards that will annually consider detainees for potential release or transfer. [Deleted.]

Senator LEVIN. Relative to Guantanamo, the chairman asked you about a current report in the press. There is another recent report, the Church Report, which recounts some very serious concerns of the Navy Criminal Investigative Service (NCIS), and this part of the Church Report has just come to my attention. What the Church Report cites is a July 2004 memorandum prepared by the Navy General Counsel Mora for their investigation. It describes how the director of the NCIS, Mr. Brant, reported to Mr. Mora in December 2002 about a detainee at Guantanamo "being subjected to physical abuse and degrading treatment."

The concerns were so serious that the Defense Department Criminal Investigative Task Force, of which NCIS is a part, according to the Church Report, "decided to disassociate itself from that interrogation." Then, according to the Church Report, the July 2004 memo from Mr. Mora also describes a December 2002 briefing that Mr. Mora received from the NCIS chief psychologist, Dr. Gellis. Dr. Gellis concluded that, based on extracts of detainee interrogation logs, that the intelligence personnel at Guantanamo had started "using abusive techniques and coercive psychological procedures." According to Mr. Mora, NCIS Director Mr. Brant said that if these aggressive practices continued the NCIS "would have to consider whether to remain" at Guantanamo.

Mr. Mora, according to the Church Report, concluded these interrogation techniques, "would be unlawful and unworthy of the military services."

Now, apparently these techniques, based on the NCIS concerns, were briefed to Secretary Rumsfeld and led him to rescind his approval of those aggressive techniques in January 2003. I am wondering what you can tell us about this matter, either from your current position or from your previous position as the senior military assistant to the Secretary of Defense. What can you tell us about that event?

General CRADDOCK. I am not aware of any letters between the Director of the NCIS and General Counsel Mora of the Navy. They may be in the report. I have not read the entire report. So I cannot comment on that.

Based upon the time lines that you articulated when these letters transpired, it matches up with the time line back in the fall of 2002 with regard to the request from the Joint Task Force at Guantanamo Bay for specific interrogation techniques, the tiered request, which was approved in December, later rescinded in January. So I would—again not knowing, it sounds like this transpired during that period.

So from my perspective today, I have to go back as the commander of SOUTHCOM and read the report to see where it fits in those time lines of approved interrogation techniques.

Now, with regard to my time as the senior military assistant, I can only tell you that as I recall, and I cannot give you the date, but I do recall the General Counsel of the Office of the Secretary of Defense, Mr. Haynes, advised the Secretary that there was concern of the general counsel, general counsels, if you will, with regard to interrogation techniques. He advised him of the nature of the concern, and it was at that point thereafter that the approval of those techniques was rescinded in January and the work group was formed to look at what interrogation techniques would be permissible.

Senator LEVIN. Thank you. If you wish to expand that answer in any way for the record, I would invite you to do so. This is a significant new bit of information in the Church Report that has just come to my attention. It seems to me that any thoughts, recollections, or memories on this matter that you can provide us for the record would be very helpful.

[The information referred to follows:]

As the SOUTHCOM Commander, I have no comments on the Mora Memorandum. All the events detailed in that memo happened long before I assumed command of U.S. SOUTHCOM.

With regard to my previous assignment as the Senior Military Assistant to the Secretary of Defense during the time period covered in the Mora Memorandum, I can only comment on a small portion of what was stated in the memo.

I recall that the time which the Mora Memo states the SECDEF was notified by his General Counsel about concerns of the Navy General Counsel with regard to the interrogation techniques being used at the Guantanamo (GTMO) Detention Facility is generally the same as I described in my testimony.

My recollection is that early to mid-January 2003, during a morning roundtable meeting, the OSD General Counsel informed the SECDEF that the Navy General Counsel had informed the OSD General Counsel of his concerns that the approved interrogation techniques for use at GTMO were abusive, and that that view was also shared by other General Counsels/Judge Advocates in the Department. There ensued a short discussion back and forth with regard to the basis of that judgment and specific objectionable techniques etc. The SECDEF, as was normal, indicated this was not the correct meeting to work through this issue, but rather the General Counsel must pull together the right folks and schedule a meeting with him soon so the SECDEF could understand the issues and determine how to proceed.

Again, as normal, the SECDEF told me as his Senior Military Assistant, to schedule a meeting for the General Counsel to "Tee this up" within a day or two.

That is the extent of my recollection with regard to Senator Levin's question. I do not recall sitting in on the follow-up meeting with the General Counsel.

Thank you, General.

Chairman WARNER. Thank you very much.

General CRADDOCK. Senator, if I could, one follow-up. You ask in your opening comments about the effect of Operations Iraqi Freedom and Enduring Freedom, on current exercise and readiness and training. From a SOUTHCOM perspective with regard to exercises, we see very little impact now. We are still doing the exercises that we planned 18 months, and 2 years ago—humanitarian, military-to-military, and our own internal exercises to sustain our capabilities.

With regard to readiness, the only impact right now is the Guard force at Guantanamo Bay, in that as the force—providing process works when it goes into the Joint Staff and then our requirements are laid out, this time we are having to train naval personnel, security personnel, as opposed to Army, which has changed the process somewhat, but we are still using the same trainers that the Army used. So we have mitigated the impacts of that, we believe.

With regard to training, we see no impact right now. However, we do project an impact with regard to a reduced availability of Special Operating Forces that we use to conduct training throughout the region. We do not know yet, because the process is ongoing with providing the forces for OEF and OIF, and it is a negotiated process, but that impact may be felt late this fiscal year.

Senator LEVIN. Thank you.

Chairman WARNER. Thank you, General.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I want to thank the witnesses for being here today. Admiral Keating, there was a hearing before a subcommittee of the Judiciary Committee yesterday. That panel was told, and I quote, "Despite heightened security measures installed after the September 11, 2001, attacks, terrorists will continue to enter the United States because of inadequate staffing and technology along the border and a faulty visa system."

Do you agree with that assessment, Admiral?

Admiral KEATING. I do, sir.

Senator MCCAIN. In your view is it entirely possible that terrorists may be able to cross our southern border?

Admiral KEATING. I think it is possible, Senator.

Senator MCCAIN. There was a recent report by the Director of the FBI that it happened.

Admiral KEATING. That would substantiate the possibility.

Senator MCCAIN. What do you think we ought to do, Admiral?

Admiral KEATING. From the Northern Command position, Senator, I would say that the application of better technology that would help us——

Senator MCCAIN. Could I just stop you there? We had unmanned aerial vehicles (UAVs) in Arizona on the border, patrolling the border, and there was a fight between the Department of Defense (DOD) and Customs and now we do not have UAVs on the border any more, and it is possible that we could have them by next December. Is that the kind of progress that we can look forward to?

Admiral KEATING. Not if I have anything to say about it, sir.

Senator MCCAIN. Are we aware of the UAV situation in Fort Huachuca?

Admiral KEATING. I was aware of it. I would not have attributed it to a disagreement between DHS, any of the agencies in DHS, and DOD. It was more the reliability of the platform itself. That is the challenge that I am aware of, and I am told it is being addressed.

Senator MCCAIN. Well, in all due respect, we are able to run the UAVs in Afghanistan and Iraq, but somehow there is some problem with the reliability of running it out of an Army base in southern Arizona. I do not get it.

For years, Admiral, I thought it would be a terrible mistake to send the military to the border. Now I am beginning to wonder whether we ought to explore that option, because it is clear, with the dramatic increase in illegal immigrants coming across our border—and the statistics back that up—that the more and more likelihood it is that a terrorist would be crossing our border.

The situation—are you keeping track of the numbers of illegals who are apprehended crossing the borders?

Admiral KEATING. Not on a daily basis, but I am——

Senator MCCAIN. Are you on a weekly or a monthly basis?

Admiral KEATING. Periodically, yes, sir.

Senator MCCAIN. Do you think maybe you ought to increase your awareness of that, since it continues to increase, the numbers of illegals who are apprehended, which then translates into the numbers who are crossing our border?

Admiral KEATING. Yes, sir. For example, I am going down to Joint Task Force North when I leave Washington to visit the headquarters, my first visit there—to see firsthand what it is that Joe Riojas and his 150 men and women are doing in support of law enforcement and drug agencies. If I can come back with some concrete recommendations, I will be happy to provide them to you, sir. One of them is UAVs, to be sure.

Senator MCCAIN. Do you think it should take between now and December before we could get UAVs on the border again?

Admiral KEATING. I do not think it should take that long, nor do I think it will take that long.

Senator MCCAIN. Thank you. I really hope that you will give this a very high priority. The 9–11 Commission stated in their report that our borders are vulnerable to penetrations by terrorists. The director of the FBI said that there is evidence that already people have crossed our southern border. The numbers of illegals continues to go up. Yet when there was in our appropriations bill a mandate of an increase of 2,000 additional agents on the border, that was rejected and did not happen.

I do not believe that necessarily numbers of personnel is the answer. But I certainly believe that technology should be employed, and from what I have seen there is not the kind of movement. I want to tell you that my constituents are getting incredibly frustrated over the devastating impacts of illegal immigration. But more importantly, I do not see how we can tell the American people we are making progress on the war on terror if our borders are virtually unprotected.

So I hope you will give it some priority, Admiral, and I would appreciate you getting back to me personally as to what conclusions and recommendations you might have from your upcoming visit.

Admiral KEATING. I will be happy to do that.

[The information referred to follows:]

On 6 April 2005, Admiral Keating sent the attached letter to Senator McCain.

NORTH AMERICAN AEROSPACE DEFENSE COMMAND
AND
UNITED STATES NORTHERN COMMAND

Admiral Timothy J. Keating
Commander, NORAD and USNORTHCOM
250 Vandenberg Street, Suite B016
Peterson AFB CO 80914-3801

APR 0 6 2005

The Honorable John S. McCain
United States Senate
Washington DC 20510-0303

Dear Senator McCain

During the Senate Armed Services Committee's hearing on 15 March 2005, you asked that I personally provide my conclusions and recommendations regarding my visit to Joint Task Force North (JTF-N).

On 17 March 2005, I gained a firsthand appreciation of the important missions the men and women of JTF-N conduct on a daily basis. For over 15 years, JTF-6 and now JTF-N have supported law enforcement agencies in counter-drug missions, including coordination of military unmanned aerial vehicle support to U.S. Customs and Border Protection since 1995. Last year, JTF-N coordinated over 1578 unmanned aerial vehicle flight hours, mostly along the southern Arizona border. This year, 245 flight hours have been logged to date.

JTF-N's most recent operation included a 60-day joint training mission in southern New Mexico that allowed soldiers from Fort Wainwright, Alaska to train in rugged desert terrain in preparation for their deployment to Iraq. The mission provided surveillance support, including unmanned aerial vehicles, to U.S. Customs and Border Protection. JTF-N is currently planning multi-sensor operations, including unmanned aerial vehicles, in support of the Arizona Border Control Initiative.

While JTF-North is sustaining a high level of activity against transnational threats, we believe more can and should be done. In the near term, we seek Congress' support to increase JTF-N's FY06 Operations and Maintenance budget ($4.5M) by $6M to support the task force's ongoing transformation from a counterdrug-focused organization to a transnational threat-focused organization driven by actionable intelligence. In the longer term, we believe a coordinated effort by the Department of Defense and our interagency partners to create a national interagency center to interdict cross-border threats will multiply the effect JTF-N has on improving the security of our nation.

We appreciate your steadfast support of our servicemen and women and look forward to hosting you on a visit to JTF-N at your earliest convenience.

Sincerely

Tim Keating

TIMOTHY J. KEATING
Admiral, USN

Senator MCCAIN. Thank you for your outstanding work.

General Craddock, the cost of an ounce of cocaine on the street in America is less today than it was 3 or 4 years ago, correct?

General CRADDOCK. At least the same or less, yes, Senator.

Senator MCCAIN. When can we expect the cost of cocaine on the street in any major city in America to start going up?

General CRADDOCK. I do not know.

Senator MCCAIN. I am a strong supporter of Plan Colombia and I am a strong supporter of the administration policies in Colombia, and I am a great admirer of the president of Colombia, as you are. But at some point we have to see some concrete results, and the most concrete result is that the price goes up. But you do not have any idea when?

General CRADDOCK. Senator, I do not. No argument here. I agree with you. With our efforts to date in eradication in Colombia, the manual eradication in neighboring nations, with 222 metric tons interdicted, absolutely know we got it, processed, there should be a difference. Why there is not, I do not know. It is a mystery to me. I ask the same questions and I do not get answers.

Senator MCCAIN. Well, part of the answer might be that other countries in South America are now going back to growing poppies. Is that not a partial answer?

General CRADDOCK. Well, the poppies not necessarily so much, but the cocaine, the coca leaf, yes.

Senator MCCAIN. Excuse me. I apologize. I am thinking about Afghanistan. I apologize.

General CRADDOCK. We know that the Bolivian production is up 18 percent over the last year. We think we have counterbalanced that with the reductions in Peru of 17 percent and 22 percent in Colombia. We also know that the price in Europe is going up, and it may be a diversion of supply. I just do not know.

Senator MCCAIN. Well, my time has expired, but perhaps that is because there is an increase in supply of heroin coming out of Afghanistan into Europe, too.

As I say, I think that the President of Colombia and anyone involved in the government of Colombia deserves some kind of reward. They are literally in danger on a daily basis and I think they are fighting bravely to prevent their country from becoming a narcostate and I am very proud of them. But at some point we have to examine when the price of drugs goes up. Otherwise our efforts are not successful, and it is a considerable investment.

I am not saying we should stop anything we are doing. But if it does not go down we had better start examining some alternatives.

General CRADDOCK. Senator, I agree with that, and I would just say that, even though we—I do not know why the price is not going up. I do know there is 222 tons that are not going to get to America, and I do know that the revenues generated from that 222 tons is not going to finance crime in America or finance narcotraffickers somewhere else because we took it out of their hands. So that is a good thing.

Now, the other part of it, I agree, we must continue to try to find out why not.

Senator MCCAIN. Thank you, General.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator. I must associate myself with your questioning on the border. I anticipate that we will probe that further in my next round.

Senator Lieberman.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Admiral Keating, General Craddock, thanks so much for being here. I am really honored—we made light of it I think in the introduction—that Sergeant Major Frye is with you. I am just very proud of his service and doubly proud that he is from New Haven, Connecticut, where I reside. I am sure his family and friends are, too.

Admiral Keating, Senator McCain talked to you about the concern about border security. I share it. Everything he said I agree with. Let me ask you about the other part of our borders, which is the oceans, the waters. We are blessed with a big country with a lot of coasts. There has been a lot of concern about the ability of terrorists to gain entrance from the water. I wanted to ask you about the state of our defenses against a terrorist landing or even an attack from the sea.

Admiral KEATING. We have spent a significant amount of time, Senator, in the 4½ months I have been in Colorado Springs, on the maritime domain. We are currently staffing a new maritime concept of operations, which fundamentally involves a different way of thinking about that domain. We are proposing an active, integrated, layered defense that takes the fight as far away from our shores as we can—to provide better protection to those of us inside the 48 States, Alaska, and Hawaii.

It includes a much more aggressive intelligence and information sharing program with our allies. It capitalizes on improvements being made in our own intelligence gathering capability across the spectrum of those capabilities in our own country. It includes the combatant commanders who are not in U.S. Northern Command—European, Pacific, and Central, of course, and John's folks in Southern Command. It works aggressively with the Coast Guard to be able to find, fix, surveil, and if necessary, board those maritime platforms that we think are worthy of increased attention. It uses all of the capabilities at our disposal, including space and some highly sophisticated classified systems, to track these vessels of interest as they come across the water.

As far as terrorists getting into the country on the maritime domain, as I mentioned, we have extensive interagency contact with the Department of Homeland Security, Customs and Border Patrol, and we are working with them to ensure, as best we can, that the manifests, both cargo and passengers, for those vessels who are making ports of call in the United States, are accurate manifests. If they are not we can either board the ship or keep it at sea until its crew and cargo are checked. This hooks into the commercial interests that are helping us, in that every hour that ship is at anchor outside port they are losing money, the commercial entities.

So again, active, integrated, layered, and I think increasingly effective maritime protection for our country.

Senator LIEBERMAN. Well, that is reassuring. I thank you for it. As I hear it, I conclude that that also would go to another terrorist attack scenario, where they would put some kind of missile on a

boat and from offshore either attack a plane landing or taking off or in fact attack our homeland.

Admiral KEATING. Correct. We are working aggressively on that, Senator. Now, I think I am okay to say in here that we do not have any active intelligence, any intelligence that indicates a capability of a group, whether state-sponsored or not, to prosecute an attack like that today. Nonetheless, we are working on a concept of operations that includes some classified programs and some rather fundamental folks such as Coast Guard Auxiliary men and women, to provide accurate, timely information to a command center and, if necessary, we could launch airplanes, as we do in exercises, to counter a missile launched from a maritime platform.

Senator LIEBERMAN. Thank you.

General Craddock, in our understandable focus on the very matters we are discussing with Admiral Keating—the safety of the homeland, a terrorist attack potential, the war in Iraq and Afghanistan, global war on terrorism—there is a danger, I fear, understandable but still consequential, that we may turn our attention away from other areas that should be of real concern.

One is Latin American generally and the other, in a very different sense, is the emerging power of China. I wanted to ask you a question, a couple of questions, that in one part bring both of those together. The first is, there is obviously something happening in Latin America now that should concern us, which is it came out of a period of dictatorship, went in fortunately to a period of democracy. Now there seems to be instability, including not just more radical governments but ones that may begin to be more authoritarian and less democratic. I want to ask you to comment on that.

Second, the news tells us that China is now being very aggressive in its diplomacy in Latin America, right in our own back yard, and is increasing its own military to military contacts and aid programs as we I gather have been forced to cut back on some of the military aid programs to Latin countries because they have not met our standards in regard to the International Court of Criminal Justice.

So that is probably two or three questions put together that I ask you to answer and help us not lose sight of troubles in our own back yard.

General CRADDOCK. Thank you, Senator. Let me start out then with a little bit of the background, as you have mentioned, the cyclic trend in Latin America with regard to democracy versus other forms of government. If you look back starting at about 1958, on 20-year cycles or so, 1958, 1978, 1998, it has trended to democracies from dictatorships or oppressive forms of government. You look at 1998 and it is all green, if you will, democracies except for Cuba.

Now what we are seeing, as you indicated, is some instability, a populist movement, if you will. It has been characterized as that. Essentially, it boils down to those who are disaffected, those who have not seen their lives bettered through the democratic process, albeit weak democratic processes and institutions but democratic, if you will, are not realizing, not seeing, not feeling, their life being better today than yesterday, and this causes unrest.

This leads to those who wish to have a greater share of wealth or power in nations that have a diverse population with regard to ethnicity and other causes. So this now has created this instability as this movement, whether it is indigenous or whether it is a political, populist movement, it looks to accommodate those people.

The danger we see there is, as nations who are struggling to retain sovereignty and control and provide services and pay down their debts, as they do that they will focus energies in certain areas and other areas will become less controlled, more ungoverned, which as we have seen worldwide becomes a magnet for extremist forces. Wherever there are ungoverned spaces, wherever there is chaos or lack of sovereign control, we tend to find problems migrate there.

So that is the concern and that is what we are working right now, particularly in the Andean Ridge, where the instability appears to be the greatest. But the key from a Department of Defense, U.S. Southern Command, security and stability perspective, is to reinforce the democratic institutions and the democratic processes and the militaries controlled by lawful civilian authorities. So we are focused in that area.

Now, with regard to the Chinese movement or engagement in Latin America, indeed it is real. It is both economic and military in perspective. The economic, there is much rhetoric out there in terms of how much might have been obligated. What we do know is half of China's direct foreign investment is in Latin America. We do know that from 2003, 2004, they increased their amount of trade, import-export, by 50 percent.

From the military perspective, we know that they are providing non-lethal assistance to those who might ask for it or want it. Non-lethal, I am talking about equipment, non-weapons system platforms, other forms of capability.

We also know that they are offering opportunities for military education and training, where they will pay to have military members either individually or in groups go to China to train and to study. So there is a danger that where we are unable to engage others will walk in to fill that vacuum. We would like to be the partner of choice, if you will, U.S. Southern Command. If we cannot do that, we will lose those partners, we will lose those opportunities, and we may, in the long run, have a situation where we will have a generation of military in certain countries that do not know the United States military, and that is not a good thing.

Senator LIEBERMAN. That is not good. That is a very serious warning. My time is up, but we should come back to it at some point. I read elsewhere your concern about the extent to which we have been forced to cut our military aid and contacts to some of the Latin American countries because, as I said, they have not met the threshold we have set on the International Criminal Court (ICC) question, and in that gap the Chinese have come. That is not good long-term for us.

Thank you very much, General Craddock.

Thanks, Mr. Chairman.

Chairman WARNER. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

General Craddock, I was visiting with Senator McCain after his line of questioning, and I have always felt that we do not want to use the military on the borders, for the obvious reasons. It is an end strength problem that we have. We just do not have the resources and the assets to do that. However, I share his concern over what is not being done.

Let me ask you a question because I cannot seem to find anyone who has the answer. When we legislatively left 3½ miles north of Tijuana open, is it my understanding with the bill that is coming over now that that is going to be closed? There was some environmental reason that was left open. Do you have any knowledge of that?

General CRADDOCK. Senator, I will have to defer to Admiral Keating.

Admiral KEATING. I do not, sir. I will find out.

Senator INHOFE. All right, sir. Just for the record, that would be fine.

Admiral KEATING. Yes, sir.

[The information referred to follows:]

Section 102 of the House-passed version of the H.R. 1268, the Fiscal Year 2005 Emergency Supplemental Appropriations Act, contains language authorizing the Secretary of Homeland Security to waive all laws necessary for improvement of barriers at borders. The Senate is scheduled to consider H.R. 1268 in mid-April 2005.

Senator INHOFE. General Craddock, I have been very disturbed over Venezuela and what is happening, particularly after the recall referendum was won by Chavez and the things that he has said. He has said probably more about our country and our leaders than any of the leaders of terrorist nations have, and it really bothers me. He talked about—and this is a quote, he said: "Iran has every right to develop atomic energy. All over the world there is a clamor for equality and the profound rejection of imperialist desires of the United States Government. Faced with the threat of the United States Government against our brother people in Iran, count on us for all our support."

He went on to say, later, he said: "We have invaded the United States, not with weapons but with oil." We know that he went to China and has talked to them.

Now, I recognize that we are buying about 60 percent of their oil, which is only about 12 percent of our imports. That may not sound like much, but he has actually said he could cut us off. If he did, that would be something that would be very difficult for us to deal with.

We have not talked much about Venezuela and I would just like to get your opinion as to what you feel they might pose as a direct or indirect threat to the United States.

General CRADDOCK. Thank you, Senator. Indeed, the problem in Venezuela is of great concern and we watch it closely. It is multifaceted. There is the problem with the bombastic rhetoric, which is not helpful at all.

From a security perspective, we have had a longstanding and good relationship with the Venezuelan military. I still have military group personnel in Venezuela. Now, it has been constrained over the recent months because of the Venezuelan military—we used to co-occupy. Our group was garrisoned with them on one of

their installations. They told us they no longer could do that; we had to move out. So we have moved our military group into our embassy.

Senator INHOFE. Now, was that since the referendum?

General CRADDOCK. That was before.

Senator INHOFE. Before, okay.

General CRADDOCK. Yes. So the effect of that is it hinders our contacts, our military-to-military contacts, to an extent. Is it still possible? Yes. Is it harder to do? Yes. But our group is still there, though smaller because of size constraints in the embassy. We still have those contacts.

We have I think today 26 American military personnel in Venezuela, either in the military group, the attaché office, as an exchange instructor, or attending school. So from that perspective, that has not been a good thing. It is not healthy. We would like to maintain contact for the influence piece of that, because we bring a lot to the table.

Second, the security situation along the border. As I said before, border areas, ungoverned areas, invite problems. We know I think based on recent events that the illegal armed groups out of Colombia have transitioned back and forth from Colombia into Venezuela. I think we know from recent events that has been pretty much condoned. We have seen high-level FARC leaders captured by the Colombians in Venezuela with Venezuelan passports. So we are watching that part of it closely also.

Senator INHOFE. We are running out of time here, and I appreciate that very much. Any other comments maybe you can give me for the record?

General CRADDOCK. I do not believe at this point Venezuela is a direct threat to the United States. I do believe that Venezuela has an unsettling influence on the region and is exporting that influence.

Senator INHOFE. Thank you very much.

Admiral Keating, in your comments you said of the 40,000 sorties nearly, I think you said, 75 percent were done by Guard. Did you mean Guard and Reserve?

Admiral KEATING. Yes, sir.

Senator INHOFE. All right. That is a problem. I mean, it is a problem in operations tempo (OPTEMPO). Are your future plans to keep that same blend going, and if so, how are you going to handle it from an OPTEMPO perspective?

Admiral KEATING. Yes, sir. We hope to enjoy that same level of support from the Guard and Reserve. We are in discussion and dialogue as we speak with our good friends in the United States Air Force and the Guard and Reserve to determine the appropriate level of participation, and perhaps Navy and Marine Corps fighters as well. So it is an ongoing dialogue we have, Senator.

Senator INHOFE. Well, I have talked to a lot of those guys and they are doing a great job and they have a commitment. But I know it is a huge grind to keep that up.

General Craddock, when I was down—I have been twice down to Guantanamo Bay Naval Station (GTMO). I have watched—in the very first, my major concern down there was not so much the interrogation of the prisoners, but taking care of our own people down

there. They are living under worse conditions actually than the prisoners were. This would have been 2002.

Since then we have done some military construction (MILCON) work down there. We have built some structures. I just would like—I know my time is expiring, but I would like to have you share with us your level of satisfaction as to what kind of improvements are in the 2006 budget or what you have done since the time, the two trips that I took down there.

General CRADDOCK. Thank you, Senator. Since then there have been improvements in the quality of life because we have been able to renovate some of the Navy quarters and move soldiers into permanent Navy family quarters, which is very helpful, and then they bus back and forth to the camps. There have been significant improvements made to Camp America. The dining facilities have been enhanced.

We have submitted an unfinanced requirement (UFR) list of several million dollars to continue to enhance the quality of life efforts, to include fitness facilities and further enhancements to the building and barracks capacities there. We are watching this closely because we do not want to get out in front of the policy with regard to the long-term detainee issues down there. But we are making every incremental gain we can on quality of life.

In my trip down there in December, in talking to the service members, they pretty much felt like it was reasonable. There are a few complaints and we are working on trying to sort through those.

Senator INHOFE. That is great. Well, let me just complement both of you on the great work you are doing. Thank you very much.

Chairman WARNER. Thank you very much, Senator.

Senator Nelson from Florida.

Senator BILL NELSON. Gentlemen, welcome. General Craddock, welcome to Washington's weather from sunny Miami.

General CRADDOCK. Thank you, Senator.

Senator BILL NELSON. Speaking of that, as we discussed, the State of Florida has offered a very attractive package with a state-of-the-art facility for you to move into, a build to suit, that would be located immediately adjacent to your facility.

Mr. Chairman, the reason I am bringing this up is that this is a very timely matter, because if we can get a signoff on this and go ahead and allow the long-term lease, which I want General Craddock respond to, that the State of Florida is going to provide for his Southern Command headquarters, we can save an enormous amount of money on an extension of the lease, for if in fact we do it in the very immediate future there will only be a short amount of the existing lease in the building that he will vacate that would have to be extended. When that lease is extended, as I understand it, the landlord is going to jack the price way up.

General Craddock, would you for the edification of the committee share with us your thoughts there?

General CRADDOCK. Thank you, Senator. The location of U.S. Southern Command is in the Base Realignment and Closure (BRAC) process and they, the Joint Cross-Service Committees, are evaluating scenarios as to where we might be and what kind of building we might be in.

The facts of the matter are this. The current building lease expires in February 2008. The State of Florida has made an offer to build a building and lease it back to us, a 10-year lease renewable in 10-year increments. We have run the business case. It is a good business case. The time line to vacate the current building before the lease expires in February 2008 mandates, according to my staff engineers, which I have grilled repeatedly—give me a time line, give me a drop-dead date that we need to know whether or not the State of Florida's offer can be constructed on time, not to have to extend the lease—is about May 2005.

Pretty much anything after that is high risk that a new building could be put in—if the decision is made from the BRAC and we take up on the State's offer, it would be high risk to get a new building in place where we would occupy it before our lease is out.

The experts at SOUTHCOM, who have been there for years and have dealt with this situation with the lease, tell me that if we have to extend the lease of our current building for any period after February 2008 it will be expensive. So obviously, as a taxpayer, among other reasons, an answer sooner rather than later would be very helpful.

Senator BILL NELSON. That is the high-wire act that we are going to be walking, and we have basically got to get some kind of indication out of BRAC that would allow us then to move on with this, what has been exceptionally desired.

Chairman WARNER. Well, I would suggest you let BRAC take its process. Historically we have tried to keep hands off that process once she starts. Our committee meets this afternoon to begin its advise and consent role on the President's nominee, specifically Chairman-designate Principe.

Senator BILL NELSON. Well, therein is where we have two irreconcilable forces, because the BRAC commission is not going to recommend until later this year. Is that not the timetable?

Chairman WARNER. The Senator is correct.

Senator BILL NELSON. All right. Therein is the dilemma we face.

Chairman WARNER. The other side is that you meddle with the BRAC process. It is your choice.

Senator BILL NELSON. Well, of course if I had my choice that would be over and done with. All right, then we will just have to work through that.

General Craddock, we have a threat to the interests of the United States to our south in Venezuela. Other than what you just answered to Senator Inhofe, there are now reports that Chavez is ordering 100,000 AK–47s, and as we speak he is getting ready to sign a deal on a number of Russian helicopters. Share with this committee your thoughts and concerns?

General CRADDOCK. Thank you, Senator. Indeed, the purchase of these weapons is unsettling and we are watching it very closely. The 100,000 AK–47s, individual automatic weapons, we have watched for some time. It was on again, off again. We think now, we think it is a done deed. We think that deal is pretty well closed. I do not know about delivery, but we are watching to see there.

We have talked to the neighbors in the region. I think now there is some concern on their behalf. In a military of some 70 to 80,000 service members, the procurement of 100,000 new weapons drives

some questions of what happens to the excess new weapons and what happens to the displaced weapons. The export of those weapons to factions in the region, other countries, would be a very, very bad thing to have happen. It would further cause the unsettled influence and discourse in the region.

Now, with regard to the helicopters, we have recently seen that, as you say. If those helicopters were to be procured and used to provide observation, control, and surveillance of ungoverned areas, that would be very helpful, particularly along the Venezuelan-Colombian border. We do not know that. There has been no indication of that because that area has been pretty much hands-off for a long time with regard to what we believe the Venezuelans' military role is.

So right now we also are concerned. We are watching that. We just do not want to see an arms race in the region. This is the most demilitarized area of the world and there are no threats, conventional threats to borders, to neighbors, from a standpoint of what might have been there 100 years or 50 years ago. So these actions tend to be the types of things that cause concern. They cause increased tensions. It is not a helpful thing at all when we are trying to bring regional solutions to these regional problems.

Senator BILL NELSON. Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator. Senator, I was not trying to be facetious about the BRAC thing. It is a very important piece of legislation. The President has put his full weight behind it and the Secretary of Defense. There is no precise clarity as to what precisely what can or cannot be done by military departments prior to—well, not necessarily prior to—at the time a BRAC process is ongoing.

But our committee staff would be happy on both sides to give you such counsel as you may desire. I recognize the need, the urgency of this. But we are trying to look at several situations right now. We just want to see that this BRAC process goes forward.

Senator BILL NELSON. Indeed, I understand that and respect that, Mr. Chairman. What we have here is the likelihood that Southern Command is going to be kept where it is, but because of the timing of this lease situation——

Chairman WARNER. Senator, I know it chapter and verse.

Senator BILL NELSON. We are going to have an extraordinary escalation in the price, given the fact of the timing. I wanted to use the forum of this committee to again let my voice speak so that the Pentagon is understanding and underscoring the fact of saving taxpayers significant money because it is very likely that Miami will continue to remain the headquarters of Southern Command because it is the logical place.

Chairman WARNER. I thank the Senator.

General Craddock, yesterday the law enforcement network in the United States hit a very significant blow to gang violence, I think generally referred to as No. 13. I have had conversations with you privately in preparation for this and other matters about your growing concern about the gang violence south of the border here.

Could you elaborate on your concerns about this violence and why is it a threat to the security of the country, and indeed do the tentacles reach right up here into our local areas?

General CRADDOCK. Thank you, Mr. Chairman. The answer to your last question is absolutely the tentacles do reach. We know for sure that there are daily communications between gang leaders in the United States major cities and gang leaders in Central America. The MS–18, the Mara Salvatrucha 18—13, I am sorry—the dieci Ocho 18, all those gangs are essentially of Central American origin. The numbers vary anywhere from a low of 70,000 to a high of 240,000. There are estimates that in some countries they outnumber the police ten to one. They are trafficking in drugs, they are generating revenue, they are buying capable, effective weapons.

It is a regional problem. If any one country enacts laws or enables its law enforcement capability or its military to fight and defeat the gangs, they will not fight; they will move to other countries. So a regional solution is absolutely essential.

We think it is very positive what has happened here in the United States in terms of some gang crackdowns. That is helpful because the leadership here communicates to the leadership there.

Also what has happened in the region recently in Central America under a Honduran initiative is President Sacca brought together the heads of state, the Central American Integration System (SICA) forum of the seven countries there, and they have now decided that they will initiate a crisis response force. It is quasi-military police, maybe like a SWAT capability, fast, rapid response to react quickly regionally to counterdrug or narcoterrorist threats generated by these gangs.

They are going to go after the gangs here with new capability. We are watching this closely. They are going to meet within the next couple of weeks to develop their organization and their capabilities and then probably tell us what they would ask us to do in terms of training or equipment capabilities they might need. But that is a positive signal and I think that is the first good step to solve the regional problem of the gangs.

Chairman WARNER. Thank you very much.

Haiti, General Craddock; give us a brief report on that, your assessment of the current situation, the contribution now being made by the United States to the United Nations Peacekeeping Force, and your assessment for the future?

General CRADDOCK. Right now U.S. Southern Command has four soldiers on the MINUSTAH staff. That is the total of our contribution to the peacekeeping force in Haiti. We are providing staff support there.

The current situation is that, though improved, it is far from where we would like it to be. The security situation ebbs and flows with regard to the armed groups there and the situation, not only in Port-au-Prince, but also in the other towns and villages throughout the country, because the problems, once they are addressed in one of these locales, move to other areas.

So security is going to be the key. The focus now is elections in October, November, and likely December. In order for those elections to happen, much like Afghanistan, much like Iraq, they are going to be a key pacing item to restore stability and sovereignty to Haiti. They must have the stability and the security to allow the people to go vote without fear more often than not. So we are looking closely, watching what the MINUSTAH efforts are going to be

to do that. We are watching the output of the Haitian National Police training as they come out of their training cycles and start to swell their ranks, and also the cooperation, if you will, between MINUSTAH, the Haitian National Police, and the interim government. There is a lot of need for not only security, but humanitarian assistance, economic assistance, and the creation of jobs to get the angry young men off the street, to give them an alternative to working for the armed group leader, for the local thugs.

So all these efforts now are beginning. It is going to take a lot of coaching, a lot of nurturing, and a lot of participation by I think the United Nations, MINUSTAH, and the interim government to work together.

I just would mention that we are conducting a humanitarian exercise right now in Haiti. It is called New Horizons. It is in the Gonaives area, which was devastated by the flooding and the storms last year. We have already started building three school houses. We will drill water wells for those school houses. We are treating thousands of Haitians through medical readiness teams. The teams are averaging about 500 a day who come in for medical care. We also have veterinarians there to treat the animals.

So those are positive events. We will continue to do that through the year. But again, it is going to be a focused effort by the United Nations through MINUSTAH to make it work.

Chairman WARNER. I thank you.

Admiral Keating, let us get back into a little salt water business. You are so far inland now, I hope you have not forgotten your salt water days.

Admiral KEATING. I have not.

Chairman WARNER. Over the past few years there have been several proposals made to expand NORTHCOM's maritime operation. Our distinguished Chief of Naval Operations, Vern Clark, suggested creating a maritime NORAD and a recent Defense Science Board study recommended better integration of DOD maritime surveillance assets with those of homeland security agencies, national intelligence assets, and law enforcement.

Where is that concept now, and most specifically your own views about the pressing needs in port security, and most particular what is being done and what will continue to be done on the question of the containers?

Admiral KEATING. Yes, sir. The President has signed out a directive that includes an interagency effort. The Department of Homeland Security and Department of Defense are co-leads and we at U.S. Northern Command have several of the working groups. We have the chairs for those working groups, to address maritime domain awareness. We have a very tight time line. It is a 180-day time line and we are into that now.

We believe that this new directive will clarify our country's position on maritime domain awareness, enhancing maritime security. It will include from a Department of Defense perspective, active, integrated, layered defense capability that we have in place today and are looking to enhance. It involves cooperation among the combatant commanders, the intelligence agencies, commercial and private shipping, the Department of Homeland Security, Customs and Border Patrol, and the Coast Guard.

We at U.S. Northern Command are actively engaged in this study and we are actively pursuing the operational capabilities that we have in the fleets and in the Coast Guard and in the interagency today. So I can report to you that we are in better shape than we were 6 months ago, in much better shape than we were 4 or 5 years ago. We are actively pursuing technological improvements and capabilities, principally in the area of the Container Security Initiative, so as to provide greater degrees of assurance so we know what is going into a container regardless of its port of embarkation, we know that the containers have not been tampered with as they are coming to our shores and as they are unloaded in our shores, 25 to 30,000 containers a day, that the contents as listed——

Chairman WARNER. What is the accurate number? I am just curious.

Admiral KEATING. The best information I have, Senator, is 25,000 or so containers per day.

Chairman WARNER. We will leave it at that unless you come back.

Admiral KEATING. I will check on that and if it is different I will let you know.

Chairman WARNER. The American public have to understand the volume that is coming in and the challenge that this system poses. I think we are witnessing a very strong sense of obligation and cooperation on behalf of the private sector at the points of origin in these countries across the world where the containers are packed and shipped in this direction. But an incident aboard one of these container ships before it reaches our shores or, most importantly, in the port can be just devastating.

Admiral KEATING. I could not agree more, sir.

Chairman WARNER. I thank you very much.

Admiral Keating, computer network defense. Cyberterrorism is a subject that this Senator has spent a lot of time on and actually set up a program to educate young people who are willing to commit to a certain amount of government service if they desire, if the government will then provide on the front end their education to train. But nevertheless, in your view how serious is the threat of cyberterrorism to our National information infrastructure and what is the role of NORTHCOM in joining others to defend the Nation from this type of attack?

Admiral KEATING. Thank you, Senator. In my view the threat is serious enough that we are partnering with a number of different agencies, not least of which is General Hoss Cartwright at Strategic Command, who has the overarching responsibility for computer network defense and attack in his role as a global combatant commander.

So we are working closely with Hoss and his smart young folks to ensure the adequacy and security of Department of Defense systems within our area of responsibility. Additionally, we have over 115 educational institutions in our Homeland Security/Homeland Defense Educational Consortium, and growing, who offer up to a master's degree in homeland security. They are partnering with U.S. Northern Command, so as to be able to capitalize on the good thinking that is going on in these educational institutions and

apply that thinking to the practical application of enhancing our homeland security in the cyber domain.

Chairman WARNER. Well, that is very important, and I am somewhat reassured by what you are doing there.

The weapons of mass destruction deterrence and defense here in the United States is multifold. I am very proud of the record of this committee that originated the concepts long before September 11 to equip certain cadres of people and geographically intersperse them among the 50 States to provide support—and I underline, provide support—to the local first responders, not to preempt but to give them support.

DOD recently announced the formation of an additional 12 of these weapons of mass destruction (WMD) civil support teams that this committee provided funding for over the last year's authorization, bringing the total to 55, one for each State and territory and two in one of our larger States.

I also understand that the National Guard Bureau has plans to expand the capability of some of these teams to more closely resemble the capability of the U.S. Marine Corps CBIRF teams that have responded to last year's ricin incident in the Dirksen Building, for example. The Marines were tasked early on and indeed showed their own initiative with regard to these threats and they have achieved quite a good record at it.

Could you update the committee on the status of the WMD civil support team (CST), their readiness to support civil authorities, and any initiatives to expand the capabilities of this team, and how this committee, with a track record and a long one to support this concept, which is now in all 50 States, what can we do more? We are anxious to help.

Admiral KEATING. Senator, we are grateful for your support, and I would tell you that we could use a little money. We are currently engaged with our department in discussions, including a $12 million operational funding gap for the Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive enhanced response force packages in the National Guard. These are the CBIRF-like units, Senator, that we could use another $12 million to train and equip the remaining units in the various regions throughout the United States so that the Guard will have the capability localized, and obviously more of them.

Chairman WARNER. Well then, what I would like to do is to ask you to write, to the extent within your authority—you can step aside from the President's budget. Just give me a memorandum within your authority to indicate that there is a need, the amount of money, and if you will bring it to my attention I am going to endeavor to see that we can incorporate this in the current legislation moving forward in the annual authorization. I think it is very important.

Admiral KEATING. I could not agree more, Senator. You will have that very soon.

[The information referred to follows:]

On 18 March 2005, Admiral Keating sent the attached letter to Senator Warner.

NORTH AMERICAN AEROSPACE DEFENSE COMMAND
AND
UNITED STATES NORTHERN COMMAND

Admiral Timothy J. Keating
Commander, NORAD and USNORTHCOM
250 Vandenberg Street, Suite B016
Peterson AFB CO 80914-3801

MAR 1 8 2005

The Honorable John Warner
Chairman, Committee on Armed Services
United States Senate
Washington DC 20510-6050

Dear Mr. Chairman

We appreciated the opportunity to discuss our missions and priorities with the Senate Armed Services Committee earlier this week. During the hearing, you asked that we provide you our fiscal year 2006 operational funding gaps. The attached information describes the areas where we could use additional funding to enhance our capabilities to defend our homeland.

Sincerely

TIMOTHY J. KEATING
Admiral, USN

cc:
Senator Carl Levin

Attachment:
FY06 Combating Terrorism Operational Funding Gaps

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism

FY 06 COMBATING TERRORISM OPERATIONAL GAPS (SM)

Priority		FY06
1	**Joint Task Force Civil Support (JTF-CS) (Air Force)**	3.0
	JTF-CS plans and integrates DoD support to the designated primary agency for domestic Chemical, Biological, Radiological, Nuclear and high-yield Explosive (CBRNE) consequence management operations. Deploys to incident site to establish C2 of DoD forces.	
2	**Joint Task Force North (Air Force)**	6.0
	Establishes HQ Joint Task Force North with capabilities to detect, deter, prevent and defeat transnational irregular and catastrophic threats to the homeland, and sustains proactive, actionable-intelligence based operations and cooperative engagements.	
3	**Mobile Consolidated Command Center (MCCC) (Air Force)**	6.2
	If not funded; unable to sustain interoperability with national C2 systems and real-time situational awareness. Delays capability enhancement of non-strategic C2 operations for U.S. Northern Command.	
4	**Joint Protection Enterprise Network (JPEN) (Air Force)**	3.6
	Provides reporting capability and situational awareness to the military law enforcement and intelligence communities through a unclassified, but protected web-based system designed to share non-validated Anti-Terrorism/Force Protection events.	
5	**CBRNE Enhanced Response Force Package (CERFP) (Army)**	12.0
	Without funding the CERFP teams will not be able to perform mass decontamination, triage, and emergency medical treatment for incident "hot zone."	
	Total	30.8

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 1

Requirement Title: Joint Task Force Civil Support (JTF – CS)

Amount Requested for FY 2006: $3M

Description of Program/Activity: JTF-CS plans and integrates DoD support to the designated primary agency for domestic Chemical, Biological, Radiological, Nuclear and High-Yield Explosive (CBRNE) consequence management operations. APPN 3400, BA 01, PE 21110F

Reason Funds are Required: In the event of a CBRNE incident and when directed by the Commander of U.S. Northern Command, JTF-CS will deploy to the incident site, establish command and control of designated DoD forces, and provide military assistance to civil authorities to save lives, prevent injury and provide temporary critical life support. The funds are required to provide the additional staffing to plan for and conduct CBRNE operations following a CBRNE incident.

Impact if Funds are Not Provided:

- High-risk to mission accomplishment.
- Inability to sustain 24/7 operations without significant augmentation.
- Degradation in support to multiple simultaneous CBRNE consequence management operations and National Special Security Events.
- Limited ability to support other combatant commanders during CBRNE events.
- Limited ability to participate in doctrine development efforts and provide assistance to other commands with CBRNE consequence management deliberate planning.

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 2

Requirement Title: Joint Task Force North (JTF-N)

Amount Requested for FY 2006: $6M

Description of Program/Activity: Provides HQ JTF-N with capabilities to detect, deter, prevent and defeat irregular, disruptive and catastrophic threats to the homeland. Sustains actionable intelligence-based counterterrorism operations with interagency and partner nations in accordance with Commander, U.S. Northern Command and Chairman, Joint Chiefs of Staff strategic guidance, directives, orders and Global War on Terrorism objectives. APPN 3400, BA 01, PE 21110F

Reason Funds are Required: Funds new mission and new building operating and maintenance costs; headquarters oversight responsibilities; C4I equipment, supplies and maintenance; and 33 strategy, planning, operations, intel and C4 full-time equivalents. Enables collection, fusion, analysis and dissemination of intel and precision layered defense against foreign terrorist organizations, narcoterrorist organizations, alien smuggling organizations and other state/non-state threats, and their means and infrastructure, including the acquisition and movement of MANPADs and WMD threats.

Impact if Funds are Not Provided:

- Lack of funds would impair U.S. Northern Command's ability to transform JTF-N from a tactical, reactive, counterdrug-focused organization to an operational, proactive, transnational threat-focused organization driven by actionable intelligence.
- Additional funds would:
  - Ensure JTF-N and U.S. Northern Command situational awareness and monitoring within and along the approaches to the AOR in air, land and maritime domains.
  - Support JTF-N's technical architectures to feed the U.S. Northern Command's common operational picture and ensure decision superiority.
  - Enable coordination of operational-level support to lead agencies.
  - Support command theater security cooperation efforts and initiatives to secure the homeland.

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 3

Requirement Title: Mobile Consolidated Command Center (MCCC)

Amount Requested for FY 2006: $6.2M

Description of Program/Activity: Provides mobile, survivable, secure, jam-resistant C2 capability for U.S. Northern Command. APPN 3400, BA 01, PE 35903F

Reason Funds are Required: In the event of a terrorist attack, the MCCC provides command, control and communications capabilities to support of the President, the Secretary of Defense and the Chairman, Joint Chiefs of Staff. The addition of $6.2M would restore sustainment funding across the FYDP caused by the Air Force FY04 Program Objective Memorandum cuts.

Impact if Funds are Not Provided:

- Interoperability with other C2 systems may not be sustained causing slower data transfer and decreased real-time situational awareness and C2 response.
- Delays to capability enhancements of non-strategic C2 operations for U.S. Northern Command.

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 4

Requirement Title: Joint Protection Enterprise Network (JPEN)

Amount Requested for FY 2006: $3.6M

Description of Program/Activity: JPEN provides situational awareness to DoD law enforcement and intelligence communities through an unclassified, but protected web-based system designed to share non-validated, real-time, Anti-Terrorism/Force Protection events in order to combat terrorism. JPEN is a critical technology that is essential to meeting Deputy Secretary of Defense requirements for standardized and timely submission of Threat and Local Observation Notices (TALON) and Suspicious Activity Reports (SAR) across DoD. Current TALON reporting is non-standardized and a "pull" system with no means of pushing reports down to DoD organizations. APPN 3400, BA 01, PE 21130F

Reason Funds are Required: JPEN was established with an initial funding profile of $20M—$5M in FY03 CINC Initiative Funds and PBD 726 directed $10M in FY04 and $5M FY05. Funding for FY06 and beyond was never provided by DoD when the system was transferred to NORAD-USNORTHCOM. The lack of funding will degrade our ability to fully implement and sustain the system's operational requirements and interfaces.

Impact if Funds are Not Provided:

- Lack of JPEN capabilities will return TALON and SAR reporting to status quo, stove-piped processes that result in extreme loss of visibility of TALON events and limit the ability of Service and Defense Agency commanders to collect, report, and share potential terrorist threats to DoD bases and facilities.

- NORAD-USNORTHCOM's baseline is insufficient to absorb the dollars required to fully implement this program across all DoD services and organizations to include the Navy, Army, Air Force, and Marine installations.

Unclassified

Funding Requirement for
FY 2006 Global War On Terrorism
Narrative Justification

Priority #: 5

Requirement Title: CBRNE Enhanced Response Force Package (CERFP)

Amount Requested for FY 2006: $12M

Description of Program/Activity: National Guard CERFP is comprised of M-Day personnel task organized from existing National Guard units that provide specialized CBRNE response within the 6-72 hour gap after an incident. National Guard CERFPs support casualty/patient decontamination at or near a CBRNE incident, provide triage/emergency medical treatment and conduct casualty search and rescue. APPN 3400, BA 01, PE 21890F

Reason Funds are Required: Funds 12 Air National Guard/Army National Guard CERFP teams with decontamination and medical equipment and supplies, transportation, and specialized training and certification for rapid CBRNE response force capabilities.

Impact if Funds are Not Provided:

- High risk of not meeting the Assistant Secretary of Defense for Homeland Defense requirement for USNORTHCOM to be prepared to plan for and respond to multiple, simultaneous CBRNE events.
- Without CERFPs, active forces are unable to respond rapidly to numerous simultaneous CBRNE incidents due to geographic constraints and availability of CBRNE specialized forces. Delayed response will exceed critical period demanded for CBRNE consequence management and life-saving capabilities that minimize loss of life.
- Additional funds would resource fielding and training/certification for six full-spectrum Integrated Vulnerability Assessment Teams to analyze and assess Defense Industrial Base critical infrastructure.

Unclassified

Chairman WARNER. For those following our colloquy here, these teams contain the expertise to arrive on the scene usually at the same time the first responders are, and have the technical skills to analyze the substances, the problems, and then work together with the local team in what can be done with what is in hand.

Admiral KEATING. Correct, sir.

Chairman WARNER. It is really impossible for all of the States to bear the extraordinary financial burden of trying to keep abreast

of the rapid technological advances in these areas to deter and protect against chem-bio. Therefore I think that Uncle Sam has stepped in with this concept and it is working.

Admiral KEATING. Agreed. You will have the information, sir.

Chairman WARNER. Good.

Let us touch, Admiral Keating, on the Reserve and Guard components. There has been much discussion of the appropriate role of these components in homeland defense. As we speak, Reserve components are an integral part of the military operations in Afghanistan, Iraq, the Balkans, and elsewhere. We all know that this has put a stretch on our forces, considering this high OPTEMPO. Should homeland defense be the primary goal of the National Guard?

As a matter of fact, yesterday Governor Mark Warner, with whom I work very closely, the Governor of Virginia, convened his annual meeting with the congressional delegation in Richmond, at which time we received reports about the heavy participation by Virginia's Guard and Reserve, along with other States, in responding to the needs to augment and work with our forward deployed regular forces.

But that does leave a gap at home. One of the very interesting problems, as was pointed out to me, is that the individual who desires to be in the National Guard is often an individual who is doing comparable work at home as a first defender, a firefighter, a policeman, other law enforcement, or security, because those careers have a certain parallelism and they attract a certain type of individual who is willing to dedicate his or her career to it.

There is some concern among some governors that in the event of a crisis in the State, a disaster of some type, flood, hurricanes, severe weather, somehow a stretch on local law enforcement, which has to have the support of these to maintain law and order, suddenly they turn to the Guard and the ones that have had the best training who are their own folks are overseas.

I am just going to ask you to focus on that in the years to come and try and let us work out with the Guard—I intend to work with the Guard a little bit—but as to whether or not their primary role should be written in law as that of the homeland defense, expanded homeland defense concepts that we have today. Maybe you just have some general response to that.

Admiral KEATING. I think I do, Senator. It is my understanding that the Under Secretary of Defense for Personnel and Readiness, Dr. Chu, is developing a database in close coordination with Lieutenant General Steve Blum at the National Guard Bureau to be able to check very accurately and carefully the skill sets of the Guard personnel being called to, let us say, Iraq or Afghanistan, so as not to cripple the, for example, Virginia Highway Patrol, let us say.

As you very accurately state, some of these folks who are first responders in their "civilian" role are military police in their National Guard role and that is a particular area where the Army's modularity program is being addressed by General Schoomaker.

So Dr. Chu's program will be able to accurately capture the skill sets in the Guard units being called up and, if necessary, move

back and forth so the State of Virginia or whatever State is not adversely affected unnecessarily.

Chairman WARNER. In two ways: one, through the loss of that individual from his civilian occupation; and two, his inability to join his unit and respond within the State or a border State to a crisis.

Admiral KEATING. Yes, sir. As John mentioned earlier in his testimony, we at U.S. Northern Command and NORAD have seen no adverse impact on our mission execution capability due to the stress being placed on the National Guard or the Reserves. As I mentioned, we exercise in a very rigorous fashion twice a year and in all of our exercises, our analysis, and our real world response to natural disasters, we have not been adversely impacted by this—the strain under which the Guard and Reserve are currently operating.

Chairman WARNER. Admiral, this morning there was a good deal of discussion on unmanned systems, and I think your response to Senator McCain and others fully covered it. I think that has been very thoroughly covered, so I will not rework on this.

Lastly, the famous subject, and I have always been interested in this, posse comitatus. Periodically it should be reviewed as our homeland security needs are expanded. You are comfortable with the current posture of that, that law at this time, General—Admiral?

Admiral KEATING. I am comfortable, Mr. Chairman. That said, our legal shop is taking a hard look at it in conjunction with the Office of the Secretary of Defense's General Counsel. We are also tapping into this educational consortium that I discussed earlier, so we are not necessarily restricting our examination to just those of us in uniform and military law.

So we are taking a hard look at it, but my testimony to you today would be we have not been unnecessarily restricted by observing posse comitatus in the execution of our duties.

Chairman WARNER. Gentlemen, I feel we have had an excellent hearing this morning. Your responses have been in my judgment full and complete with regard to the questions. Is there any other further subject you wish to initiate on your own here? [No response.]

If not, I will wave farewell from up here—am running to another hearing right away—and commend your staffs for the good preparation of their principals.

Thank you very much.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

NORTH AMERICAN AEROSPACE DEFENSE COMMAND

1. Senator INHOFE. Admiral Keating, we realize that historically the Air Force Reserve and Air National Guard have played a significant role in the mission of North American Aerospace Defense Command (NORAD), but with so much of this mission now being carried out by the Reserve component, what concerns do you foresee with regard to the high operations tempo of these forces and how long do you expect we will have to use the Reserve component to this extent and in your personal professional opinion do we have the Reserve Forces to call upon to meet these mission requirements?

Admiral KEATING. We anticipate that today's pace of operations is the new steady state for NORAD, with the current operations tempo continuing indefinitely. While the effect of operations tempo on readiness is always a concern, we believe our Air

National Guard and Air Force Reserve are sufficient, well equipped and highly motivated to conduct NORAD's homeland defense mission.

2. Senator INHOFE. Admiral Keating, since 1958 an agreement has been in place between the United States and our neighbor to the north. Canada and the U.S. will be working to renew this agreement that will expire in 2006. In your statement for the record, you stated that you believed that there are other areas that our two countries could explore while negotiating this agreement. What recommendations would you have to the U.S. State Department to explore with Canada on behalf of expanded security for our country?

Admiral KEATING. With the approach of initial negotiations for the May 2006 renewal of the NORAD agreement, we see an opportunity to assess the prospects for enhanced security cooperation with Canada. We recommend the renewal negotiating teams consider the following areas:

a. Examination of the effectiveness of bi-national versus national commands for synchronizing planning and execution of operations;

b. Direction for bi-national interoperability to enhance multi-domain defense of Canada and the United States, specifically with regard to warning and surveillance in the maritime domain;

c. Affirmation of NORAD's increasing emphasis on bi-national information and intelligence sharing for multiple domains; and

d. Refinement of border-crossing policy for multiple domains.

3. Senator INHOFE. Admiral Keating, all combatant commanders have been charged by Secretary Rumsfeld to improve interagency coordination and support. With your mission for overall anti-terrorism and force protection responsibilities for the continental United States, your combatant command is especially engaged with many other DOD and non-DOD governmental entities. The Department of Homeland Security with its many agencies is foremost among the organizations with which you have an interdependent relationship. With this interagency coordination, separate programs can be bridged and gaps eliminated. With the breadth of some 59 different agency representatives who reside and work side-by-side with NORAD and U.S. Northern Command (NORTHCOM), you are well-suited to assess critical needs on this subject. What are the one or two most critical needs or areas of concern that need to be addressed for you to continue to bridge gaps and drive synergies to protect the skies of North America and defend Americans here at home?

Admiral KEATING. The most critical areas are development and deployment of the following:

1) An all-weather, wide-area surveillance and warning system for North America to detect, identify, and track the full spectrum of air, space, land, and maritime threats;

2) a knowledge management, information sharing, and collaboration system interconnecting Federal, regional, State, tribal, and local homeland security/homeland defense organizations; and

3) continued support of the National Exercise Program.

TERRORISM IN THE U.S. SOUTHERN COMMAND AREA OF RESPONSIBILITY

4. Senator INHOFE. General Craddock, Colombia has long faced horrible terrorists' acts. To fund their activities, terrorists have utilized illegal drug trafficking. With as much as 90 percent of the cocaine and 45 percent of the heroin found in the United States having passed through Colombia, the U.S. has been the target of this narco-terrorism. We have provided training, equipment, and logistical support to help the Colombian Government build a secure environment to nurture democratic institutions. Gradually, progress is being made in defeating the terrorist element, with 2004 showing a particularly sharp impact by continuing to destroy the terrorist at the source of its funding, the drugs. Now we all know Colombia is the worst of the lot, but only one of many countries in your area of responsibility that has these problems. What will Colombia have to do to make further and permanent in-roads into these problems—terrorism and drug trafficking—and what more can the U.S. military do to assist them and how will this help us help other countries in the region with the similar scourges?

General CRADDOCK. In order to win its war against narcoterrorism, Colombia must keep up the political and military pressure it has brought to bear on the narcoterrorists. The government of Colombia is realizing unprecedented success against the narcoterrorist groups that have plagued Colombia, but the fight is far

from over. The Colombian military campaign plan known as Plan Patriota is the most difficult and comprehensive operation against the FARC ever undertaken, and it is the key to their winning the war. This sequential, deliberate plan is designed to defeat the FARC's will to fight and force them to the negotiating table. However, this plan requires time for the effects to impact on the FARC and for the Colombian Government to establish governance in areas long abandoned to the FARC. It is of utmost importance to continue fully supporting the Colombian Government as it conducts Plan Patriota.

To sustain Plan Patriota's operational and logistical needs, to sustain critical ongoing initiatives, and to help other countries in the region with similar scourges, SOUTHCOM must stay the course. Independent of Plan Patriota, we want to implement critical command and control systems as well as complete logistical initiatives started in fiscal year 2003 to provide long-term self-sustainment for the Colombian military.

We must still be concerned with other narcoterrorist threats that are not physically located in Colombia. The problem set will become different without the billion-dollar narcoterrorist business that is located in Colombia. Lastly, we believe it is essential to begin addressing the limited security presence along border areas in countries neighboring Colombia. We must continue to support other countries of the region as they confront their own narcoterrorist fights. That this is a regional solution becomes quite apparent.

GUANTANAMO BAY

5. Senator INHOFE. General Craddock, I was down at the Guantanamo Detention Facility in January 2002, shortly after we began to hold enemy combatants there as result of Operation Enduring Freedom. I want to say the men and women who are carrying out that mission are doing a great job under some rather austere conditions. I know this committee has approved some construction funding to improve security as well as the quality of life for our troops there. I'd like to get an update on the conditions there. I see that you are requesting some funding in the fiscal year 2005 supplemental to further these improvements. Are you also seeking a request for the fiscal year 2006 budget for similar improvements, what kind of additional permanent facilities do you plan on constructing, using the fiscal year 2005 supplemental or fiscal year 2006 budget, and do you anticipate further permanent structures needing to be funded beyond the fiscal year 2006 budget?

General CRADDOCK. To date, $104.4 million has been spent on construction to improve security and quality of life (QOL) at Joint Task Force-Guantanamo Bay (JTF–GTMO). Improvements to security have included internal security fencing around the camps. Since January 2002, a number of QOL improvements have been made at GTMO to include, but not limited to, the following: refurbished Navy housing, new fitness facility, upgraded cyber cafe with access to the internet and telephone lines, improved dining facilities with air conditioning, enhanced health care by establishing a joint aid station near the billeting area, and a new commercial laundry facility.

The President's budget requested $36 million in the fiscal year 2005 supplemental to construct a new permanent detention facility (Camp 6). This new detention facility will reduce combat arms security requirements by 124 personnel. Additionally, $4.4 million is contained in the fiscal year 2005 supplemental request to build a Smart Fence. The Smart Fence will reduce combat arms security requirements by 196 personnel.

Assuming the funds requested in the fiscal year 2005 supplemental are approved, we anticipate a reduction of some 320 guards during the fiscal year 2006 timeframe. Accordingly, although we have QOL projects on the drawing board now, we will not submit any of them until we have more clarity on the reduced force requirements in the out years. We may be able to sustain a high quality of life for our servicemembers at GTMO without having to invest in new brick and mortar.

INVESTMENT IN HAITI

6. Senator INHOFE. General Craddock, Haiti is the most impoverished nation in the western hemisphere. Poverty and corruption have taken their toll time and again there. Multinational involvement, including that of U.S. troops, has been used repeatedly to quell the instability of that nation. Most recently, Brazil has led a stabilization force there after the resignation departure of President Aristide. In your statement for the record, you specify that, "I believe that Haiti will require a significant investment of aid for the next 10–15 years to get it back on its feet." Please

comment on what types of investment should be made and what impact you believe they will have.

General CRADDOCK. The international community must promote self-sufficiency to the Haitian people and assist them in weaning themselves from high interest loans that sink them deeper in debt. Haiti will require international cooperation and investment in its economy, job creation, infrastructure, police, government and people to emerge from the current instability and keep it from reverting to a crisis state as has happened in the past. Foreign investment in Haiti will need to be civic and humanitarian as well as monetary. However, to begin the process of recovery, the internationally pledged funds need to be made available to the United Nations.

VENEZUELA THREAT

7. Senator INHOFE. General Craddock, other than Colombia, I believe Venezuela to pose the biggest threat to America's national security in South America. As time has progressed, Venezuela's President Chavez has made ever more critical comments about our country, our government, and our leaders. This is especially true after he won a recall referendum last August. He has saddled up to those countries that are clearly outside the community of nations—Cuba and Iran. In fact he recently hosted Iran's President Khatami and just last week Chavez stated: "Iran has every right to develop atomic energy—All over the world there is a clamor for equality and the profound rejection of imperialist desires of the U.S. Government. Faced with the threat of the U.S. Government against our brother people in Iran, count on us for all our support." The U.S. currently purchases 60 percent of the 2.6 million barrels of oil produced daily by Venezuela. Chavez has stated, "We have invaded the United States, but with our oil." He intends to "use oil" to fight American influence, suggesting that he will cut off America from importing Venezuelan oil. He visited China in December and signed trade pacts for oil and gas exploration and has recently done the same with India and France—in what could be viewed as an effort to find other buyers for Venezuelan oil. Chavez is making substantial purchases of foreign arms—with 100,000 Kalashnikov rifles from Russia, military aircraft from Brazil, and radar equipment from China. He has also made a deal with China to launch a communications satellite. On television last month, Chavez commented that Fidel Castro had given him warning that President Bush and the United States were planning an assassination attempt. Here is a man clearly bent on doing all he can to negatively affect the United States. Secretary Rice, in her confirmation hearing for Secretary of State, in January, called Chavez a "negative force in the region." What is your assessment of Venezuela and any potential threat to the United States?

General CRADDOCK. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR PAT ROBERTS

EMERGENCY MANAGEMENT ASSISTANCE COMPACT

8. Senator ROBERTS. Admiral Keating, the study released by the Government Accountability Office in November of last year chronicling the problems with the current Emergency Management Assistance Compact concerns me. The study detailed a lack of agreement between States in emergency response situations. Specifically, some governors refused to allow their National Guard Civil Support Teams to respond to other States in their time of need. Does NORTHCOM plan to address this issue?

Admiral KEATING. We are not aware of a single time when a Weapons of Mass Destruction Civil Support Team (WMD–CST) capability was not provided by one state to another. By the end of 2007, all states will have at least one certified WMD–CST. Although the authorizing statute permits the WMD–CSTs to perform their missions CONUS-wide in a Title 32 status, during catastrophic and/or multiple events, WMD–CSTs could also be federalized and deployed to the incident sites to support the Federal military command(s) who are providing support to civil authorities.

AIR NATIONAL GUARD

9. Senator ROBERTS. Admiral Keating, the Air National Guard plays a large role in protecting our homeland with air defense and combat air patrols. What other viable role do you see the Air National Guard playing in homeland defense?

Admiral KEATING. In addition to air patrols, the Air National Guard provides the following in support of homeland defense missions:

- Security Forces to protect critical infrastructure
- Experienced people working in Air National Guard command posts, which serve as channels of communication from incident sites
- Air refueling for air patrols with KC–135s
- Tactical airlift with C–130s to transport Quick Response and Rapid Response Forces
- Strategic airlift with C–5s and C–17s to transport equipment and supplies management
- Support of consequence for Weapons of Mass Destruction events.

RAPID RESPONSE PROCEDURE

10. Senator ROBERTS. Admiral Keating, I am concerned about simultaneous strikes in different locations by terrorists with weapons of mass destruction. What assets does NORTHCOM possess to rapidly transport response teams, should such a strike occur?

Admiral KEATING. U.S. Transportation Command provides air and ground transportation to deploy homeland defense forces throughout U.S. Northern Command's Area of Responsibility. U.S. Transportation Command and U.S. Northern Command are prepared to carry out the Secretary of Defense's direction to be able to execute multiple, near-simultaneous, chemical, biological, radiological, nuclear, and high yield explosive consequence management operations in support of civil authorities for up to three incidents.

QUESTIONS SUBMITTED BY SENATOR JOHN THUNE

NATIONAL GUARD AND RESERVES

11. Senator THUNE. Admiral Keating, 74 percent of South Dakota's National Guard has mobilized in support of operations in the Middle East, Operation Noble Eagle and Operation Enduring Freedom. While I am proud of South Dakota's contribution to the war on terror and homeland defense, I am concerned that our Guard and Reserve will not be able to meet the demands of both their title 32 and their title 10 mission due to operational stress on personnel and equipment. How can DOD maximize the use of the National Guard and Reserve without over using them?

Admiral KEATING. Force rotation plans for the National Guard take into consideration the importance of keeping a balanced force of title 32 and title 10 assets available to support State and homeland security missions. The Chief of the National Guard Bureau has committed to the Governors that they would have a minimum of 50 percent of their Guard Forces available for State emergencies and homeland security missions. However, this force may not be organic to the state due to ongoing requirements in support of Operation Noble Eagle, Operation Enduring Freedom, Operation Iraqi Freedom, and other national security missions. Through Emergency Management Assistance Compacts, National Guard forces are available to governors to support their State emergency and homeland security missions.

INFORMATION SHARING

12. Senator THUNE. Admiral Keating, both the 9/11 Commission Report and the National Intelligence Reform Act of 2004 called for improved coordination and deconfliction of operations consistent with national security. Is NORTHCOM included in this mandate or will you establish your own protocol for information sharing?

Admiral KEATING. We are not establishing our own protocol for information sharing. Our intelligence information sharing issues are addressed through the offices of our national agency representatives, liaison officers in the Federal Bureau of Investigation, National Counterterrorism Center, Defense Intelligence Agency, and through analytic collaboration with these agencies and the Department of Homeland Security. In addition, we have worked with the National Counterterrorism Center's Information Sharing Office, their senior DOD representative, as well as the Center's Force Protection Unit to ensure our requirements are understood.

FOREIGN MILITARY TRAINING

13. Senator THUNE. General Craddock, there is growing concern in the U.S. Southern Command (SOUTHCOM) that the American Service Members Protection Act is counterproductive in our efforts to fund and train soldiers and officers in Latin America. There are 11 nations in Latin America that are parties to the Rome Statute of the International Criminal Court, unfortunately, because those nations have not signed Article 98, they are barred from receiving international military education and training funds. What ramifications is this having on SOUTHCOM's mission to train and develop militaries in your area of operation?

General CRADDOCK. The sanctions on military education and training have had a significant impact on our ability to engage our partner nation militaries. In Latin America, security cooperation—in large part through the IMET program—allows us to reinforce the value of democratic institutions and ensures that regional militaries understand the democratic process and their subordination to civilian authority. The sanctions will potentially result in a "generational gap"—creating a generation of future partner nation leaders who will have had little to no exposure to the U.S. and its military and political processes. The withdrawal of our training support will also further weaken already small and poor military forces that can play key roles in regional approaches to hemispheric stability. In a military era of coalitions and regional security initiatives, it is critical we have contact with all regional militaries. Every year that IMET sanctions continue in place, our opportunities to engage present and future military leaders and our ability to influence hemispheric stability are eroded. Additionally, we believe in our absence, militaries unable to participate in training and schooling in the U.S. will turn to other nations to provide this capability.

VENEZUELA

14. Senator THUNE. General Craddock, there is evidence that Venezuela is destabilizing the region. The capture of a senior Revolutionary Armed Forces of Columbia (FARC) rebel carrying a Venezuelan passport, and the use of the Venezuelan border as a refuge for guerilla fighters is troubling. Do you believe that Venezuela's actions are leading to the erosion of democratic institutions in the Americas?

General CRADDOCK. [Deleted.]

CHINA AND SOUTH AMERICA

15. Senator THUNE. General Craddock, it is clear that the Chinese are investing heavily in Latin America. What strategic threats does this pose for SOUTHCOM and how do you recommend that we counter it?

General CRADDOCK. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

BALLISTIC MISSILE THREAT

16. Senator LEVIN. Admiral Keating, do you believe that the threat of an Intercontinental Ballistic Missile attack is greater, the same as, or less than other threats to the homeland?

Admiral KEATING. I believe the threat of an Intercontinental Ballistic Missile attack is less likely than other threats to the homeland, although its consequences would be disastrous.

USE OF NATIONAL GUARD AND RESERVES

17. Senator LEVIN. Admiral Keating, the Rand Corporation recently issued a report on the role of the Army in homeland security, advocating the establishment of various dedicated units including a homeland security brigade and 10 civil support battalions. Do you believe there should be active or National Guard units dedicated to homeland defense and are you satisfied that you have forces available to respond in a timely fashion to contingencies in your area of operation?

Admiral KEATING. At this time, we are confident that we have access to the capabilities necessary to meet homeland defense and civil support mission requirements. In addition, we believe the National Guard's Chemical Biological, Radiological, Nuclear and High-Yield Explosive Enhanced Response Force Packages, when fully fielded, will improve our ability to protect the nation. The allocation of assets for

homeland defense and other missions will be an important consideration in the ongoing Quadrennial Defense Review.

INTELLIGENCE SHARING

18. Senator LEVIN. Admiral Keating, is the National Counterterrorism Center integrating intelligence and information and sending it out to you in the form of timely, actionable intelligence?

Admiral KEATING. Yes, the National Counterterrorism Center shares timely warning products with NORTHCOM. In addition, we have liaison officers located in the National Counterterrorism Center who facilitate the flow of information to our Intelligence Directorate. We have a Combined Intelligence and Fusion Center with representatives from across the intelligence community, who provide intelligence support to the commands and facilitate information sharing back to their home agencies. Our analysts collaborate with their counterparts at the National Counterterrorism Center on input to NORTHCOM's daily intelligence briefing.

19. Senator LEVIN. Admiral Keating, what are the biggest intelligence-sharing challenges for NORTHCOM at the interagency level, and among Federal, State, and local agencies?

Admiral KEATING. While we are generally satisfied with the quantity and quality of threat information provided by the intelligence community, we remain, concerned about "what we don't know" regarding the asymmetric threat. We are encouraged by the stand-up of the National Counterterrorism Center and our Nation's focus on reorganizing the intelligence community. We continue to strengthen our ties with the National Counterterrorism Center to improve threat information sharing among homeland defense agencies at all levels.

ROLE OF NORTHCOM AND STRATEGIC COMMAND IN BALLISTIC MISSILE DEFENSE

20. Senator LEVIN. Admiral Keating, your prepared testimony delineated various roles for NORTHCOM, Strategic Command (STRATCOM), and Pacific Command in the Ballistic Missile Defense System, depending on the threat situation. What is the mechanism for determining whether NORTHCOM or STRATCOM will have operational command of a missile defense operation, particularly if missiles of various ranges could be used against a variety of targets and have all the operational and support roles been clearly worked out, agreed and exercised among all parties, and is there a formal Memorandum of Understanding (or Agreement) establishing these roles and responsibilities?

Admiral KEATING. The Unified Command Plan and corresponding Department of Defense/Joint Staff implementing directives identify missile defense roles for combatant commanders. No formal memorandum of understanding or agreement is required.

In the event of a ballistic missile launch against the United States, U.S. Northern Command will have operational command of the Ground-based Midcourse Defense system. For defense against shorter-range missiles, the designated combatant commander for that area of responsibility will use defensive assets under the operational control of that command.

We are training to our roles and responsibilities at all levels of command—from the operator to the combatant commander—in various missile defense simulations, exercises and tests, many of which are distributed events involving U.S. Northern Command, U.S. Pacific Command, U.S. Strategic Command, the National Military Command Center, and other appropriate supporting agencies.

21. Senator LEVIN. Admiral Keating, what role is NORTHCOM playing in the Military Utility Assessment (MUA) of the Ground-based Midcourse Defense (GMD) system, and has the command provided all its input to the MUA?

Admiral KEATING. As the command responsible for GMD operations, NORTHCOM has collaborated fully with the entire Military Utility Assessment community throughout each phase of the assessment process.

HOMELAND CRUISE MISSILE DEFENSE

22. Senator LEVIN. Admiral Keating, concerning defense of the U.S. homeland against cruise missiles, which federal agency has the lead role, and how are responsibilities assigned among the relevant agencies and are these roles and responsibilities agreed, or are they still being defined?

Admiral KEATING. NORAD is responsible for defending Canada and the United States against airborne cruise missiles. U.S. Pacific Command has this responsibility for Hawaii and western territories of the U.S.

Since NORAD's area of operations does not include the land or sea domains, U.S. Northern Command is responsible for the detection and mitigation of a sea-launched or ground-launched cruise missile threat to the continental U.S. and Alaska prior to launch. U.S. Pacific Command is assigned this responsibility for Hawaii and western territories of the U.S.

The detection of the launch platform would include intelligence collaboration among NORAD, the applicable combatant commander, and other U.S. Federal agencies, a process that is exercised on a regular basis.

As the Commander of both NORAD and NORTHCOM, I can ensure a seamless defensive plan between the two organizations.

23. Senator LEVIN. Admiral Keating, currently what are the respective roles of NORTHCOM and NORAD relative to the Department of Homeland Security in homeland cruise missile defense?

Admiral KEATING. NORAD and U.S. Northern Command exchange intelligence information with the Department of Homeland Security to enhance the Commands' ability to conduct cruise missile defense operations. Currently, the Department of Homeland Security's only role in cruise missile defense is intelligence collaboration with the Department of Defense.

24. Senator LEVIN. Admiral Keating, at the hearing you said there was no active plan in place for cruise missile defense of the U.S. homeland, and that a concept of operations (CONOPs) is being developed now. When will the CONOPs be completed, and when will there be a comprehensive cruise missile defense plan in place?

Admiral KEATING. NORAD has conducted extensive research and developed plans to respond to the cruise missile threat. A draft CONPLAN is in staffing that provides a framework and menu of cruise missile defense options. Our specific CONOPs will be developed from this CONPLAN and tailored to specific intelligence reporting. To improve our current capabilities and address future threats, we are developing a mission area initial capabilities document for Homeland Air and Cruise Missile Defense of North America, which is expected to be completed in the fall of 2005.

25. Senator LEVIN. Admiral Keating, at the hearing, you said that if a cruise missile threat situation were to arise, the United States would be able to take steps to defend itself. What are the steps the Nation would take to defend itself against such an attack?

Admiral KEATING. NORAD's air defense assets, air-based (surveillance and fighter aircraft) and ground-based systems, are configured to counter the cruise missile threat on a day-to-day basis. The key to successful cruise missile defense operations is to combine accurate, timely intelligence cueing with a defense-in-depth concept that includes detection, surveillance and engagement assets.

NATIONAL BIOSURVEILLANCE INTEGRATION SYSTEM

26. Senator LEVIN. Admiral Keating, please provide a description of the National Biosurveillance Integration System and an explanation of how it is intended to work, who the participants will be, and where it will be located.

Admiral KEATING. The National Biosurveillance Integration System is a Department of Homeland Security project that was mandated by Homeland Security presidential Directive 10 of April 2004. It is designed to create a (near) real-time medical and health reporting system to alert participants at all levels of the early outbreak of disease, natural or terrorist related. The Department of Defense is projected to provide this system a significant amount of analyzable data. U.S. Northern Command will participate by providing analysts to the National Biosurveillance Integration System headquarters in Washington, DC as needed. U.S. Northern Command will be a major recipient of analyzed data, and we anticipate using that data in our homeland defense, defense support of civil authorities, and consequence management missions.

COLOMBIA—DRUG INTERDICTION

27. Senator LEVIN. General Craddock, I understand that the Colombian Government's priority is to bring cultivation down and defeat the narcoterrorists, but do we need to do more on the interdiction side, particularly with regard to maritime

interdiction, and do you believe we have sufficient military assets working on drug interdiction off the Colombian coast?

General CRADDOCK. [Deleted.]

GUANTANAMO—SUPPLEMENTAL MILITARY CONSTRUCTION ASSUMPTIONS

28. Senator LEVIN. General Craddock, is the $36 million to replace existing maximum security facilities at Guantanamo Bay? If so, which specific facilities?

General CRADDOCK. The $36 million requested in the supplemental is to construct a 176-cell (220 detainee) long-term maximum security detention facility. Building Camp 6 would enable us to mothball Camps 1–3 and reduce the total guard force requirement by 124 guards. Camps 1–3 were designed and built as temporary modular open air steel cell construction medium-security detention facilities; requiring robust forces to guard maximum-security detainees. These camps are nearing the end of their life expectancy; refurbishment and maintenance costs are becoming prohibitive and the required robust guard force is an inefficient use of manpower. Although the camps would be closed, they would not be destroyed providing a surge capacity to house an additional 760 detainees in a maximum security environment should the need arise.

29. Senator LEVIN. General Craddock, how many maximum and medium security cells do you believe you will need at Guantanamo Bay over the next 5 years?

General CRADDOCK. [Deleted.]

30. Senator LEVIN. General Craddock, how many detainees do you expect to release over the next year or so because they no longer contribute intelligence or constitute a threat?

General CRADDOCK. We assess whether or not a detainee has intelligence value or poses a threat to the U.S. and make recommendations on detainee status to the Office of Administrative Review for the Detention of Enemy Combatants (OARDEC). Authority to recommend the release or transfer of detainees to their country of origin rests with OARDEC. OARDEC has begun Administrative Review Boards that will annually consider detainees for potential release or transfer.

31. Senator LEVIN. General Craddock, how many additional detainees are you receiving each month currently, if any, and do you expect to receive more in the future? If so, at what rate?

General CRADDOCK. [Deleted.]

PANAMA AND HUTCHISON—WHAMPOA

32. Senator LEVIN. General Craddock, 2 years ago (March 13, 2003) I asked General Hill, your predecessor, a question regarding the Hong Kong-based company Hutchison-Whampoa, which operates port facilities in the Panama Canal. I asked, "Has there has been any threat to our security—any problem with Hutchison-Whampoa operating those facilities?" General Hill answered, "No, sir, there has not." Since you assumed command, has there been any threat to U.S. security, any problem, with Hutchison-Whampoa operating facilities in the Panama Canal?

General CRADDOCK. I have seen no evidence to suggest Hutchinson-Whampoa is exploiting its commercial endeavors to threaten U.S. security interests in the region. We have had no security problems with the Panama Canal or the Panama Canal Authority.

AMERICAN SERVICEMEMBERS PROTECTION ACT—IMPACT ON INTERNATIONAL MILITARY EDUCATION AND TRAINING

33. Senator LEVIN. General Craddock, I understand that the American Servicemembers Protection Act sanctions are affecting International Military Education and Training (IMET) for 11 countries in the SOUTHCOM area of operation. I understand that last year the sanctions prohibited us from providing funding for over 700 officers, noncommissioned officers, and civilians from key countries such as Venezuela, Bolivia, and Peru to attend our military schools. What other impacts have these sanctions had on the engagement, or theater security cooperation initiatives of your command?

General CRADDOCK. The sanctions on military education and training have had a significant impact on our ability to engage our partner nation militaries. For the SOUTHCOM area of responsibility, there are 11 nations for which we cannot now

provide military education and training with IMET. They are Barbados, Bolivia, Brazil, Costa Rica, Ecuador, Paraguay, Peru, St. Vincent, Trinidad and Tobago, Uruguay, and Venezuela.

IMET pays for a broad spectrum of education and training that touches all levels of our partner nations' defense establishments. Education includes courses in professional military education (for example, the National Defense University, War and Staff Colleges, Captains Career Courses, and even Officer Candidate School); postgraduate work (examples are MS programs in Engineering, and Operations Research); and Management Related courses such as the Defense Resource Management Course. IMET-funded technical training can include a very wide variety of courses. Examples include flight training, logistics courses, instructor training, medical training, and maintenance training (such as welding, aircraft, engineering, communications, as well as many others). IMET can also pay for mobile education teams, and mobile training teams. These teams are used on an exceptional basis when it is more advantageous to conduct the training or education in the partner nation. Finally, IMET also resources English language labs in our partner nations. These valuable in-country labs prepare partner nation students for the English-taught courses that they will take in the U.S.

Providing opportunities for foreign military personnel to train with our U.S. forces is essential to maintaining strong military-to-military relationships with our allies. Loss of these opportunities has a significant impact on our engagement with sanctioned countries. The sanctions potentially will lead to a "generational gap"—creating a generation of future partner nation military leaders who will have had little to no exposure to the U.S. and its military and political processes. The withdrawal of our training support will also further weaken already small and poor military forces that can play key roles in regional approaches to hemispheric stability. Peru and Ecuador, for example, are both ASPA-sanctioned countries that are participating in stability operations in Haiti. In Latin America, security cooperation—in large part through IMET and the military assistance program—allows us to reinforce the value of democratic institutions and ensures that regional militaries understand the democratic process and their subordination to civilian authority. In a military era of coalitions and regional security initiatives, it is critical that we have contact with all regional militaries. Every year that IMET sanctions continue in place, our opportunities to engage present and future military leaders and our ability to influence hemispheric stability are eroded.

Finally, when we cut off international military education and training, we provide extra-hemispheric actors the opportunity to fill the resultant void. For example, China has been attempting to increase its influence in Latin America for some time; decreased U.S. involvement with militaries in the Western Hemisphere has provided China and other countries the perfect opportunity to engage in our place.

34. Senator LEVIN. General Craddock, do you believe that access to IMET funding is an appropriate lever for pressuring countries to sign so-called Article 98 agreements with the United States (to prevent the International Criminal Court from proceeding against U.S. civilian and military personnel in that country) and do you plan to ask Congress for an exemption of IMET funding for the Western Hemisphere?

General CRADDOCK. The U.S. Southern Command supports USG Policy, and we are appreciative of protections for our servicemembers. However, we do not believe access to IMET funding has proven to be an appropriate lever for pressuring countries to sign Article 98 agreements with the United States. Our experience shows that the IMET sanction carries an unintended consequence that undermines U.S. interests in the hemisphere. It is now clear that prohibition of IMET funds has the consequence of cutting U.S. access and influence with neighboring militaries. Our reduced access provides opportunities for extra-hemispheric influences to gain footholds in the region, potentially contributing to further deterioration of U.S. military cooperation with sanctioned countries' militaries. IMET fund reductions impact partner nation militaries and thus damage those militaries but not the civilian leaders who have the constitutional power to enter into Article 98 agreements.

We are currently reviewing various options with the Department of Defense to address this matter.

[Whereupon, at 11:23 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2006

THURSDAY, APRIL 28, 2005

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

DEFENSE INTELLIGENCE

The committee met, pursuant to notice, at 9:34 a.m. in room SD–106, Dirksen Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, McCain, Talent, Chambliss, Dole, Thune, Levin, Lieberman, E. Benjamin Nelson, and Clinton.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Regina A. Dubey, research assistant; David M. Morriss, professional staff member; Lynn F. Rusten, professional staff member; and Richard F. Walsh, counsel.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Gabriella Eisen, research assistant; Evelyn N. Farkas, professional staff member; Creighton Greene, professional staff member; Gerald J. Leeling, minority counsel; and William G.P. Monahan, minority counsel.

Staff assistants present: Andrew W. Florell, Benjamin L. Rubin, and Nicholas W. West.

Committee members' assistants present: Mackenzie M. Eaglen, assistant to Senator Collins; Lindsey R. Neas, assistant to Senator Talent; Clyde A. Taylor IV, assistant to Senator Chambliss; Bob Taylor, assistant to Senator Thune; Frederick M. Downey, assistant to Senator Lieberman; Caroline Tess, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; and Andrew Shapiro, assistant to Senator Clinton.

OPENING STATEMENT OF SENATOR JOHN WARNER, CHAIRMAN

Chairman WARNER. Good morning, all. The committee meets this morning on this glorious spring day to receive the testimony on defense intelligence programs and efforts underway to improve the intelligence support available to our battlefield commanders and to all ranks right down to the privates. Intelligence has always been

a key part of military operations, but the importance of intelligence on today's battlefields cannot be underestimated. The Department's plans for transforming its warfighting capabilities are dependent on information dominance, accurate timely intelligence.

Understanding our complex defense intelligence system, its capabilities and its future is of great importance to this committee and indeed the whole Congress.

We welcome our witnesses: Dr. Steve Cambone, Under Secretary of Defense for Intelligence; and Vice Admiral Jacoby, long-time Director of the Defense Intelligence Agency (DIA). We look forward to your testimony, gentlemen.

As an administrative note, with the consent of the ranking member here, we will have opening statements, the testimony, and one round of questions, and then we will go into a closed session. Is that agreeable?

Senator LEVIN. That is fine.

Chairman WARNER. Good. In the wake of the sweeping Intelligence Reform and Terrorism Prevention Act of 2004, all elements of our Intelligence Community, including those intelligence agencies within the Department of Defense (DOD), are working on implementing last year's legislation. Indeed, even before the legislation was completed the President and the DOD had begun implementing reforms that would enhance our intelligence-gathering capabilities to improve support for both national decisionmakers and the battlefield commanders.

Secretary Cambone has undertaken efforts to fully establish a relatively new office under an organizational charter within the DOD, as is the procedure for all elements of the Office of the Secretary of Defense, and to implement wide-scale intelligence reforms within the Department, an effort known as "Remodeling Defense Intelligence." We look forward to his description of those efforts today, and I note that the Secretary of Defense as well as Dr. Cambone and others have closely coordinated their efforts with the Director of Central Intelligence (DCI), Mr. Goss. I was informed this morning by Dr. Cambone that Mr. Goss's suggestions have come back—that is, Congressman Goss's, now Director—and they are being considered.

Also, the plan was shared with the transition team for Ambassador Negroponte. Their thoughts will be forthcoming. My understanding from talking with you, Mr. Secretary, is that as we are meeting here the Secretary of Defense is now meeting with Director Negroponte. So it certainly appears that there is a full and coordinated effort to reach the restructuring plan within the DOD.

The last few years have been challenging ones for the Intelligence Community. The 9/11 Commission provided a sobering assessment of the performance of the Intelligence Community in the months and years leading up to the tragic events of September 11, 2001. Various studies, commissions, and congressional reviews have documented the analytical mistakes and missed opportunities associated with pre-war assessment of Saddam Hussein's weapons of mass destruction programs. Likewise, the Senate Intelligence Committee, of which I am privileged to be a member together with Senator Levin and others on this committee, has made very valu-

able contributions towards a greater understanding and the corrections needed to our intelligence system.

We do not minimize the problems that were uncovered, but I think we must be careful as a Nation not to go too far in our criticism. Our Intelligence Community has also had during this period where there were mistakes made a number of successes, successes that are seldom publicized, but successes that have saved countless lives and have strengthened our Nation's intelligence and security.

During the entire debate on the intelligence reform, speaking just for myself, I have had three principal concerns: we must preserve our unity of command within our Armed Forces; enhance the quality of intelligence support provided to our battlefield commanders; and fully coordinate and share with other departments and agencies our own views and findings.

In June 1991 before this committee, General Schwarzkopf testified that responsive national intelligence support for the theater commander in which he was in command in the First Persian Gulf War was unsatisfactory. Much has changed to improve that support in the past 14 years and the operational demands on our Armed Forces and the intelligence needs of our battlefield commanders have never been greater than today. We must ensure that the intelligence support to the warfighter is sustained and improved.

As Ambassador Negroponte moves forward with establishing his office of Director of National Intelligence (DNI) and implementing the reforms necessary to improve and enhance our Intelligence Community, this committee must be kept fully—underline, fully—informed of the reforms underway or planned within the DOD, how these reforms will enhance the support of our warfighters, as well as our national decisionmakers, and how these reforms are integrated with the overall efforts of the Director of Intelligence, and how these reforms comport with the new laws. Thank you very much.

Senator Levin.

STATEMENT OF SENATOR CARL LEVIN

Senator LEVIN. Thank you, Mr. Chairman. Let me join you in welcoming our two witnesses today. Woven throughout the new concepts of operations and strategies which are part of the DOD's transformation efforts is a central theme: We need to have better intelligence capabilities. At a tactical level, we need to be able to see more reliably what is going on beyond the next hill. At a strategic level, we need to be able to discern the intentions of potential enemies.

For many years, Army doctrine has talked about intelligence preparation of the battlefield as being a key component of prevailing in potential conflicts. More recently, Secretary Rumsfeld has talked about preparation of the environment. Whatever we call it, our intelligence capabilities and operations are of critical importance to our national security.

As our chairman pointed out, now, more than ever before, this committee has a special responsibility to the men and women of our Armed Forces to be vigilant on intelligence programs more than ever before. Decisions to use military force and planning for

military operations have always depended on intelligence in ways that we have learned very dramatically in recent years. But given the revolution in the type of threat that we now face and given the fact that the threat more and more is a terrorist threat, the reliance on intelligence is exponentially greater. That places special demands on our vigilance to ensure that the intelligence which is provided is coherent, is coordinated, is objective, is accurate, is reliable, and in many cases it also has to be incredibly fast.

For all these kinds of reasons, the role of intelligence is greater and greater. I join our chairman in his determination that this committee be fully involved in the decisions which are made relative to intelligence, that we be informed, that our recommendations be solicited, and that we then hopefully have an intelligence operation which meets the current threats.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin.

Dr. Cambone.

STATEMENT OF HON. STEPHEN A. CAMBONE, UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE

Dr. CAMBONE. Good morning, Mr. Chairman, Senator Levin, Senator McCain, Senator Dole. It is a pleasure to be here this morning. I have a——

Chairman WARNER. Excuse me, doctor. We will place your entire statement into the record.

Dr. CAMBONE. Thank you.

Chairman WARNER.—which is in unclassified form. We also have a classified session.

Dr. CAMBONE. Thank you.

Chairman WARNER. Before you start, I would like to personally commend you and Admiral Jacoby for your long and dedicated service to country. Thank you very much.

Dr. CAMBONE. Thank you. Thank you, sir.

If I may just make a couple of brief statements out of my statement for the record, just to set the conversation, and to remind you, Mr. Chairman, that it has been now just a little over 2 years since my office was established and this committee voted out my nomination as the Under Secretary. At the time of my confirmation hearing and since, I have said that we in my office would focus on three things: increased attention to the activities of our services, which in the closed session we can talk in detail about the magnitude of the work being done by our service intelligence activities; second, to meet the needs of the combatant commanders and the warfighters; and third, to reform defense human intelligence capabilities. Admiral Jacoby is with me here today and of course he is responsible for the Defense Human Intelligence (HUMINT) Service, and so we can have as much conversation as you would like on that subject.

During the last year, that is 12 to 18 months, we have taken those three goals and objectives and rolled them up under, Mr. Chairman, what you call the effort at remodeling defense intelligence. The initiative aims less at significantly changing reporting chains, which is the usual thing that is done when people want to improve something. They just move the boxes around. We have not

done that. Instead, what we have tried to do is focus on reorienting existing capabilities and the entities within the Department to meet current and expected demands.

Now, some have asked whether this reforming defense intelligence effort is a finished product, is it a done deal, are we complete? The answer is no. It is ongoing—it is and it will continue to be an adaptive effort and, quite frankly, we are at the earliest stages of its implementation. In my view, we are at least a year or more away from getting the firm outlines of precisely how we will restructure ourselves internally.

Moreover—and the reason for that is that it is a complex problem. We have a lot of entities and a lot of differing interests. But in addition to the complexity within the Department, we certainly need to be certain that any internal remodeling efforts are helpful to the new DNI in meeting his objectives. We have an obligation to make certain that what we are doing is helpful and responsive to him, because there is no meaningful result to remodeling intelligence within the Department if that effort is not complementary to and in support of the larger intelligence enterprise that the DNI leads.

Furthermore, to the extent that the Remodeling Defense Intelligence (RDI) initiatives touch on either programs or activities for which the DNI is responsible, having his affirmative support for that effort is absolutely essential.

So let me just touch on a couple of elements of this RDI, as it is called. Warfighting support, first and foremost. The Silberman-Robb Commission, the 9/11 Commission, and other panels and reviews have pointed to the desirability of bringing analysts, collectors, and those who can act on the intelligence into closer coordination with one another. The RDI initiative proposes to implement those recommendations through what we are calling Joint Intelligence and Operations Centers (JIOCs). The idea is to go down into the combatant commands, where we have today what are called Joint Intelligence Centers (JICs), which are primarily staff elements and primarily oriented to analysis, and move some of those and reorient some of the focus of those people into a combined organization where we will be able to give the commander the ability both to do analysis, to task collection for those organic assets that belong to the commander, and have a direct pipeline back to the DNI for tasking of collection assets to support the combatant commander's activities, and then have closely aligned with that collection and analysis group an operational element that the commander then can instruct to go act on the intelligence that might be gained.

We have an example of that kind of organization today operating inside of Iraq and we had such an organization in the form of the Iraq Survey Group (ISG), which you may recall did an awful lot of the work on weapons of mass destruction in Iraq. So we have some experience with this and we think it is a good model and one that will give the combatant commanders the kind of responsiveness and flexibility they need to move from information to action and to keep a closed loop between gaining information and taking action and thus advancing his planning and his operational objectives.

But it is not enough to have organizational constructs and to make sure that we have the right focus. What we have also put in place is something called an intelligence campaign plan, and we have asked each of the combatant commands to develop an intelligence campaign plan, which will help them—that is, the combatant commanders—define their own intelligence needs and in so doing have the effect of enabling them to more precisely define for the DNI what additional or extra support they are going to need from him.

Now, as this committee may know, in the past, quite honestly, the requests for support that have come from the combatant commanders have been primarily ad hoc. That is, in the event of a contingency, requests go forward, the collection management system is flooded with requests from the commanders, and the DCI, now DNI, finds himself scurrying to cover the new-found needs.

What we would like to have is the commanders lay down their plans for intelligence support based on their own deliberative planning process so that they can, at least in outline, give the DNI some idea of what they may need in the way of intelligence support should a contingency arise. That ought to be able to give the DNI in turn more insight into our planning, into the kinds of support we are going to need, and enable him to better plan both the capabilities of the national intelligence program and the DNI's distribution of his assets across the many competing demands that he is going to face.

So the intelligence campaign plan is an innovation and one that we think is terribly important in order to be able to improve our performance and to be a helpful partner to the DNI.

Third, I mentioned HUMINT reform is one of our major undertakings. Over the last 2 years, members here on this committee and other committees of Congress have stressed the need for the Department to improve its HUMINT capabilities. Toward that end, in December we established what is called the Defense HUMINT Management Office. It is located in Admiral Jacoby's organization and he can say a few words about it.

But it is there and it is responsible for ensuring that all DOD HUMINT collection priorities are known to those who are able to collect that information, the activities are deconflicted and coordinated with the agency, and the analysis flowing from it is properly distributed to those who can make the best use of it.

Equally important because, as the Director of DIA, Admiral Jacoby is also the program manager for the General Defense Intelligence Program (GDIP). So by making him the HUMINT manager for the DOD we have now taken Defense HUMINT and his role for the DNI with respect to HUMINT and the tasking he receives from the Director and we have now merged them in one office where we can do the deconfliction and coordination that this committee and others have insisted and we in fact have insisted take place.

Next, on the technical side the DOD has any number of assets—airplanes and ships, for example—that collect intelligence. The U–2 airplane is an example of such a platform. Now, almost 2 years ago we gave to the commander of Strategic Command, General Cartwright today, responsibility for advising the Secretary of Defense on how we, the Department, might best use those reconnais-

sance assets to meet both the strategic and operational needs of our combatant commanders.

The difficulty we face is that those aircraft and ships are not adequate to meet all of the needs of the Department, so, as I said a few moments ago, we also give requirements to the DNI to ask him to use national assets to complement what we can do with the assets of the Department. Those two activities have historically been entirely separated from one another. What we have done, again turning to the Director of the DIA, is we have asked him to work with General Cartwright to bring together the DOD's collection capabilities, technical collection capability, and the national means into one organization where we can now trade off requirements, where we can say, look, where before we would have tasked the national community, we can use our own airplanes and so therefore we can free up assets for the DNI, or conversely we can respond to a DNI's request for support by our airplanes in a way that we could not in the past.

So we have brought those two collection capabilities together again under Admiral Jacoby's aegis as a way of tying more tightly that which the Department does to that which is done by the DNI.

All-source analysis and information sharing is another area that we in the Department have been working hard to assure that we have accomplished. There is work being done, for example, in Iraq to bring the all-source analytic capabilities of this Nation, as the chairman said, down to the soldier on the front line. Again, this is an initiative that has never been taken before and is one that is currently in development today.

I have in the latter part of my statement for the record a list of the programs that I think are of interest, of particular interest to the committee. One is the JIOC that I talked about. Another is Predator, the unmanned aerial vehicle (UAV) that is capable of taking motion pictures. The Air Force has a request in for expanding that fleet and giving it more capability than it has had in the past. Another is the Space-Based Radar, which is an effort to bring a new technology to bear in a way that will give this Department and the DNI 24/7 all-weather capability to detect motion on the ground and to develop synthetic aperture radar pictures.

Mr. Chairman, one thing that we are particularly proud of, to tell you the truth, is we have put in over $300 million over the course of this Future Years Defense Plan (FYDP) to improve the language capabilities in the DOD and to move us away from the traditional language base into training people in languages that are more appropriate for the kinds of operational needs we will face in the future.

So in conclusion, let me thank Congress and this committee for its support for the efforts to remodel our enterprise in intelligence, programs that in my view are crucial to the success of our warfighters. I look forward to discussing these initiatives with you either here or in the closed session.

The Department is ready and eager to help Ambassador Negroponte in any way that it can. I want to remind you what my guidance was from the Secretary when my office was stood up. If you will allow me to replace the three letters "DCI" with the three letters "DNI," let me just tell you what he told me then and is still

my guidance today, because in standing up my office the Secretary——

Chairman WARNER. Let me interrupt, give us some date-time groups.

Dr. CAMBONE. That letter was April 2003, sir. He wrote that he, the Secretary, is the principal interface within DOD for the DNI and that it is—the role of my office within the Department does not alter the relationships between the defense components inside the national intelligence program and the DNI. The presence of my office does not change the relationship between the DNI and the defense components of the national intelligence program that are within the office—within the DOD.

For 50 years, nigh onto that now, that relationship for operational purposes and for many of the tasking purposes has been direct from the DCI to the Director of National Security Agency (NSA) or the Director of National Geospatial-Intelligence Agency (NGA) or even to the Director of DIA. That relationship will continue and we will in every respect comply with the new arrangements that have been placed into law.

So I am personally looking forward to working with Ambassador Negroponte. He was kind enough to call me the other day, testing the buttons on his phone to make sure they worked, and he got me and not the secretary, so that was good. I am also looking forward to working with General Hayden, with whom I have had a very close working relationship over the last 2 years when he was the Director of the NSA.

So, Mr. Chairman, those are my comments for this morning.

[The prepared statement of Dr. Cambone follows:]

PREPARED STATEMENT BY DR. STEPHEN CAMBONE

INTRODUCTION

Good morning Chairman Warner, Senator Levin, and members of the committee. Thank you for inviting me here today. I appreciate the interest the committee has taken in the Department's effort to remodel its intelligence capabilities to meet changing demands. I also welcome this opportunity to share with the committee our thoughts on funding priorities for intelligence within the Department.

Today we are facing a world populated by a number of highly adaptive adversaries. It is a world where terrorist networks are in place, where largely ungoverned areas can serve as sanctuary for those networks, and where it is not beyond imagining a terrorist attack employing weapons of mass destruction.

At the same time, traditional national security concerns remain.

It is difficult to predict with certainty what threats the United States will face in the future. In this dynamic strategic environment, the Nation relies heavily on intelligence to anticipate and support the timely response of the United States Government to events.

Remodeling Defense Intelligence

It is now just over 2 years since the Office of the Under Secretary of Defense for Intelligence was established. At the time of my confirmation hearing, I set out three objectives:

- Focus on Service intelligence activities;
- Meet the intelligence needs of the combatant commands; and
- Reform Defense Human Resources Intelligence (HUMINT).

During the last year, these objectives have been combined under the heading of "Remodeling Defense Intelligence (RDI)." This initiative aims less at significantly changing reporting chains than in reorienting existing capabilities and entities to meet current and expected demands.

Some have asked whether RDI is a finished product. The answer is that RDI is an ongoing, adaptive effort, and it is in the earliest stages of implementation. I

would think it will take another year or more before the initiatives associated with RDI begin to take on their final form.

Moreover, in addition to the complexity of the effort itself, the Department wants to be certain that any internal remodeling efforts are helpful to the DNI in meeting his objectives.

There is no meaningful result to remodeling intelligence within the Department if it is not complementary to and in support of the larger intelligence enterprise that the DNI leads. Furthermore, to the extent that RDI initiatives touch on either programs or activities for which the DNI is responsible, having his affirmative support is essential.

I would like to touch briefly on the leading elements of the proposals for remodeling defense intelligence.

Warfighter Support

The Silberman-Robb Commission, the 9/11 Commission and other panels and reviews before them have pointed to the desirability of bringing analysts, collectors and those who can act on intelligence into closer coordination with one another.

The RDI proposes to implement such recommendations through the creation of what we are calling Joint Intelligence Operations Centers (JIOCs).

These centers would be located at each of the Combatant Commands (COCOMs) except NORTHCOM and TRANSCOM. They would combine existing assets with improved information systems and communications connectivity. Because that intelligence is the inherent responsibility and duty of the commander at every level, the purpose is to give the COCOM an organization to which he can assign the mission of preparing actionable intelligence and which, within limits, has the assets and/or authority to undertake actions necessary to support collection or generate analysis.

Those actions could range from tasking an asset organic to the command—e.g., a U–2 aircraft—to working with the national agencies to tailor their activity to support command needs.

Clearly, these JIOCs will need to cooperate closely with the CIA, NSA, NGA, and DIA to ensure coordination and deconfliction of their respective intelligence activities and needs. The JIOCs must also ensure that intelligence and analysis relevant to DNI priority tasking or guidance is appropriately disseminated in accordance with that guidance. This leads me to a discussion of the Intelligence Campaign Plans.

Intelligence Campaign Plans

It is not enough for Defense to do better at its assigned missions and work more efficiently to deconflict and coordinate its activities with the DNI or various intelligence agencies. It must improve substantially its performance as both a customer of the DNI and his partner in satisfying the DNI's national intelligence mission. We believe that another feature of RDI, called Intelligence Campaign Plans (ICPs) will help improve DOD's performance.

The concept behind the ICP is twofold:

- First, the ICP requires the COCOMs to demonstrate how they would employ always scarce intelligence resources in meeting their assigned missions. This should result in a set of capability requirements to be specified for both the Joint Military Intelligence Program (JMIP) and Tactical Intelligence and Related Activities (TIARA) accounts as well as the National Intelligence Program.
- Second, DOD should be able to derive from the ICP a set of collection and analysis requirements against which the DNI can plan his management of the IC's resources and develop future capabilities within the NIP. DOD has never done this before. The DCI was expected to make ad hoc adjustments as DOD needs were fed to him piecemeal over time. There will always be a need for adjustments in plans, but through the ICP we intend to provide the DNI a baseline against which he can plan with some confidence.

We recently briefed the ICP to the National Intelligence Collection Board (NIC B), and received a strong endorsement for developing and exercising the ICP process. The NIC B would like to institutionalize this planning process. It advocated the establishment of a national intelligence planning team to support DOD's strategic and operational planning requirements.

HUMINT Reform

Over the last 2 years members and staff of this and other committees have stressed the need to pay closer attention to DOD's human intelligence capabilities. We are taking initial steps to improve those capabilities.

After the better part of a year's consideration, the Defense HUMINT Management Office (DHMO) was established in DIA in December 2004. The DHMO is jointly staffed by the Services and DIA personnel and is responsible for ensuring that all DOD collection priorities are known to Defense HUMINT executors and for deconflicting and enabling DOD human intelligence activities.

Equally important, because the DIR/DIA is the GDIP program manager for the DNI, we now have for the first time in one office within DOD the means for linking DNI-directed HUMINT and COCOM-requested or authorized activities in a seamless and mutually supporting manner.

Intelligence, Surveillance, and Reconnaissance Integration

Likewise, we have taken steps to assign the DIR/DIA responsibility as a "functional component commander" for STRATCOM. In this role, he brings together STRATCOM's planning for the deployment and employment of DOD ISR assets with his role as DOD's collection manager within the National Intelligence Program.

The objective is to make as near-to-seamless as possible the assignment of DOD and DNI missions to the assets best able to satisfy the need whether they are DOD- or DNI-tasked assets. As significant, it also means that the data collected by DOD will be quickly inserted into the DNI's information management systems.

To help oversee this new organizational construct, we are using the ISR Integration Council, which was established by this committee. It includes Service intelligence representatives, Joint Staff, and COCOM (as desired) representatives, representatives of NSA, NGA, DIA, and NRO and frequently their respective directors, as well as senior representatives of the DCI's—now DNI's—staff.

All-Source Analysis and Information Sharing

The Department has undertaken major initiatives to build the information system architecture and revise policies to support the rapid access to and distribution of all-source Defense intelligence. The objective is to get the right information, in the right context, to the right place, at the right time. We continue to work through the Community Interoperability and Information Sharing Office (CIISO) to accelerate the development, vetting, and implementation of new information sharing policies..

Of particular note are the initiatives taken by Admiral Jacoby, General Hayden when he was the Director of NSA, and Jim Clapper at NGA, to increase the availability of data to analysts. I'll leave Admiral Jacoby—who is here today—to elaborate on his efforts to improve all-source analysis within DIA.

Resourcing Our Priorities

The fiscal year 2006 budget for JMIP and TIARA reflects the thrust of the RDI effort. For example:

- JIOC: The request will support initial efforts to align resources at the commands to start developing the JIOC concept.
- Sensors: Funds are requested to continue upgrading the capability to collect signals of interest across the airborne fleet.
- Communications: DCGS is being continued and will serve as part of the network connecting DOD and IC information systems.
- Predator: The USAF is requesting funds to move to the larger and more capable "B" model and to increase the number in the inventory.
- Space Radar: As part of the effort to increase the persistent, all weather, day-to-night coverage of fixed and moving targets, we have requested funds for the space radar. The DCI and the Secretary of Defense agreed on a way forward for this program in a joint memorandum of 13 January 2005.
- Manpower Increase: The Army, in particular, is requesting funds to substantially increase the number of personnel in its Corps and below structure who are dedicated to intelligence tasks.
- Language: The fiscal year 2006 request seeks the first increment of over $300 million increase over the FYDP for improvements in the numbers of instructors, throughput of students and the diversity of languages taught.

CONCLUSION

I would like to thank Congress for its support of our efforts to remodel our enterprise and its support in funding the Defense Intelligence programs that are critical to our warfighters. I look forward to discussing our initiatives further with you in a closed session.

The DOD is ready and eager to help the DNI in any way that it can.

My guidance from the Secretary of Defense is unchanged from 2 years ago, substituting the DNI for the DCI. In the memo standing up the OUSDI, the Secretary wrote that he is the principal interface within DOD for the DNI and that the role

of the OUSDI within DOD does not alter relationships between the defense components of the NIP and the DNI.

I personally look forward to working with Ambassador Negroponte and General Hayden to achieve the goals of the Intelligence Reform Act.

Chairman WARNER. I think since you have brought that up, I hesitate to ask the first question, but I want you to refer to the March 28, 2005, memorandum from the Secretary of Defense, "Subject: Designation of Responsibilities for Implementing Intelligence Reform Legislation." The last sentence states: "I expect that all DOD components will coordinate with the USDI on all matters relating to implementation of intelligence reform."

Dr. CAMBONE. Yes, sir.

Chairman WARNER. I will let you expand on that last sentence. Some have interpreted it as possibly putting some restrictions. Would you like to clarify that?

Dr. CAMBONE. Sir, there is no intent to place any restrictions whatsoever on the communications between the agencies that are part of the national intelligence program with the DNI, none whatsoever. However, they are components within the DOD. The Secretary of Defense does have obligations, both to the President and to the DNI, so insofar as there are changes that are taking place, he needs to be aware of what those changes are because——

Chairman WARNER. He the Secretary?

Dr. CAMBONE. He the Secretary of Defense (SECDEF).

Chairman WARNER. You are talking about DNI, SECDEF? Come on, let us be clear about the antecedents.

Dr. CAMBONE. I am sorry, the Secretary of Defense needs to know what is going on within those components that are within his Department, and so what this line says is, as you are going through your business, Mr. Director of NSA or Mr. Director of NGA, work these things through my principal staff assistant, the Under Secretary for Intelligence, so that I know what is taking place, because he, the Secretary of Defense, as I said, is obligated to the President. He is still obligated under law, for example, for the maintenance of a unified cryptologic organization within the DOD. He has an obligation to the DNI to advise him on the Department's needs and to sit on the Joint Intelligence Coordinating Council, which is chaired by the DNI.

So this is merely a measure to assure that the flow of paperwork is done in a way consistent with making certain that he is able to discharge his responsibilities.

Chairman WARNER. Thank you very much.

Admiral Jacoby.

STATEMENT OF VADM LOWELL E. JACOBY, USN, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

Admiral JACOBY. Thank you, Mr. Chairman, and thank you for the opportunity. It is also an opportunity for me to thank this committee again for its continued support for defense intelligence capabilities and for the men and women who make those capabilities real.

I am here today as the Director of the Defense Intelligence Agency. The DIA, as it is known, is one of the national intelligence agencies under the Director of National Intelligence, Mr.

Negroponte. DIA is also one of the three intelligence combat support agencies in the DOD. As the Director of a combat support agency, I report to the Secretary of Defense.

I am also the program manager for the defense component of the national intelligence program. This key element of the national intelligence program encompasses all the capabilities at DIA, the military services intelligence centers, and the combat commanders intelligence centers. The fact that I report directly to the Director of National Intelligence and the Secretary of Defense benefits both the Department and national intelligence capabilities.

I would like to take a few minutes to discuss capabilities that we have put in place and changes that are ongoing. I will relate our efforts to the remodeling of the defense intelligence initiatives as well as the Intelligence Reform Act and the recommendations of the September 11 and Weapons of Mass Destruction (WMD) Commissions. These efforts are simultaneously reforming and remodeling defense intelligence, benefiting both the Department of Defense and the national Intelligence Community. These are absolutely interdependent activities that pose no conflict in my relationships with my two chains of command. I would also note that we are doing this reforming and remodeling while simultaneously conducting intelligence operations around the world.

DIA began the transformation of its Defense HUMINT Service in 2003. Our focus is on increasing numbers of collectors, quality of collection, improving training and skill development, and increased cultural and language capabilities. We have increased investment in the support structures that are essential to support in the field while at the same time increasing numbers of defense attaches and realigning attaches to focus on emerging issues.

We are putting more collectors forward with our operating forces to improve capabilities fielded today in Iraq and Afghanistan. We are increasing our capability to do combined operations with the CIA when a mix of defense and non-defense skills are required. Increased defense HUMINT capabilities also relieve the CIA of some tasks previously assigned to them so that they can focus on non-defense requirements.

Our increased HUMINT capabilities were part of the former DCI's emphasis on increasing HUMINT capabilities, part of DOD reforms, and endorsed by Congress with budget increases in recent years.

Finally, I was recently assigned responsibilities to coordinate all defense HUMINT matters within the Department, as Dr. Cambone has already mentioned.

In the area of technical collection, or measurement and signal intelligence (MASINT) as it is known, we increased emphasis and investment beginning in early 2003. We believe along with the WMD Commission that nontraditional technical collection has tremendous unrealized potential. That potential supports requirements at the national level, it most certainly supports requirements in the battlefield.

We have fielded capabilities in Iraq and have successfully advocated for increased investment. Approximately 85 percent of MASINT requirements come from within the DOD. Increased capa-

bilities meet national priorities; they certainly better satisfy warfighters' needs.

One final item is worth mentioning in the area of intelligence collection. The Secretary of Defense recently assigned me to be the commander, the Joint Functional Component Commander for Intelligence, Surveillance, and Reconnaissance under the Commander, U.S. Strategic Command, as Dr. Cambone has mentioned. My responsibilities include integrating DOD capabilities with national capabilities and executing operations within DOD to satisfy combatant command and national both operational and intelligence requirements.

Again, the DNI has a single point of contact within the DOD and I am tasked with working with the Intelligence Community to assist in meeting DOD needs by employment of national capabilities and satisfying national needs that can be met using departmental collection resources.

DIA has responsibility for the design and operation of the DNI's principal intelligence data and communications network, the Joint Worldwide Intelligence Communications System (JWICS). This network is also a key component of DOD's command and control system. Once again, I am situated at the intersection of the Department and national intelligence capabilities and needs. We began to upgrade JWICS in 2003 and have an aggressive improvement program that Congress has supported. The 9/11 Commission emphasized the need for a smart network to enable intelligence sharing. Today JWICS is a smart network that is getting progressively smarter and more survivable.

DIA has long advocated the need for greater access to data. We strongly support the WMD Commission's rejection of the term "information sharing" and the concept of data ownership in favor of the concept of information access. We are delivering the capability for data access on JWICS for the DNI and also for users throughout the DOD.

With respect to analysis, the program I manage for the DNI delivers about 70 percent of the all-source analysts in the national intelligence program. This analyst base reaches to the Services and down into the combatant commands. It delivers defense-related intelligence to national decisionmakers. It provides the defense component within the National Counterterrorism Center (NCTC) and relieves NCTC of the detailed and intense work required to protect our military forces as they execute DOD's global mission on a daily basis. We are an integral part of the Intelligence Community's capabilities.

We are embarked on an aggressive program to put the "all" back into "all-source analysis," to improve analytical capabilities in the areas of terrorism, WMD, proliferation, and other difficult and sophisticated challenges facing our Nation. It is about both values and tradecraft improvement. This involves reshaping analysts' skill sets, targeted recruitment and hiring, improved training, and expanded education opportunities. It also involves new and different interactions with academia, integrating analysts with collectors to solve problems, and much greater use of open source data, among many others.

Finally, in October 2004 we implemented a structured analysis program that focuses on mastering long-term enduring and sophisticated analytical problems. By fencing these capabilities and focusing a second set of analysts on current and crisis intelligence, we are working to address the WMD Commission's concerns with respect to long-term analysis. We are delivering improved capabilities in line with the recommendations made to both the Department and the DNI from various panels and commission.

I hope these few minutes have given this committee a sense of how both the Department and the DNI's capabilities are enhanced by the reforms we have implemented. The efforts are interdependent, interlocking, and integrated across the Department and with the Intelligence Community. Defense intelligence remodeling is part and parcel of national intelligence reform and DIA is proud to be at the intersection of and part of these interdependent efforts.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Admiral.

We will now have a round of questions and at the conclusion we will go into a closed hearing.

Admiral, everyone—I really believe everyone within our Government today—is doing their very best to try and fully understand the new law and to proceed to carry out their respective obligations and duties under the charter of the organization which they are privileged to head. But let me try and put a hypothetical. Supposing you receive instructions or orders, as we say in the military, through the chain of command of the Secretary of Defense and you receive, on a certain subject, and then you receive a similar directive from the DNI, and it is your professional judgment that those two instructions are in conflict.

What steps would you proceed to take to try and resolve that conflict and, if it is not resolved, then which set of orders do you follow?

Admiral JACOBY. Mr. Chairman, I have been in the job 2½ years and I have not ever come close to that situation. So it certainly is a hypothetical. My responsibilities in that situation would be to make both of my seniors, those who have issued the guidance or direction, aware of the conflict and as I see it.

Chairman WARNER. Yes, I would assume you would do everything you could to take an appeal directly to both and ask for clarification.

Admiral JACOBY. Absolutely. Absolutely, sir.

Chairman WARNER. But then again, I have known you for many years, since you had three stripes, much less all of those, and you are a man of professional integrity and still in your own mind cannot resolve the conflict. Then which do you—which set of orders do you follow?

Admiral JACOBY. Sir, I would go forward to both my seniors and tell them the direction that I was going to take. That allows them to be knowledgeable and to also take whatever action they would want or deem necessary at that point, sir. But then it comes down to me as an intelligence professional executing the guidance that in my judgment needs to be followed.

Chairman WARNER. So if I can sort of repeat what I understand you to say, it is that you would go back to both, explain that in

your judgment the conflict had not been reconciled, that you feel that this particular set of orders from one or the other is the one that you in your professional judgment should follow, and you intend to do it, and leave to the two principals then to take whatever recourse they felt necessary with regard to your proposed actions?

Admiral JACOBY. Yes, sir, that is the way it would work.

Chairman WARNER. I think that is a very responsible and clear answer to my question.

Dr. Cambone, we are now used to seeing images and videos from the UAVs. Really, they are a force multiplier on the battlefield. How many different UAVs are now in use by the Department? What difficulties have you encountered in fielding all of these systems and how are you mitigating the problems? Controlling and downlinking data from the UAVs requires considerable communications bandwidth. How does this limit your ability to use these UAVs?

This committee has taken a very long and historic interest in UAVs. Long before September 11 we laid down a charter and a directive to the various agencies and departments of the Federal Government, particularly your Department, to utilize to a greater and greater degree the UAV, the unmanned vehicles, whether they be in air or otherwise. I must say that certainly the DOD has been very responsive, and the programs have been accelerated, whether they are on ground or in the air or wherever they might be.

So if you can outline your response to that, I would be appreciative.

Dr. CAMBONE. Yes, sir. I wish I had known specifically you had that question. I would have brought you the chart they bring me every morning, and I will make that available to you, of the assets that are in the theater.

[The information referred to follows:]

[Deleted.]

But from memory, going from high to low: Global Hawk has a capability to do what is called full-motion video. Coming down lower, there are aircraft in the P–3 series, the Orions, the venerable aircraft. Beneath them there are, or at about the same altitude, the Predators are capable of such. Coming down lower, there are, to be honest, a couple of jury-rigged fixed-wing aircraft that have had cameras put into them. Coming down lower still, there are things like the Gnat, which is a much smaller UAV, and so forth. Then there are actually some hand-held small tactical short-ranged systems with very limited fields of view for tactical applications.

There is—at the moment we have a large number of platforms in the theater. What we are working on—and your question is a timely one—is a rationalization across all of those capabilities against the demand for their employment. The Air Force has taken an initiative to pull that together in what they are calling a center of excellence, to work their way through the issues of how best to distribute the capability.

What we have is the classic tension between wanting to manage the air space—that is, there are instances where the higher altitude full-motion video UAVs are catching lower altitude UAVs tak-

ing the same pictures. So rationalizing the air space is one part of the problem, and the other is assuring that the user, particularly the Army and Marine units on the ground, have access to the information.

General Abizaid and General Casey are personally engaged in this. General Moseley, now the Air Force Vice Chief of Staff, is personally engaged in it. So I think on the one hand it is a very good story. They are using those UAVs for tactical applications for everything from improvised explosive device (IED), emplacement, all the way through tracking individuals who are engaged in combat operations against the coalition forces.

So the value of the UAV is unquestioned. What we are trying to do now is to figure out how best to manage our great success and do it more efficiently.

Chairman WARNER. Thank you.

Clearly, intelligence capabilities for precision targeting of our weapons systems have become essential for success on the modern battlefield, blurring the distinction in some ways between operations and intelligence. Resources for intelligence and operational capabilities are distinctly separated in the defense budget. Does the resource wall between operations and intelligence inhibit the ability to rapidly develop and acquire needed defense intelligence capabilities?

Dr. CAMBONE. No, sir, I do not believe so. I will give you an example. The increased accuracy that is made possible by national technical means of collection became evident to the Department, oh, maybe 5 years ago. When you couple that with the Global Positioning System, the opportunity for highly precise munitions multiplies.

The result of that is what we call the Small Diameter Bomb. It is a relatively small, lighter weight bomb compared to the 2,000 pounders that are usually carried in the aircraft. Given their smaller size and weight, a given aircraft can carry greater multiples that they previously were able to do. So as a consequence of the accuracy that that Small Diameter Bomb can have, the per-sortie target engagement ratio is growing with each aircraft we bring on line and with each change in the technical features of the equipment.

So no, I do not think we have in any way put a wall between them or inhibited the growth of our precision.

Chairman WARNER. Let me quickly go to my last question. The line between tactical and military intelligence and national or strategic intelligence is by its very nature not a very clear line. Perhaps it should not be. I do not know. I do not think we will ever get absolute clarity. There is clearly a need for close cooperation, however, and coordination between the SECDEF and the DNI in establishing funding priorities and guidance for both.

In your view, how can you best manage on behalf of the Secretary funding for tactical intelligence programs to ensure the military services and joint battlefield commanders have the required intelligence support? How will you, as the SECDEF's representative, ensure that defense requirements for national intelligence capabilities are fully accommodated by the DNI, whose budgetary authority is clearly outlined in the new law?

Dr. CAMBONE. Let me first talk internal to the Department and then externally to the relationship with the DNI. Internally to the Department, my office is in a position to be able to either set forward requirements for system development or to coordinate on any such proposal, first.

Second, I have a seat on the Defense Acquisition Board, where decisions are made about the content and capability of systems. As an example, we have just reviewed one of the major platforms I was talking about a moment ago and as a result of the interaction around the table we assured ourselves that that system would be able to perform the full motion video functions that we just discussed.

So I am positioned in the Department for the purposes of intelligence to either set the requirements, coordinate on the requirements, and then to intervene in the acquisition process, or participate rather in the acquisition process.

With respect to the DNI, we are still in the early stages of deciding how we are going to interact with one another, so let me tell you what the history has been. That is each year——

Chairman WARNER. We better just cut to it really quickly because my colleagues are—if there is an understandable difference of views between you representing the Secretary and the DNI, what is sort of the court of appeals to resolve this?

Dr. CAMBONE. The DNI and the Secretary will sit down and they will decide between them which direction they wish to go. If the DNI decides that he does not wish to accommodate the Secretary for whatever reason, he either cannot or thinks he should do otherwise, the Secretary has an appeal to the President. But it is the DNI who will decide the budget.

Chairman WARNER. Understood. Thank you very much.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

The 9/11 Commission included a number of recommendations for realigning the executive branch, including the following: that lead responsibility for directing and executing paramilitary operations, whether clandestine or covert, should shift to the DOD. Has the administration made a decision on that recommendation yet?

Dr. CAMBONE. The Secretary and Porter Goss as DCI have exchanged their views on that subject and there is on Porter Goss's desk today a proposed response to the President, which broadly I think says there is no reason to make the kind of change that is being suggested there. But that is not finished yet.

Senator LEVIN. Do we expect that at any time now?

Dr. CAMBONE. I would have hoped it would have been done by now, sir. So we are just behind the time.

Senator LEVIN. Let me ask you a question about covert action. Without getting into specifics, have DOD personnel conducted within the last 5 years covert actions within the meaning of "covert action" as set forth in title 50?

Dr. CAMBONE. No.

Senator LEVIN. Again, without getting into specifics, have DOD personnel conducted within the last 5 years special activities within the meaning of Executive Order 12333?

Dr. CAMBONE. You have me at a disadvantage on special activities. I hesitate to—I just do not have it in front of you.

Chairman WARNER. These questions are very important.

Dr. CAMBONE. If someone could get it for me, I would be——

Chairman WARNER. If you would be more comfortable for taking the response for the record——

Dr. CAMBONE. Yes, I am happy to do that, only because I do not remember precisely what the definition is and I do not want to be incorrect.

Senator LEVIN. All right, let me read it to you: "Special activities are activities that are conducted in support of national foreign policy objectives abroad, which are planned and executed so that the role of the United States Government is not apparent or acknowledged publicly, and functions in support of such activities which are not intended to influence U.S. political processes or media and do not include diplomatic activities or the collection and product of intelligence or related support functions."

Dr. CAMBONE. On the first clause, to the extent that that is equivalent to the definition of what is covert, the answer is the same as the first one: No.

Senator LEVIN. It is not intended to do that. I just read you the definition. It is an Executive order. You are governed by it. Do you know the answer, whether it is yes or no: Have you engaged in special activities within the meaning of the Executive order?

Dr. CAMBONE. I prefer to make sure that I give you the right answer.

Senator LEVIN. So you will give us that for the record?

Dr. CAMBONE. Yes, sir.

[The information referred to follows:]

The answer to your question is "No." In the past 5 years, the Department of Defense has not conducted any "special activity," as defined by Executive Order 12333.

Executive Order 12333 was written after, and derived from, the authorities provided to the Secretary of Defense by law, including the National Security Act of 1947, as amended. The term "Special Activities" was clearly intended to be, and in routine practice through successive administrations has been treated as, synonymous with the term "covert action" as defined in the National Security Act. The definition of covert action as contained in that Act applies to both the terms "covert action" and "special activity." It is important to note that in this statutory definition, activities intended primarily to gather intelligence and traditional military activities are specifically excluded.

Senator LEVIN. The effort to obtain information about detainee interrogation policies is an ongoing effort and, frankly, frustratingly slow. There are a number of memos which are of interest to the committee and to Congress which are not yet received. Two of them are as follows. I want to just be very precise and ask you a question about these two memos.

A March 14, 2003, memo which was prepared by Deputy Assistant Attorney General John Yoo for DOD General Counsel Haynes, titled, "Military Interrogation of Alien Unlawful Combatants Held Outside of the United States." Vice Admiral Church refers to that memo in his report on interrogation techniques and operations. According to his report, the memo set the legal framework for the DOD's review of interrogation techniques and it was substantially identical, according to the Church Report, to the August 1, 2002,

memo by Justice Department Office of Legal Counsel, which severely weakened the Federal anti-torture statute.

The Church Report states that the March 14, 2003, memo which I am now going to ask you about included the finding that in order for physical pain to qualify as torture it must be equivalent in intensity to the pain accompanying "serious physical injury such as organ failure, impairment of bodily functions, or even death."

My question is, are you familiar and have you read that memo? Do you have access to it? Will you provide it to the committee?

Dr. CAMBONE. Your first question: No, I have not read it. I was made aware of your interest in it last evening. I inquired as to the state of the reply and I am told that there are people who are diligently working on a reply to you.

Senator LEVIN. Will the reply include a copy of the memo to this committee?

Dr. CAMBONE. Sir, I told you—what I just told you is what I was told when I inquired after having received your interest in the memo.

Senator LEVIN. This has been going on for months. It is really totally unacceptable. We cannot get copies of the memo. That this committee cannot get copies of the memo is just totally unbelievable to me. I have to tell you, in terms of any kind of effective oversight, we have a responsibility, and we have asked for this. I believe the chairman has joined in this request in conversations with the Secretary, but he can speak for himself if he wishes on this.

But to me it is just incredible and it is unacceptable. We are going to continue to press for the document.

The second memo, signed by Assistant Attorney General Jay Bybee in the Justice Department's Office of Legal Counsel, evaluates the legality of specific interrogation techniques. This is referred to as the second Bybee memo. It was reportedly produced around the time of the August 1, 2002, Office of Legal Counsel memo which was also signed by Mr. Bybee, concerning the interpretation of the Federal anti-torture statute.

Now, is this memo familiar to you?

Dr. CAMBONE. No, sir.

Senator LEVIN. Is the same inquiry being made about that?

Dr. CAMBONE. I was told something more precise and that is that the request—the document that you are requesting was not provided to the Department. I do not have it and I have been told that the Department does not possess it. So as I say, when informed of your interest last evening, I inquired and that was the answer I was given.

Senator LEVIN. Thank you.

My time is up.

Chairman WARNER. Senator McCain.

Senator MCCAIN. Thank you for being here today. Secretary Cambone, according to the New York Times this morning in the new manual the Army limits tactics in interrogation. The Army is preparing to issue a new interrogation manual that expressly bars the harsh techniques disclosed in the Abu Ghraib prisoner abuse scandal, et cetera, and incorporates safeguards devised to prevent such misconduct in the future. Is that a correct media report?

Dr. CAMBONE. Sir, I am not sure if the report is accurate in detail. What I know is that the Army is working on one, and the good news is we have also just published an interim guidance at the joint level. So we have in fact taken both at the service level and at the joint level the steps to begin to properly arrange this.

Senator MCCAIN. Will that document be made available to the committee?

Dr. CAMBONE. I am sure it will.

Senator MCCAIN. Has an effort been made yet to make it available to the committee?

Dr. CAMBONE. I do not know, sir.

Senator MCCAIN. I suggest, Mr. Chairman, that we request it.

Chairman WARNER. So done.

Senator MCCAIN. Now, does this apply, this manual, to all Services, all the armed services?

Dr. CAMBONE. I do not—let me tell you what I know: That they were working on it and in the same way that Army Field Manual 34–52 was used by all the Services, I anticipate this will as well. As I said, we have done one at the joint level, which has been published as an interim document, and that does apply to all of the commands.

Senator MCCAIN. Would this apply to the intelligence agencies?

Dr. CAMBONE. It is for DOD personnel on DOD missions and directions.

Senator MCCAIN. So we could conceivably have a situation where prisoners are being kept in Abu Ghraib who are under the responsibility of the CIA and, as happened with the ghost prisoners, and they could be subject to one set of interrogation requirements or standards while prisoners in the same prison under the DOD could be subject to other, is that correct?

Dr. CAMBONE. I do not believe so, no. The joint—again, the one I have been through is the joint document, and it makes plain that the rules that are applied by that command apply at that command, in DOD facilities, the DOD commander is responsible for all of the individuals in the facility. So what you are suggesting could not happen.

Senator MCCAIN. So that assumes there will be no more so-called "ghost prisoners" in our military prisons?

Dr. CAMBONE. Sir, to the extent that we can assure you of that, I am here to do that for you.

Senator MCCAIN. Obviously, you would not know if those same guidelines would apply for prisoners who are subject to "rendition." You would not know?

Would it make sense that one government would have one policy concerning the interrogation of prisoners? Does that make sense to you?

Dr. CAMBONE. I can only speak for the Department in this matter, sir.

Senator MCCAIN. So there are now limits on interrogation techniques, or will be in this new manual, and so basically we did not do anything wrong, obviously, because the senior officials have been absolved of any responsibility except for enlisted personnel, so we did not do anything wrong, but we will not do it again.

Have you ever been made——

Chairman WARNER. Do you wish to reply to the observation? It is an important one by the Senator. I want you to have adequate opportunity to reply.

Dr. CAMBONE. Yes, sir.

Chairman WARNER. We will take the time that is necessary.

Dr. CAMBONE. Thank you. I do not know that that was an accurate rendering. I do know that General Karpinski has had action taken against her and I believe there are actions pending against a colonel and a lieutenant colonel, in addition to the others that you mentioned.

Senator MCCAIN. You might remember at the time when the scandal broke there was question about what happened with the so-called ghost prisoners at Abu Ghraib, and at that time we were told that an inspector general investigation was going on at the CIA. Do you recall that?

Dr. CAMBONE. Yes, sir.

Senator MCCAIN. Have you ever had any feedback on that inspector general?

Dr. CAMBONE. I have not heard that it is finished, nor have they briefed me on any of the conclusions if it is.

Senator MCCAIN. Mr. Chairman, it is not in our area of responsibility, but it seems to me we ought to find out what happened there. I believe that sufficient time has elapsed for an investigation to be conducted and concluded.

Chairman WARNER. I share your observation, Senator.

Senator MCCAIN. Since you are in the business, Dr. Cambone, does it bother you, the perception that we take people who are prisoners and take them to another country for interrogation? Does that not in itself indicate that they are subject to a different level of restrictions than if they were held by American authorities, held in the United States of America?

Dr. CAMBONE. Senator, the Department does not transfer people without assurances about their conduct.

Senator MCCAIN. Then why do we transfer them?

Dr. CAMBONE. Again, sir, from our point of view we are taking people who are either in our custody and are being transferred to the custody of others or they are being repatriated. Those are the reasons for transferring them out of a place like Guantanamo back to their home authorities.

Senator MCCAIN. I want to just mention to you why I continue to be concerned about this issue, because when this scandal broke it was—had great reverberations throughout the world, including the Muslim world. Those photos were showed continuously on Al-Jazeera, and there is a belief that somehow the United States—that this is a standard operating procedure.

I was just reading an article about an interview with a guy in the Sudan who is responsible for a lot of the killings. This is just an example. A guy asked this guy from the Sudan: "What will you do if you are indicted by the International Criminal Court?" "Well, I will ask Rumsfeld to go with me because he has killed hundreds of people in Iraq."

We see Abu Ghraib—all the time, evil people all over the world are using Abu Ghraib somehow as an excuse for their own behavior as well as continuing to harm the reputation of the United States.

So it is important that we have clear and all-encompassing procedures for the treatment of prisoners. I am glad that the Army is now coming up with this manual. I think it is an important step forward.

I would like to see a uniform standard for the entire United States Government, a uniform policy for the entire United States Government. I also appreciate that there may be a unique situation where there is an immediate threat to the security of the United States and then some extraordinary steps have to be taken. But we should make sure what the parameters of that are.

So again, I appreciate that this is happening. You are coordinating, you are the point man for coordination with the DNI. I hope that this will be an issue that will be raised to that level so that we can have uniform procedures and credible procedures, with the recognition that we have already been done enormous damage by the Abu Ghraib scandal and our failure, I think, to rapidly address it, and some of that for good reason, has not helped our image in the world.

I would be glad to hear your response, doctor.

Dr. CAMBONE. Sir, I will take it as an agenda item with my new colleagues over at the DNI. We have worked hard in the Department—I will take it.

Senator MCCAIN. Thank you. Finally, on the subject of UAVs, I hope that in your coordination—and I will be discussing this again with Mr. Negroponte and with Mr. Chertoff, but there is great concern about the security of our borders, not only in my State, but particularly across the southwest. Director Mueller has stated there is more and more people crossing our border that are from "countries of interest."

There is deep concern about national security associated with the security of our borders. We had a UAV program in southern Arizona that was working very successfully and then it got cancelled. I hope that we can have coordination between our DHS and DOD on implementing a viable UAV program on our southern border. We can never surveil the entire border without the use of high tech equipment, and I believe that UAVs are a vital aspect of that very vitally needed requirement to secure our border.

I thank you, Dr. Cambone.

Thank you, Mr. Chairman.

Chairman WARNER. Senator, if I might say, I wish to associate myself with your observation that we should as a Nation determine the extent to which we could have a uniform policy with regard to how interrogations are performed by the various departments and agencies who are authorized to do so.

I further wish to acknowledge to my good friends on both sides of me right here that this committee will have another hearing, at least one more, on the prison matter, at which time the senior civilian and military officials of the DOD will be asked to appear for the purpose of giving their own personal assessments with regard to the many investigations that have been conducted thus far with regard to that prison matter. I think at that hearing we should explore the question of the uniformity of interrogation practices among the government agencies of our system in the future.

Senator LEVIN. Mr. Chairman, I am delighted that you are going to do that. I think it is essential that we have answers to questions in advance of that hearing. One of the difficulties of not having an investigation is that you do not have questions which are asked and then followed up and then looked into, but instead we ask questions here and then they are taken for the record or they will be explored. We do not have a great deal of time because of the 6-minute or 8-minute limitation, which is understandably required.

I would ask in preparation for that hearing that the committee forward, as we would for a confirmation hearing, to the witnesses the questions which we would like answered in advance of that hearing. That would go at least some way towards the kind of inquiry which has so far not been made. It would be very helpful if the chairman would be willing to gather together the questions that members have, send them to the witnesses at such a hearing in advance, expect answers to those questions in advance, so that we could then at the hearing select from those answers the matters that we wish to pursue. That would be an extremely helpful gesture on the part of the chairman if he would be willing to make it.

Chairman WARNER. Thank you, Senator Levin. We will take that under advisement, but my first impression is it is a very, I think, valuable procedure to be followed with this forthcoming and very important hearing. We will now have Senator Ben Nelson, I believe is next.

Senator BEN NELSON. Thank you, Mr. Chairman.

Dr. Cambone, you outlined how any kind of different opinion, difference of opinion between Secretary Rumsfeld and Director Negroponte might be resolved, where they would come together and resolve them and take them up the line if necessary. I am wondering, as it relates now to the Department and particularly the span of control that the DNI might have within the military, do you have any concerns, have any been raised or are you anticipating any concerns, about how you might deal with the DNI having some responsibilities within the military as it relates to, obviously, intelligence?

Dr. CAMBONE. No, because I am not sure—I think what you are asking is are we concerned that there is a way in which the DNI can cross over the command lines of the Department.

Senator BEN NELSON. Yes, exactly.

Dr. CAMBONE. My answer is no. I think the legislation is clear on that point and I think that the DNI and the Secretary of Defense are clear on that point. I think that the people who are working at NSA and NGA and so forth understand as a consequence of decades of practice how these things are done. So no, I am not concerned about that.

Senator BEN NELSON. Okay. As we, you and I, have discussed previously, Senator Chambliss and I are concerned about how we can have, in the midst of all the intelligence reforms, resolving the daunting task that the DNI faces in communicating with all eight of the military intelligence components. In our opinion, Senator Chambliss and my, we think it makes sense to have a single source to coordinate and that is why we have recommended a new command be stood up.

I am not expecting you to comment necessarily on the bill, but could you share with us your ideas about that concept and what your views are as to how that might work?

Dr. CAMBONE. Yes, sir. The Department in coordination with the other elements of the government who have an interest in it are looking at the bill. So you and Senator Chambliss should know that it has not been set aside and forgotten.

I think we have made some important strides in accomplishing the objectives of the bill. The assignment to Admiral Jacoby of a combination of human intelligence responsibilities as well as technical collection responsibilities goes a long way towards giving the DNI a single point of entry for those activities in the Department.

We have also—maybe it has gone unnoticed—is we have asked the Director of NSA to serve a similar role for information operations purposes. So we have taken two components of the DOD, which are combat support agencies as well as national agencies within the intelligence program, and dual-hatted their directors in order to be able to make certain that the DNI and the Secretary of Defense both are able to give the proper direction to the forces that respond to their tasking.

So that is one, at the joint level. With respect to the Services, they are still I think in a state where we have not gotten to the point where we know how to do this as a command relationship. We are working that now. It will be another year, I think, before we iron out all of those arrangements.

Then third, I think there is some concern about the implications of turning intelligence, which is integral to the work of any given combatant commander, into a functional command which is beyond their reach. So I think that there would have to be a fair amount of discussion with the combatant commanders as well as the chairman about it.

Senator BEN NELSON. Given that at least I have heard that about 80 percent of all the intelligence that is gathered is used by the military in warfighting or in similar activities, I do think there must be a recognition of the importance of that intelligence information to the users. There is no question about it.

We felt that enhancing the collection as well as the sharing and coordination under a single command, a joint command, Intelligence Command (INTCOM), would probably not only expand the availability of that, but also the use of the intelligence. So that is why we want to continue to pursue that, and obviously we want to pursue it with you.

Finally, Admiral Jacoby, I read recently that under the new intelligence reorganization the DIA would now be responsible for all-source intelligence and that DIA had developed a new concept for all-source intelligence to provide a clearer and more accurate assessment for policymakers. Perhaps you can elaborate on this concept to the extent that you can in an open forum, as we have today.

Admiral JACOBY. Senator Nelson, I can talk to it fully in open forum. The concept is that we understand the need to master long-term issues or countries of interest to our Nation, that there are other issues and countries where there are certain portions of their national security issues or defense-related issues that we need to master and understand the others, and then there are another set

of issues and countries where we need to understand so that we can provide warning, alert to crisis and opportunities.

So we have looked across all the issue areas that we need to deal with and we have taken the DIA, the service intelligence centers, and the joint intelligence centers, which are part and parcel of the program that I am the functional manager for, and we have apportioned responsibilities, and we will hold ourselves accountable in a very interdependent, interlocking kind of way.

What this does is it keeps us focused on those long-term, enduring issues even as we deal with the short-term crisis and current intelligence problems, and it addresses very specifically both the 9/11 Commission report to some extent, but certainly the WMD Commission, where they said that we are sacrificing that long-term understanding on hard problems because of the press of current issues. Our approach very specifically keeps us playing good spread offense across the spectrum of responsibilities that are on our plate.

Senator BEN NELSON. Mr. Chairman, if I might just follow up. In the sharing of intelligence information to countries—about countries or prospects of interest with other countries, as that intelligence information is shared, how do you get the fact of sharing that intelligence information up the chain of command to the highest level so that we know what is being shared, with whom, and under what circumstances?

Admiral JACOBY. Sir, there is a very clear set of processes to do that. We work with guidelines that are established. When there is a need to seek an exemption, it is worked and now it will be with the DNI staff, and there is notification of the sharing that is going on so that there is an awareness even as we are proceeding as to which of those authorities that are available to us are being executed. It is a very orchestrated kind of thing.

Senator BEN NELSON. You can do that in a timely manner?

Admiral JACOBY. We can do it in a timely manner, sir, at least certainly to understand categories of information, who things are being shared with. Yes, sir, there is an in-place process. We obviously remain very focused and committed to all sources, as you said earlier in your question, and to access to information and then sharing with coalition partners and so forth to the maximum extent possible to execute coalition requirements.

Senator BEN NELSON. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator.

The Senator from North Carolina, Mrs. Dole.

Senator DOLE. Thank you, Mr. Chairman.

In recent testimony General Brown, commander of the Special Operations Command, said that their primary concern is actionable tactical intelligence and that to acquire this type of intelligence the United States must have persistent intelligence, surveillance, and reconnaissance. Let me ask each of you: What do you consider to be the greatest obstacle to achieving a persistent coverage capability or the greatest necessity?

Admiral Jacoby?

Admiral JACOBY. Senator, two key things and they both fall in my new area of responsibility as the functional component com-

mander for ISR under U.S. Strategic Command. The first part, the first issue, is being able to employ the capabilities that we have today in an integrated kind of way to achieve the maximum amount of coverage. When I talk about the capabilities, it is all the way from a HUMINT source who may be one of your best persistent collection capabilities all the way to the use of national capabilities. So it is employment of today's capabilities in a better, more integrated, effective way.

The second part is to advocate for future capabilities that have a high component for their contribution to persistence, and we will do that very explicitly up through commander of Strategic Command as the principal advocate inside the Department and in discussions with the national intelligence structure for those kinds of capabilities into the future.

Senator DOLE. Dr. Cambone?

Dr. CAMBONE. Senator, I associate myself with Admiral Jacoby's comments. But the impediment can be understood if one understands that part of the success in being persistent can be thought of as dwell time, how long can you look at something, whether it is with your two eyes or it is a satellite. The impediment that we have is finding a way to get that dwell time on the targets, because in some cases we can do it with airplanes or people, but in other cases we have to with satellites.

So the reason that we are promoting things like the Space Radar is to get us more persistence from space, and the reason we want things like Global Hawk is because they will stay aloft for 24 hours at a time.

Senator DOLE. Thank you.

Let me ask you, Dr. Cambone: The National Defense Authorization Act for Fiscal Year 2005 permits Special Operations Forces to directly pay and equip foreign forces or groups supporting the United States in combatting terrorism. This new authority allows for greater flexibility to gain crucial information. Does the fiscal year 2006 budget sufficiently fund this new expenditure for Special Operations Forces in your view, and has this new authority been effective in helping our forces gather more effective and reliable human intelligence?

Dr. CAMBONE. As I recall, Senator, it was an authorization to spend to some limit and with associated reporting requirements to this committee. My understanding is that the report required to this committee about how it was going to be done has been sent.

With respect to the 2006 budget, I will have to get back to you and find out. I do not know that fact.

[The information referred to follows:]

Based upon current requirements, the $25 million in 1208 authority provided for fiscal years 2005–2007, as stipulated in section 1208 of the National Defense Authorization Act for Fiscal Year 2005 is sufficient to carry out 1208 authorized operations. USSOCOM will use supplemental funding to support these requirements.

Senator DOLE. One more question. Even with excellent hiring, training, and retention of quality analysts, there are certain to be differing opinions on the significance of implications of various intelligence data points. While the unified opinion of an agency is greatly valued, it is critical that a culture of groupthink does not

reside in our intelligence process and that policymakers are aware of the nuances behind an opinion.

Dr. Cambone, what changes have been made at the OSD or individual service level to ensure that dissenting analysts' opinions are given proper visibility at the interagency level? On National Intelligence Estimates, what changes have been made in the presentation of dissenting opinions?

Dr. CAMBONE. I think Admiral Jacoby would be better served to answer the second part of your question. I can tell you the first part, and that is, to the extent that I have been able to do so, I have relayed to Admiral Jacoby and to the other directors precisely the point you have just made, which is we have to get a broader understanding of what is taking place, the dissents have to be apparent, and indeed if you begin to look at the product it is becoming increasingly evident that that guidance is being followed.

But I think the Admiral can give you more information.

Admiral JACOBY. Senator, I sit on the National Foreign Intelligence Board, which is the final group to look at National Intelligence Estimates. I can tell you that we made some fundamental changes in approaches more than a year ago, and the very fundamental piece is, instead of trying to drive to consensus in the text and push the dissents into the footnotes, the idea—and you will see it in text of your recent National Intelligence Estimates—is right in the text say there is a variance of opinion—and it is not always opinion by Department—there is a variance of opinion among analysts, and then we get interest a discussion of why and what the weighting factors on various evidence or whatever it is that leads us to a variance of opinions.

I have to tell you the whole approach process, the sharing, common sharing of the source information so that everybody there is working from the same data, has really I think changed the output and made it much more useful for decisionmakers to understand the variances in opinions that are embedded in the document.

Senator DOLE. Thank you very much.

Thank you, Mr. Chairman.

Chairman WARNER. Senator, thank you. That was a very important line of questioning and I appreciate that very much.

Senator DOLE. Thank you.

Chairman WARNER. Thank you.

We will now turn to Senator Lieberman. But in consultation with my distinguished ranking member, we should advise those Senators who might not be in attendance here that this committee will resume the hearing for a closed session in S–407 of the Capitol at approximately 11:15. Would that be agreeable?

Senator LEVIN. Yes.

Chairman WARNER. Thank you very much. Now, Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Dr. Cambone, Admiral Jacoby, thanks for being here. Thanks for your service. At most every hearing that this committee has held on Iraq, obviously post-overthrow of Saddam, I have asked questions about intelligence because, as I know you agree, it is critically important, and a very different kind of demand for intelligence, against a very different kind of enemy.

So I say that as a preface to say that I greet the considerable activity that is going on within the DOD to reorganize and upgrade intelligence in a positive way. My goal here, which I believe is reflected by most members of the committee, is to make sure, one, that you have the resources to do what you need to do, which is a specific function of our committee; and two—and I say this wearing my other hat on the Homeland Security and Governmental Affairs Committee that had jurisdiction for the creation of the DNI—that whatever you are doing is done in cooperation with the DNI.

So I want to ask you a couple of questions that go to both of those. The first really is about resources. You have described in your statement, Dr. Cambone, the various elements of organization, reorganization of intelligence activities within the Pentagon, and you have described a series of priorities for resourcing: sensors, communications, Predators, space radar, manpower increases, et cetera.

Does the President's budget for the DOD as submitted to us and now before this committee adequately fund those priorities? Or are you asking in any sense for the committee to add on?

Dr. CAMBONE. No, sir. We have laid in a program to fund those activities.

Senator LIEBERMAN. Okay. I want to ask you specifically about one element that you cite there, which is manpower increase. To quote briefly from your statement: "The Army in particular is requesting funds to substantially increase the number of personnel at its corps and below structure who are dedicated to intelligence tasks." Sounds like a very important thing to do and a priority.

Dr. CAMBONE. Yes, sir.

Senator LIEBERMAN. My question is, because there is a lot of concern on this committee about stress on Army personnel already, where are those additional personnel coming from? Are they within the 30,000 that have been added? Are they being taken out of other activities? Where are they coming from?

Dr. CAMBONE. I cannot give you that answer in detail. That is better information from the Army. But my understanding is that General Schoomaker and General Alexander have within the top line of the total number of people available, which in my understanding incudes that increase to the 43 brigade level, have dedicated somewhere between 5,000 and 9,000 more people, depending on how you count, to various functions associated with the Army's intelligence activities, because the Chief of Staff and the Secretary of the Army both understand that the Army's success depends on that activity. So they have been willing to take them from other places in the Army where they do not think they need them as severely and move them into the intelligence side.

Senator LIEBERMAN. I wonder if I could ask you to have someone from the Army just inform myself and the committee about where those changes will come from.

Dr. CAMBONE. I would be pleased to, yes.

Senator LIEBERMAN. I must say just briefly, to back up what I said at the outset, that an independent defense analyst that I spoke to a while ago said that one way to measure success—I forget whether I mentioned this to you before—in Iraq is, not the only way, but to count the number of offensive actions taken by the

enemy and the number of offensive actions taken by us against them.

Right now, this analyst thought that the balance was in favor of them, if you will, that they are striking at us. To the extent that we get better intelligence on them, in a very difficult circumstance—I am not being critical. I am just saying that we are not where we should be—I presume you would agree with that—in terms of our ongoing intelligence about the enemy, because it is so unusual. To the extent that we get better intelligence, we will be altering that balance.

I want to just briefly go to another element here. Both Director Negroponte and General Hayden have asked Congress in their meetings with us to allow the Office of the DNI to get up and running for at least 6 months to a year before considering any further reorganizational changes regarding intelligence. I believe here they are speaking about legislation, of course.

The President, in a memorandum of April 19 to the Secretaries of State, Defense, Homeland Security, the Attorney General, and the DNI, specifically assigned responsibility for this implementation plan to the new DNI. So my question is, is it fair to assume that the Department, through yourself, will not be recommending legislation in this session of Congress to alter the intelligence structure? I mean, apart from funding. For instance, there is a bill before us that would create a commander of a new military intelligence command. I suppose that could fall into a grey area between the Pentagon and the DNI, but it seems to me in this start-up period for the DNI it is best to let those grey areas, unless they are really urgent, go undone until the implementation plan that the DNI has now been asked by the President to take forward.

Dr. CAMBONE. Senator Nelson and I had an exchange on the legislation that he and Senator Chambliss are interested in and what I told him was that we have taken his—the bill under advisement. It is being reviewed in the Department and elsewhere in the government. At the same time, I said that we had done a number of things within the Department already, some of which are noted in my short statement, that are meant to go to the purpose of his bill.

So that is kind of where we are at the moment.

Senator LIEBERMAN. I guess I would say finally that I would ask, and I would hope based on the statements that you have made, that you are going to be cooperating and are dedicated to cooperating with Ambassador Negroponte, that if in fact this legislation begins to move or you are asked to take a position on it that you consult with him as to whether he feels that it ought to await the formal implementation plan.

Dr. CAMBONE. You can be sure that if there is going to be any recommendation from the DOD on matters of intelligence that the DNI will be part of that consultation process.

If I may, Mr. Chairman, just on the point about progress in Iraq——

Chairman WARNER. Yes, of course.

Dr. CAMBONE. If I could beg your indulgence. If the Army comes up and talks to you about what they are doing with their MI personnel, can I ask them also to take you through some of their recent work in Iraq with respect to their activities against the insur-

gency, because I am not sure your characterization is any longer as accurate as it may once have been.

Senator LIEBERMAN. I would welcome that. My own impression is that we are doing better and better, but still not where I think all of us would like to be in intelligence on an enemy that lives in the shadows and does not wear uniforms and strikes at the most vulnerable of targets.

Dr. CAMBONE. They have made remarkable progress, so I beg your indulgence.

Senator LIEBERMAN. Great, I welcome that. Thank you.

Thanks, Mr. Chairman.

Chairman WARNER. I thank the Senator very much.

Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

Admiral Jacoby, the last unclassified assessment of North Korea's nuclear weapons from January 2002 reads as follows: "We assess that North Korea has produced enough plutonium for at least one and possibly two nuclear weapons." When Director Goss was asked for the current CIA assessment at our hearing, an open hearing in February, he said, and I quote: "Our assessment is that they have a greater capability than that assessment. In other words, it has increased since then." He added that "Other agencies had other assessments and that there is a range."

I would like to explore this with you. What is the current DIA assessment?

Admiral JACOBY. Senator, when we did our threat testimony and had that discussion I mentioned that we were in the process of going back and doing a fundamental review all the way back to source information back into the early 1990s. My senior analysts are working that up right now and so I do not have a new assessment for you.

But I can talk to the range a bit. The citation you had talked about materials for, enough material for one to two weapons. Then Mr. Goss's comment was that there is an additional capability. That came from the unloading and probable reprocessing of the rods out of the Yongbyon nuclear plant. So that is why you end up with a new amount of material and new opportunities for weapons manufacture.

I would like to get back to you in approximately 2 weeks with the results of the assessment we have done and that will give you an update on where DIA is in terms of our assessment and projection on the future of the program.

Senator CLINTON. I would appreciate that, Admiral.

[The information referred to follows:]

[Deleted.]

Senator CLINTON. Can you tell us what the unclassified assessment is regarding how far along North Korea's highly enriched uranium program is?

Admiral JACOBY. Senator, I am not sure if there is an unclassified assessment. I believe I need to take that into the closed session.

Senator CLINTON. Would you provide that to us at your earliest convenience?

Admiral JACOBY. Right, and I was going to say, and we will roll that into the overall assessment of the program that is ongoing. It was part of it.

Senator CLINTON. This past weekend the Washington Post and the Wall Street Journal reported that North Korea may be preparing for a nuclear test, and the press has also reported increased activity at North Korean missile sites. Under what conditions does the Intelligence Community believe the North Korean government would conduct a nuclear test?

Admiral JACOBY. Senator, I believe I need to take that for closed session and lay out a set of assessments and options that have been considered.

Senator CLINTON. Obviously, since North Korea has recently stated it does not feel bound by its earlier self-declared missile testing moratorium, that is a matter of grave concern to many of us as to the assessments that we have with respect to their intentions. According to a March 15 Washington Times article, a North Korean foreign ministry spokesman said: "Reality proves that our possession of nuclear weapons guarantees balance of power in the region and acts as a strong deterrent against the outbreak of war and for maintaining peace." He went on to add that: "The North will take necessary countermeasures, including bolstering of its nuclear arsenal, to cope with the extremely hostile attempt of the United States to bring down our system."

Admiral, do you have an opinion as to whether North Korea would be willing under certain circumstances, including a guarantee by the United States not to forcibly attempt to change North Korea's regime, to give up its nuclear programs?

Admiral JACOBY. Senator, our assessment is that the nuclear capabilities and the ambiguity that they have pursued for so many years was a major bargaining chip leverage in their position. Our assessment has been that it is unlikely that they would negotiate away completely that capability or associated ambiguities because of their concerns about a change in world events, regional dynamics, and so forth, that that would be viewed by them as leaving them vulnerable.

Senator CLINTON. Of course, we have not been all that successful preventing their continued attempts to obtain nuclear weapons, have we? We find ourselves now in a position that strikes me as a failed policy with grave consequences for the region and the world.

Let me go on here and ask—the press reported last month that the Intelligence Community recently learned that North Korea may have transferred nuclear-related material to Libya. Admiral, what can you tell us about that in an open forum?

Admiral JACOBY. We will need to go into that in closed, Senator.

Senator CLINTON. Okay. This is an area of grave concern to me and I assume to many others of my colleagues. It is very frustrating. We have been locked into this Six-Party Talk idea now for a number of years and all the while we have seen North Korea going about the business of acquiring nuclear weapons and the missile capacity to deliver those to the shores of the United States.

So Admiral, let me ask you: Do you assess that North Korea has the ability to arm a missile with a nuclear device?

Admiral JACOBY. The assessment is that they have the capability to do that, yes, ma'am.

Senator CLINTON. Do you assess that North Korea has the ability to deploy a two-stage intercontinental missile, nuclear missile, that could successfully hit U.S. territory?

Admiral JACOBY. Yes, the assessment on a two-stage missile would give capability to reach portions of U.S. territory, and the projection on a three-stage missile would be that it would be able to reach most of the continental United States. That still is—that is a theoretical capability in the sense that those missiles have not been tested, but that is part of the community position, yes, ma'am.

Senator CLINTON. So the two-stage you are testifying is already within their operational capacity?

Admiral JACOBY. Assessed to be within their capacity, yes.

Senator CLINTON. That is the west coast of the United States?

Admiral JACOBY. I would need to look at the range arcs. It is certainly Alaska and Hawaii and I believe a portion of the Northwest.

Senator CLINTON. Mr. Chairman, with all due respect—Mr. Ranking Member, with all due respect, it is troubling beyond words that we have testimony like that at this time. There is that old saying, if you are in a hole quit digging, and this administration just keeps getting bigger shovels. It bothers me greatly, and focusing on what we can even talk about in an open forum should give pause, not only to Congress, but I hope to the administration.

Thank you.

Senator LEVIN [presiding]. Thank you, Senator Clinton.

The chairman has authorized me to bring the hearing to a close. I want to, though, associate myself with your concerns about North Korea, the direction in which they are moving, and the failure of our policies to deter that movement. I would just add one additional thought to the points that you have made, and that is that our allies, the South Koreans, would like us to engage in talks directly with the North Koreans. We will not do it despite their desire that we do so. It seems to me it is extraordinary that when your allies in the region want you to engage both in the multilateral and the bilateral talks—and there is no consistency between them—that we continue to refuse to engage in the bilateral talks.

Thank you, and we will now stand in recess. We will go to S–407 of the Capitol. Thank you both for your testimony, and the record will stay open for the usual 48 hours for additional questions.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

SPECIFIC INTERROGATION PLANS

1. Senator LEVIN. Secretary Cambone, the Church Report discusses two specific interrogation plans approved by the Secretary of Defense for two "high-value" detainees at Guantanamo. One of these was for Mohamed al Kahtani in November and December 2002. The military's interrogation plan for Kahtani employed the interrogation techniques which Secretary Rumsfeld approved in his December 2, 2002, policy. The Defense Department's Criminal Investigative Task Force (CITF) was so disturbed by the military's interrogation plan for Kahtani that CITF decided to "disassociate itself" from the interrogation and its methods. From Vice Admiral Church's answers to questions for the record, we now know that an e-mail from a Federal Bureau of Investigation (FBI) agent in Guantanamo back to Washington described the Defense Department's interrogation methods as "coercive" and reacted

to the Kahtani interrogation plan by saying, "You won't believe it!" Vice Admiral Church also notes that both of these interrogations were "sufficiently aggressive" to raise questions about "precisely defining the boundaries of humane treatment. . . ." When did you become aware of the CITF's concerns regarding the specific interrogation for Kahtani and the use of more aggressive interrogation techniques at Guantanamo?

Dr. CAMBONE. I became aware of the Secretary's approval of enhanced interrogation tactics for Kahtani sometime after they were approved on 2 December 2002. I was not in the approval chain for this or any special interrogation plans at Guantanamo. In December 2002, I was still the Director of Program Analysis and Evaluation (PA&E). In fact, I did not become the USD(I) until 11 March 2003.

2. Senator LEVIN. Secretary Cambone, when did you become aware of FBI agents' concerns about the interrogation plan for Kahtani and the use of more aggressive interrogation techniques at Guantanamo?

Dr. CAMBONE. I became aware of the FBI's concerns about the interrogation plan for Mohamed al Kahtani after the American Civil Liberties Union published the Freedom of Information Act-released FBI documents in December 2004.

I was not in the approval chain for special interrogation plans at Guantanamo and was not briefed on the interrogation plans for specific detainees. I was never briefed on the FBI's concerns about the plan. I did not become the USD(I) until 11 March 2003. Prior to this I was the Director of PA&E.

INTERROGATION POLICY FOR AFGHANISTAN

3. Senator LEVIN. Secretary Cambone, the Church Report describes how the Deputy Commander of the Central Command in a letter dated April 11, 2003, requested that the Office of the Secretary of Defense approve a list of aggressive interrogation techniques prepared by the Combined Joint Task Force in Afghanistan for use at the Bagram detention facility. The Chairman of the Joint Chiefs of Staff then determined that this U.S. Central Command (CENTCOM) request for approval of the more aggressive techniques in use in Afghanistan was "inconsistent" with the revised interrogation policy that Secretary Rumsfeld approved for Guantanamo on April 16, 2003. On May 15, 2003, Chairman Myers sent up a memo recommending that the same interrogation guidelines be issued to CENTCOM as had been approved for Guantanamo. Vice Admiral Church testified before this committee that he was not aware of any response by the Office of the Secretary of Defense to the chairman's recommendation. This is important because the more aggressive interrogation techniques that continued to be used in Afghanistan migrated to Iraq and were a contributing factor in the abuses at Abu Ghraib prison and elsewhere. When did you become aware that the Chairman of the Joint Chiefs of Staff had recommended in May 2003 that the Office of the Secretary of Defense approve the same interrogation policy for Afghanistan as had been approved for Guantanamo the month before?

Dr. CAMBONE. The recommendation that the Secretary of Defense approve the same policy for Afghanistan as in Guantanamo never came through me or my organization. My office, OUSD(I), did not play any role in developing DOD interrogation policy in either Afghanistan or Iraq. CENTCOM interrogation policies, including specific interrogation techniques, were developed and approved in theater without any OUSD(I) involvement. I did not know what specific interrogation techniques were being used in the CENTCOM theater.

The interrogation techniques in place in Iraq did not contribute to the abuses at Abu Ghraib, as your question implies. The Church review "found, without exception, that the DOD officials and senior military commanders responsible for the formulation of interrogation policy evidenced the intent to treat detainees humanely, which is fundamentally inconsistent with the notion that such officials or commanders ever accepted that detainee abuse would be permissible. . . [I]t is clear that none of the pictured abuses at Abu Ghraib bear any resemblance to approved policies at any level, in any theater." (VADM A.T. Church, III, USN, "Review of Department of Defense Detention Operations and Detainee Interrogation Techniques," March 7, 2005, p. 3.)

4. Senator LEVIN. Admiral Jacoby, were you aware in May 2003 of the chairman's recommendation to issue an interrogation policy for Afghanistan consistent with that approved for Guantanamo?

Admiral JACOBY. No.

5. Senator LEVIN. Secretary Cambone, do you know why the Office of the Secretary of Defense apparently failed to act or respond to the chairman's recommendation? Did your office advise against this recommendation?

Dr. CAMBONE. My office did not play any role in developing DOD policy on interrogation in Afghanistan and was not aware of recommendations to modify theater interrogation policies. I did not provide recommendations on CENTCOM interrogation guidelines to either Secretary Rumsfeld or Deputy Secretary Wolfowitz.

SPECIAL ACTIVITIES

6. Senator LEVIN. Secretary Cambone, I discussed "special activities" with you during the hearing. Executive Order 12333, as amended, defines "special activities" as activities conducted in support of national foreign policy objectives abroad which are planned and executed so that the role of the U.S. Government is not apparent or acknowledged publicly, and functions in support of such activities, but which are not intended to influence United States political processes, or media, and do not include diplomatic activities or the collection and production of intelligence or related support functions. That definition of "special activities" differs from the title 50, United States Code, definition of "covert action" in that covert actions are meant to "influence political, economic, or military conditions abroad" whereas special activities are merely meant to "support national foreign policy objectives abroad." Both special activities and covert action are conducted so that the role of the U.S. Government will not be apparent or acknowledged publicly. Does DOD conduct activities abroad which are planned and executed so that the role of the U.S. Government is not apparent or acknowledged publicly?

Dr. CAMBONE. The Department of Defense routinely and traditionally conducts clandestine military operations abroad that may conceal the identities, activities, or intentions of military forces. These range from the use of tactical stealth (camouflage and concealment) to mask the actions of combat forces to the use of covered identities to enable DOD personnel to clandestinely acquire intelligence and prepare for potential military operations.

Executive Order 12333 was written after, and derived from, the authorities provided to the Secretary of Defense by law, including the National Security Act of 1947, as amended. The term "Special Activities" was clearly intended to be, and in routine practice through successive administrations has been treated as, synonymous with the term "covert action" as defined in the National Security Act. Therefore, the definition of covert action as contained in that act applies to both the term "covert action" and "special activity". It is important to note that in this statutory definition, activities intended primarily to gather intelligence and traditional military activities are specifically excluded.

While the Department has the capability to perform special activities/covert actions, it may not and does not conduct these activities in the absence of a Presidential Finding and the appropriate reporting to the relevant committees of Congress.

7. Senator LEVIN. Secretary Cambone, isn't it true, then, that DOD conducts special activities?

Dr. CAMBONE. No. None of DOD's operational activities meet the statutory definition of covert action, and are, therefore, not special activities.

INTELLIGENCE OPERATIONS VERSUS MILITARY OPERATIONS

8. Senator LEVIN. Secretary Cambone, there have been several news articles regarding special operations missions that appear to be intelligence operations rather than military operations, raising concern within the Central Intelligence Agency and the State Department. Can you assure us, first, that special operators are not conducting covert operations under title 10 authority?

Dr. CAMBONE. None of the activities being conducted by Special Operations Forces constitute covert action being conducted under the Department's title 10 authorities. There is no inherent conflict between the concept of military operations and activities used to gather military intelligence. It is necessary and appropriate that our military commanders utilize the capabilities organic to the Department to gather the intelligence necessary to ensure the success of authorized military operations.

9. Senator LEVIN. Secretary Cambone, can you assure us that in the event that special operators are conducting clandestine operations—as they did for example in the early phases of the war in Afghanistan and Iraq—that they would be acknowl-

edged by the U.S. Government as military personnel in the event that they were captured?

Dr. CAMBONE. The acknowledgement of the true identity or military affiliation of DOD personnel operating under cover or by other clandestine means results from a decision process executed within the statutory chain of command. The Department's and its Armed Forces' ethos and culture always seeks to ensure that no servicemember in captivity or under duress would ever be abandoned, but in some cases to prematurely acknowledge his/her true identity or affiliation would be the most harmful course of action we could undertake; to the servicemember's welfare, the servicemember's family, and to the outcome of the authorized military mission. When such operations are conducted, military forces routinely prepare a broad array of contingency plans for the express purpose of supporting and extricating a servicemember in captivity or under duress without compromising his true identity/affiliation or the mission. The chain of command would weigh a variety of considerations before deciding to acknowledge identity/affiliation, such as the strength of the servicemember's cover, the possibility of third-party or surrogate assistance in extricating that servicemember without revealing identity/affiliation, and the probability of success for pre-planned contingency operations to rescue or otherwise recover the servicemember.

10. Senator LEVIN. Secretary Cambone, can you assure this committee that you will work with us to establish some process for notifying the committee or its leadership regarding any special operations that may be considered sensitive from a diplomatic and national security perspective?

Dr. CAMBONE. We will continue to ensure that the Department meets its statutory obligation to keep the committee and Congress fully informed so that it may perform its oversight responsibilities. My goal is to improve the nature of and the processes by which we provide information to this committee and Congress on DOD activities, especially for sensitive operations.

11. Senator LEVIN. Secretary Cambone, at last week's Emerging Threats and Capabilities Subcommittee hearing, Senator Cornyn asked Tom O'Connell, Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, and General Brown, Commander of Special Operations Forces, about Operational Preparation of the Environment (OPE). Secretary O'Connell indicated that this activity derived from regional surveys and was aimed at increasing military cooperation. General Brown said, "it's about speed. It's about how fast you can move into an area and perform whatever tasks you've been given." Please explain what this mission is and whether it is a military mission or an intelligence mission.

Dr. CAMBONE. OPE, in respect to the battlefield, is a military mission. As with all military operations, OPE activities are authorized by the President, directed by the Secretary of Defense (SECDEF), and executed by combatant commanders. OPE consists of a broad range of authorized military activities to prepare for and support potential military operations and requirements across the spectrum of conflict, including the war on terrorism. OPE includes such activities as conducting interagency coordination at the country team level (Ambassador, Station Chief, Defense Attache, etc.), identifying and surveying potential operational infrastructure (landing zones, beach landing sites, storage facilities, assembly areas), and gathering information of military intelligence value. Also, these OPE activities can directly support other country team requirements and contingency planning in the event DOD capabilities are called upon to support the country team (e.g. support to noncombatant evacuation operations, humanitarian relief operations, etc.).

12. Senator LEVIN. Secretary Cambone, do you believe that OPE activities might be potentially sensitive?

Dr. CAMBONE. All military operations are potentially sensitive in the perception of various groups, across the spectrum of society (at home and abroad). Regardless, the activities encompassed by the term OPE are all part of a Presidential-authorized, SECDEF-directed set of military operations and activities intended to prepare for potential military operations and requirements. They are executed by properly trained personnel, and are closely coordinated with all relevant agencies of the United States Government and specifically with the Ambassador and Station Chief of the countries affected.

13. Senator LEVIN. Secretary Cambone, are you coordinating such activities with the State Department and CIA?

Dr. CAMBONE. Yes, all DOD OPE activities are closely coordinated with the State Department and the CIA.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

DIRECTOR OF NATIONAL INTELLIGENCE AND INTELLIGENCE SHARING

14. Senator AKAKA. Secretary Cambone and Admiral Jacoby, recent findings made public by the National Counterterrorism Center (NCTC), and reported in the media, report that the number of serious international terrorist incidents more than tripled last year. These reports define "significant" terrorist attacks as those that cause civilian casualties or fatalities or substantial damage to property, but do not include attacks on uniformed personnel. While this is largely a State Department "metric," the defense intelligence community plays a large part in providing intelligence information across agencies. What does the Department of Defense plan to do to ensure a seamless transition to being able to provide necessary intelligence information to the new Office of the Director of National Intelligence in order to make sure all intelligence be made available in order to reduce this trend?

Dr. CAMBONE and Admiral JACOBY. We consider the NCTC to be the "national clearing house" for all terrorist related intelligence collected and produced by the Defense Intelligence Agency. Since the creation of its forerunner and principal analytic nucleus, the Terrorist Threat Integration Center, in 2002, we have made all of our counterterrorism capabilities and expertise available to the NCTC through embedding DIA personnel in the Center and making our databases, collection reports, and intelligence products available online.

15. Senator AKAKA. Secretary Cambone and Admiral Jacoby, at a news conference on Tuesday, General Richard Myers stated that the insurgency in Iraq is "about where it was a year ago," but that American and Iraqi troops are gaining ground. He also indicated that the attacks are not at as high a level as they were in January and that Iraqis are more willing to come forward with intelligence about the insurgents, with Iraqi security forces taking on more responsibility. If the Iraqi people are providing more intelligence regarding the insurgents, the Iraqi security forces being trained are more responsible, and the insurgency remains where it was 1 and 2 years ago, what are we doing with the intelligence we are receiving and why are we not able to reduce the number of insurgents attacks?

Dr. CAMBONE and Admiral JACOBY. Human intelligence reporting from Iraqi citizens is being collected and acted on by coalition and Iraqi security forces predominately at the tactical level. Improving security with an Iraqi lead is a key component, but not the only component that will lead to success. As I stated in my testimony at this year's annual global threat hearings, the other key components are rebuilding Iraqi civil infrastructure and the economy and creating a political process that all ethnic groups see as legitimate.

16. Senator AKAKA. Secretary Cambone, it was reported in late March that the Department has proposed a program to remodel the defense intelligence capabilities. The current intelligence system is well-suited for Cold War intelligence, but not well-suited to determining the objectives, methods, and operations of al Qaeda and the like. The report indicated that the remodeling is intended to eliminate barriers for the free flow of intelligence within the Department. It was reported that as a result of this remodeling, the DOD hopes to make changes necessary to ensure the flow of shared information between DOD counterintelligence and security functions on one hand and intelligence functions on the other hand. While the remodeling is intended to entail only intelligence functions within the DOD, wouldn't it be more productive if the remodeling was done in conjunction with the establishment of the Office of the Director of National Intelligence? Would it not be more productive for all if in addition to ensuring that intelligence information flows between organizations within the Department that use the intelligence information, the shortfalls of sharing information within the entire intelligence community be identified? Is that not the reason for establishing a Director of National Intelligence to begin with?

Dr. CAMBONE. Prior to the Intelligence Reform and Terrorism Prevention Act of 2004, the Department of Defense initiated a proposal for remodeling defense intelligence (RDI) to adapt and transform the intelligence capabilities of the Department to meet the needs of our warfighters and the new challenges we face in a 21st century international security environment. As early as April 2004, the Department met with and briefed the Director of Central Intelligence on this proposal. Since then, the Office of the Under Secretary of Intelligence has met with senior Community Management Staff leaders on approximately 10 occasions to review RDI. Since RDI is an ongoing effort, and it is in the earliest stages of implementation the Department will continue this constructive partnership with the Office of the DNI. The Department wants to be certain that any internal remodeling efforts are helpful to

the DNI. As stated before, there is no meaningful result to remodeling intelligence within the Department if it is not complementary to and in support of the larger intelligence enterprise the DNI leads. Furthermore, to the extent that RDI initiatives touch on either programs or activities for which the DNI is responsible, having his affirmative support is essential. In the end, strengthening DOD intelligence is every bit as much about strengthening the national Intelligence Community as it is about strengthening DOD.

EVALUATING FUTURE THREATS

17. Senator AKAKA. Admiral Jacoby, I have been concerned that since September 11 DOD has become so focused on the immediate threat that it is not doing enough to prepare for future threats. For instance, recent reports that DARPA is reorienting its research to immediate problems and neglecting long-term R&D is an example of this. What is the DIA's organizational approach to evaluating future threats and the numbers of personnel and budget allocated to this within your agency?

Admiral JACOBY. [Deleted.]

INTELLIGENCE TRAINING

18. Senator AKAKA. Secretary Cambone, there have been a number of reports indicating that our intelligence analysts are stretched thin despite major recruitment efforts. While we have been able to increase the number of intelligence specialists, I am concerned that these new recruits may not be receiving all necessary training they need. Could you please describe the intelligence training procedures required for new analysts?

Dr. CAMBONE. Both civilian and military intelligence specialists receive training prior to their assignment as defense intelligence analysts. The military services send their intelligence personnel to specialized schools and training centers before certifying them as intelligence specialists or officers. Additional classroom training is offered in sub-specialties at these same schools. The combatant commands have also established training facilities to meet the special needs of their geographic and functional areas.

Civilian intelligence specialists are given broad, national-level training to educate analysts on the wider Intelligence Community, Department of Defense, military, general intelligence collection disciplines, management systems and IT tools. This is in addition to traditional instruction in analytic trade craft. Additional classroom training is provided specific to their geographic or functional area of interest.

In addition to classroom opportunities, online and on-demand intelligence training is available to all civilian and military professionals through the Joint Intelligence Virtual University (JIVU), available on Department of Defense and Intelligence Community special compartmented intelligence and secret communication systems. Presently, over 200 courses are available to intelligence personnel whether they are in their State-side offices or deployed across the globe. We estimate JIVU course completions will grow from 16,000 in fiscal year 2004 to over 25,000 by the end of fiscal year 2005.

[Whereupon, at 11:13 a.m., the committee adjourned.]

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